



28 September 2022



COVER STORY

**INDIA MASS MARKET:
BHARAT DREAMS**

A labyrinth of logistical, cultural, competition, and business modelling challenges is curbing PE appetite for India's quickly modernising proletariat.

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LP INTERVIEW

PARTNERS CAPITAL

Nearly a decade after establishing a foothold in Asia, Partners Capital has acquired a string of local clients and devised a distinct, middle market-oriented approach to deploying capital in the region.

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FUND FOCUS

TOWER GOES LARGE WITH DEBUT FUND

Tower Capital Asia is repositioning itself as a large, globally connected PE firm as it transitions from deal-by-deal investing to a fund structure. Deep roots in Singapore remain the nucleus of the strategy.

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DEAL FOCUS

INTEGRATION PAYS OFF FOR EVOMOTION

With investors going cold on China artificial intelligence, Evomotion has remained popular and profitable by delivering hardware and software to corners of the market that are either overlooked or hard to access.

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By the Numbers

AVCJ RESEARCH

SCARCITY OF CONTROL

Take-privates dominate China buyouts, even though often they don't constitute a change in control - the founder, chairman, and majority shareholder in the target company. These deals account for half of the 10 largest buyouts announced in the country to date, including six of the top eight, according to AVCJ Research.

Advent International's recent acquisition of a majority interest in local Western-style restaurant chain [Wagas Group](#) - at a reported valuation of around USD 1bn - is evidence of large-cap opportunities outside of the take-private space.

However, they are still relatively limited in number and concentrated around several key themes, such as divestments by foreign corporates (Reckitt Benckiser, McDonald's, Zhaopin, Rokin Logistics, Nanfu Battery, EF Kids & Teens) and sales by founders or families that do not necessarily originate from the mainland (HCP Packaging, ShyaHsin Packaging, Wagas).

Moreover, this limited supply is underscored by how assets move from one financial sponsor to another. HCP is under its third successive private equity owner, while one of Advent's earlier big bets - King Koil - was acquired from Trustar Capital and sold to Hillhouse Capital.

Largest China PE buyouts - excluding take-privates and restructurings

Date	US\$m	Investee	Investor
Jun-21	2,200	Reckitt Benckiser China - infant formula business	Primavera Capital Group
Jan-17	2,080	McDonald's - China and Hong Kong business	The Carlyle Group, Trustar Capital
May-17	1,684	Changsha Zoomlion Environmental Industry	Guangzhou Yuemin Investment; Hony Capital; Infore Investments; Junhe Capital
May-22	1,500	HCP Holding	The Carlyle Group
Feb-21	1,325	Zhaopin	Primavera Capital Group
Aug-21	895	Beijing Zhendong Langdi Pharmaceutical	FountainVest Partners
Nov-17	800	ShyaHsin Packaging	The Blackstone Group
Dec-15	775	HCP Holding	Baring Private Equity Asia
Feb-21	664	Rokin Logistics	FountainVest Partners
Aug-19	654	NVC China	KKR
Jun-18	651	Shanghai Baosteel Gases	PAG
Oct-14	600	Fujian Nanping Nanfu Battery	CDH Investments

Other recent buyouts with reported valuations of US\$1b or more

Date	US\$m	Investee	Investor
Jul-20		EF Kids & Teens	Permira
May-21		Suzhou Quanyi Health Pharmacy	KKR
Aug-21		King Koil	Hillhouse Capital
Sep-22		Wagas	Advent International

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

LPs

- [HarbourVest opens Australia office](#)

FUNDS

- [C Ventures rebrands, hits first close on new fund](#)
- [Gobi raises \\$10m for Asia seed fund](#)
- [Japan's Nomura launches blockchain VC unit](#)

DEALS

- [KKR leads \\$450m investment in India's Hero Future Energies](#)
- [Thailand's Line Man Wongnai raises \\$265m](#)
- [India insurance start-up Zopper raises \\$75m](#)
- [KKR walks away from bumper Australia healthcare take-private](#)
- [Japan flying car player SkyDrive gets \\$67m Series C](#)
- [China semiconductor player Shangda raises \\$99m](#)
- [Polaris exits Japan LCD panel business](#)
- [Gaorong backs China energy storage company](#)
- [Korea autonomous driving player gets \\$25m](#)
- [Fundamentum leads round for India's Kuku FM](#)

For your calendar

UPCOMING EVENTS

- **13 October 2022** - [Debtwire Forum - Asia Pacific](#)
- **14 November 2022** - [AVCJ ESG Forum](#)
- **14 November 2022** - [Diversity & Inclusion Forum](#)
- **15-17 November 2022** - [AVCJ Private Equity & Venture Forum](#)
- **6 December 2022** - [Mergermarket M&A Forum - Hong Kong](#)



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subs@avcj.com

69th Floor, The Center
99 Queen's Road Central, Hong Kong SAR

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