

AVCJ Weekly Digest



03 May 2023



COVER STORY

CHINA: WHO'S INVESTING?

PE investment in China remains in doldrums yet local investors claim to see green shoots. Where, when, and how they engage with the market is likely to differ from previous cycles.

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PORTFOLIO

SINGAPORE'S AIG



Advance Intelligence Group has developed a relatively narrow enterprise fintech business into one of the region's leading digital lending operations with the help of several investors.

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FUND FOCUS

ADVANTAGE MOVES FAST, SCALES UP

Japan's Advantage Partners deployed Fund VI faster than expected and only some LPs wanting to delay commitments for budgetary reasons prevented a swift final close on Fund VII.

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GLOBIS DOUBLES DOWN ON JAPAN VC THESIS



Having raised nearly twice as much for Fund VII as it did for Fund VI, Globis Capital Partners plans to back more portfolio companies through growth-stage rounds and help them realise global ambitions.

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By the Numbers

AVCJ RESEARCH

THE SOUTH-SOUTHEAST ANGLE

The notion of Southeast Asia and India combined is gaining traction as a select group of GPs and an increasing number of portfolio companies target both markets. In 2015, USD 24.2bn was invested across Southeast Asia and India, according to AVCJ Research. Last year, it was USD 57.8bn, just USD 6.6bn less than the China total.

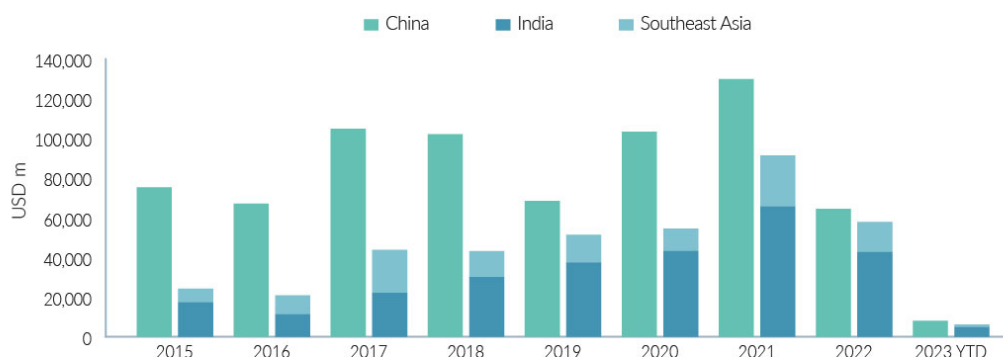
Speakers at the [AVCJ Southeast Asia Forum](#) examined how the South-Southeast Asia opportunity has evolved in terms of the general maturation of the ecosystem. This – in addition to greater competition and in spite of the funding winter for companies – has put some onus on GPs to up their game.

“Companies now are not as dependent on the financiers in the way they were previously. In this new interest rate regime, it’s forced a lot of GPs to spend time around analytics, customer introductions, and governance help,” said Rajeev Natarajan, head of Asia Pacific, at Iconiq Capital.

Amit Varma, co-founder of healthcare-focused Quadria Capital, noted that the India is characterised by fierce competition for assets whereas in Southeast Asia it is a skills shortage. The point on skills was echoed by Sandeep Naik, head of India and Southeast Asia at General Atlantic, who added that one characteristic the markets have in common is an unprecedented build up of capital in recent years.

“A lot of tourist capital entered and that has messed up the dynamics of the industry with unlimited capital available, no focus on cost, and zero discipline on profitability,” said Naik. “That still needs to get washed away. It’s hard work working with entrepreneurs to stay the course and truly build sustainable profitable companies.”

PE investment: China vs India/SE Asia



Source: AVCJ Research

All of the trends featured here were sourced from AVCJ's proprietary database, AVCJ Research, featuring comprehensive information on private equity deals, fundraises and exits.

The rest of the week

FUNDS

- [China's DCL raises \\$578m for renminbi fund](#)
- [Japan's Marunouchi launches \\$1bn climate tech fund](#)
- [Capria hits first close on emerging markets fund](#)

DEALS

- [BPEA EQT, Nord Anglia buy sports education brand](#)
- [Khazanah commits \\$40m to India's Xpressbees](#)
- [Quadria acquires Malaysia's Straits Orthopaedics](#)
- [KKR invests \\$250m in India's Serentica Renewables](#)
- [Australia's PE-backed Best & Less receives take-private offer](#)
- [Eight Roads leads \\$38m round for China biotech player Adcentrx](#)
- [Japan e-scooter maker raises \\$33.7m](#)

OTHER

- [VCs positive on SE Asia's fundamentals, strategic positioning - AVCJ Forum](#)
- [India's 3one4 adds partner](#)
- [Valuation stalemates stall SE Asia exits – M&A Forum](#)

For your calendar

UPCOMING EVENTS

- **27-28 June 2023** - [AVCJ Japan Forum](#)
- **29 June 2023** - [Mergermarket M&A Forum - Japan](#)
- **5-6 September 2023** - [AVCJ China Forum](#)
- **13 November 2023** - [AVCJ Diversity & Inclusion Forum](#)
- **13 November 2023** - [AVCJ ESG Forum](#)
- **14-16 November 2023** - [36th AVCJ Private Equity & Venture Forum](#)
- **6 December 2023** - [Mergermarket M&A Forum - Hong Kong](#)



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