AVCJ Weekly Digest
by Mergermarket

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COVER STORY

MONEY TRAIN: RAISING CAPITAL OUT OF ASIA

US and European GPs on the fundraising trail are looking to target Asian LPs they previously overlooked. It requires patience and persistence.

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LP INTERVIEW

AUSTRALIA'S QIC

As QIC's PE programme tilts toward earlier stages, legacy assets have counterbalanced macro turbulence in tech. More direct investment is desired, but funds are still of interest, especially in Europe.
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DEAL FOCUS

AFFIRMA GENERATES 8X RETURN WITH INDIA'S TBO

Affirma Capital makes good on a partial exit from Indian travel agent software provider TBO.com as General Atlantic comes in to help rekindle plans for a domestic IPO.
Read more

DEAL FOCUS

ALGAE-BASED BIO-PLASTICS COME TO ASIA

US-based Algenesis has figured out how to make plastic from algae. Singapore’s Circulate Capital is helping the company bring the technology to Asian manufacturers.
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By the Numbers

AVCJ RESEARCH

HOPE SPRINGS

Mainland China – notably the Star Market and Chinext – remains the dominant force in Asia private equity-backed IPOs, accounting for nearly two-thirds of the offerings and close to 90% of the aggregate proceeds for 2023 to date. Of the year's 50 largest IPOs involving companies with financial sponsors in the cap table, 45 took place on mainland exchanges, according to AVCJ Research.

Yet the other five are worth noting. Hesai Group was the largest of the Chinese companies that listed on NASDAQ earlier in the year, when there were hopes of revival in the China-to-US channel. It remains to be seen if those hopes will be realised.

Mankind Pharma, a drugmaker that counts ChrysCapital Partners and Capital International among its investors, raised USD 519m in May. The largest PE-backed IPO in about a year, it is credited with helping revitalise the domestic market. A trickle of other offerings has followed, including TPG's RR Kabel, another of the other five.

The remaining two have both gone public in the past week. J&T Global Express, an express delivery business launched in Indonesia by a Chinese entrepreneur, raised USD 499m. This facilitated liquidity events for the likes of Boyu Capital, Hillhouse Investment, Hidden Hill Capital, Sequoia Capital, and Temasek Holdings.

But pride of place goes to Kokusai Electric, a KKR-owned semiconductor industry supplier. Its USD 720m IPO is Japan's largest in five years. It represents a sizeable windfall for KKR, which bought Hitachi Kokusai Electric for USD 2.9bn in 2017 through a tender offer and split the business in two, taking full control of the thin films division – now called Kokusai Electric – and sharing the rest with its co-investors.

KKR sold its interest in the other assets to one of those co-investors, made a partial exit from Kokusai Electric by selling a minority stake to Qatar Holding in June, and then took all the proceeds from the IPO, which valued the company at USD 3.6bn.

Largest Asia ex-mainland China PE-backed IPOs, 2023 YTD

Date	Issuer	Geography	Exchange	Proceeds (USD m)
Oct	Kokusai Electric Corp	Japan	Tokyo Stock Exchange	723
May	Mankind Pharma	India	BSE/NSE	519
Oct	J&T Global Express	Indonesia	Hong Kong Stock Exchange	499
Sep	RR Kabel	India	BSE/NSE	236
Feb	Hesai Group	China	NASDAQ	190
Jul	Sichuan Kelun-Biotech Biopharmaceutical	China	Hong Kong Stock Exchange	174
Sep	Tuhu Car	China	Hong Kong Stock Exchange	152
Aug	Fadu	South Korea	KOSDAQ	148
Aug	Concord Biotech	India	BSE/NSE	136

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.

Read more on AVCJ Research

The rest of the week

FUNDS

- OrbiMed raises $4.3b for global, Asia funds
- Korea Investment Partners raises $60m SE Asia fund
- Flourish Ventures secures $350m in new funding
- SparkLabs launches Korea deep tech fund
- Schroders, Thailand's KBank launch renminbi PE fund
- Mandiri, Investible launch climate tech fund

DEALS

- CVC buys majority stake in Philippines hospital business
- PE-backed Fincare Bank to merge with listed Indian lender
- KKR commits $400m to Malaysia's OMS Group
- Stellantis buys 20% stake in VC-backed Chinese EV maker
- Lightspeed leads $50m round for Singapore's YouTrip
- Saudi fund invests $100m in China's Pony.ai
- Husk Power raises $43m for Asia, Africa mini-grid strategy
- Hidden Hill leads $137m round for China's CS Smart
- Aramaco backs Singapore clean energy certificates player
- Navegar leads Series C for Singapore's Inteluck
- Indian contract manufacturer Aequs raises $54m

OTHER

- Pantheon opens Singapore office
- Partners Group strengthens Japan private wealth coverage

For your calendar

UPCOMING EVENTS

- **13-16 November 2023** - 36th AVCJ Private Equity & Venture Forum
- **6 December 2023** - Mergermarket M&A Forum - Hong Kong

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