



06 September 2023



COVER STORY

INDONESIA VENTURE: INSTITUTIONAL UPGRADE?

Having won early support from as local conglomerates, Indonesian VC firms must now show their independence when pitching international LPs.

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GP PROFILE

QUONA CAPITAL



Financial innovation-focused Quona Capital operates across global developing markets with a compact team and a strict returns-focused impact agenda. Asia dominates the growth narrative.

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FUND FOCUS

3ONE4'S GOVERNANCE GAMBIT

India's 3one4 Capital credits a strong governance policy for rising institutional participation in its latest VC fund. Maintaining a global-local balance in the LP base is becoming crucial.

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PATIENCE PAYS OFF FOR TRUSTAR ON MORITEX



Trustar Capital's 20x return on Japanese precision manufacturing business Moritex was driven by greater geographic diversification in production and distribution and a shakeup of the product portfolio.

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By the Numbers

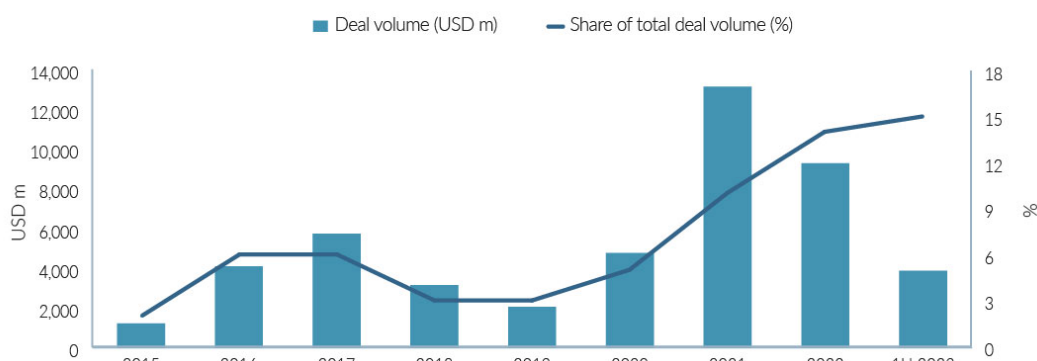
AVCJ RESEARCH

CHINA IN SIX TRENDS

To mark the AVCJ Private Equity & Venture Forum China 2023, which has been taking place this week (for more, see the [China special issue](#))...

1. The best fundraising strategy for China GPs appears to be delaying a return to market as long as possible. In addition to global challenges, China is plagued by a string of local ones as well: a retreat from emerging markets, US investors hindered by geopolitical tensions, a recent history of regulatory volatility, and a longer history of valuation mark-ups not crystallizing into distributions.
2. Investment in technology across all stages fell by 60% last year, but deployment was still more than the next two largest sectors combined (healthcare and transportation and distribution). This is unlikely to be repeated in 2023. Technology currently leads healthcare with USD 7.1bn to USD 4.5bn.
3. Interest in green-tech has surged as investors target sectors expected to benefit from policy tailwinds in China. Investment has fallen from the 2021 peak of USD 13.1bn – to USD 9.3bn in 2022 and USD 3.8bn year-to-date. But the green-tech share of deal volume over these three years has risen from 10% to 14.2% to 15.3%.
4. China's white-hot semiconductor industry appears to have cooled in the eyes of PE and VC investors. Early and growth-stage deal flow more than doubled to USD 11.2bn in 2022, buoyed by the import substitution theme. Yet deployment for 2023 to date is USD 2.2bn amid talk of valuation corrections for previously high-flying chip designers.
5. Two deals – Fortune COFCO and Shein – account for one-fifth of the USD 25.3bn invested in China so far this year. Fortune COFCO, which received CNY 21bn (USD 3.1bn) from various state-linked investors is more reflective of the market. Nine of the country's top 12 deals were completed by renminbi-denominated pools of capital.
6. China is poised for one its worst years on record for exits. Proceeds amount to less than USD 1bn – compared to 12-month totals of USD 5.3bn in 2022 (a 14-year low). The picture for PE-backed IPOs isn't so bleak, with proceeds of USD 24.4bn from 111 offerings in the first eight months. The caveat is that you need to list domestically.

PE investment in China green-tech



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

- [Japan Industrial Partners sets \\$2bn hard cap for Fund VI](#)
- [China's TH Capital hits first close on debut US dollar fund](#)
- [Australia's Anacacia targets up to \\$290m for Fund IV](#)

DEALS

- [Carlyle pursues \\$221m Japan chemicals take-private](#)
- [China EV maker Hozon raises \\$961m in crossover funding](#)
- [PEP to buy Australia's Healthia for \\$168m](#)
- [Endeavour exits Japan automotive components maker](#)
- [China carpooling player Dida revives Hong Kong IPO bid](#)
- [Templewater buys Singapore precision engineering player](#)
- [China telecom towers business gets \\$150m from sovereign investor](#)
- [Longreach buys Japanese assisted stretching business](#)
- [GPs make partial exits from India's Five Star Business Finance](#)
- [Integral backs Japan software player TCS](#)
- [Qiming, Orbimed lead Series A for China's Epigenic](#)
- [Japanese autonomous trucking start-up raises \\$24m](#)

For your calendar

UPCOMING EVENTS

- **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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Get in touch

help@avcj.com

25th Floor, The Center
99 Queen's Road Central; Hong Kong SAR

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