

SVCA Quarterly

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7



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A new chapter for SVCA

Succession has been a major theme in Singapore so far this year, from Deputy Prime Minister Heng Swee Keat stepping aside as the leader of the 4G team to Ho Ching stepping down as Temasek CEO from October. Leadership transitions tend to be greeted with apprehension as they bring change, and some degree of uncertainty. If the pandemic has taught us anything, it is that change is inevitable, and resilience will see us through.

At SVCA, we too shall be ushering in a new board leadership as Dr. Thomas Lanyi and Gary Ng have decided to pass the baton to a new Chairman and Vice-Chairman. Both have served two terms on the Board as chair and vice-chair and will be missed for their tireless efforts to grow SVCA as an organisation and to boost the membership during their terms.

On behalf of the Secretariat, I wish to thank the outgoing board members for their time, patience and input over the years. On a highly personal note, I wish to thank Thomas and Gary for bringing me into SVCA to build content and to run the upcoming Conference we have had to postpone from 2020. The pandemic did not bode well for SVCA to bring our members together, but we took the opportunity to get to know some of you better through interviews for this quarterly, as well as through One-on-One web interviews, an initiative Thomas pushed for.

After April 27 elections, we shall usher in a new board to be led by a new Chairman and Vice-Chairman who members can expect to take SVCA into a new chapter. Being an industry association, we take guidance from member initiatives and industry trends to build our agenda, content and advocacy. We are investing in a new era – where Sustainability, Diversity & Inclusion and remote work are but a few themes that will take centre-stage.

Temasek has since the start of the year announced two strategic partnerships to invest in net-zero economy and impact investments. The sovereign wealth group is setting new precedents in its Sustainability mission, which will lead the way for more to follow even as global funds like KKR and EQT continue to raise record amounts of capital.

And size does matter. TPG acquiring a majority stake in Asian secondaries specialist NewQuest Capital Partners shows how being part of a mega-fund group brings efficiency on the back-office, allowing a manager to further expand on a niche investment strategy globally.

Our VC members are fast learning how to catch the rising tide as they expand their fund strategies to launch new follow-on later stage funds that pave the way for lucrative exits from early-stage funds. Seed funds are poised for an exciting takeoff as VCs and angels cash out of Southeast Asian startups that have grown to become unicorns. Not a day passes without Grab or Gojek making the headline – we live in an exuberant time.

Let's invest responsibly,
Sharon Lim
Director of Content
SVCA

Content

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Reflecting on Milestones at SVCA

On April 27, SVCA will be holding our AGM in an election year, which will also usher in new leadership. Dr. Thomas Lanyi and Gary Ng have served at least two terms as Chairman and Vice-Chairman respectively. Together with the rest of the Board, they have been relentless in driving efforts to build the SVCA into a leading regional Venture Capital and Private Equity association.

"We will be passing the baton after a standard two terms, honoured to have had the privilege and proud of any positive impact the team may have had under our stewardship," Thomas told his fellow board members at his final board meeting as Chairman in April.

Propelled by Singapore's efforts to attract new fund managers to set up offices, and the current team's initiatives to expand the organisation's reach to new community cohorts, SVCA membership has grown from 142 to 174 in the past four years. Led by Sunil Mishra and Iesan Tsai, the outgoing board has brought institutional LPs into the fold and engaged more closely with family offices than any Board before them.

"Serving as a Board member has been highly rewarding. Over the last few years, we've been working hard to welcome more LPs, encourage engagement and participation between LPs and local PE/VC communities, and of course continue to be a value-adding partner to the whole ecosystem," Sunil shares.

The outgoing Board has also brought diversity by adding three female professionals, a positive first step toward greater gender balance going forward. ESG was elevated to become a core focus since 2019, starting with SVCA's very first ESG Conference, which led to the formation of a permanent ESG sub-committee led by Linda Mok.

Spearheaded by Chris Flosi and Wayne Palmer, advocacy efforts have been of particular focus, as SVCA partook in critical consultations with MAS on VCFMC, Variable Company Code (VCC), Takeover Code, 13H, 13X, Tax on Carried Interest. The outgoing board also launched a number of special projects such as the VC starter kit or a SEA VC&PE benchmark, and introduced more content through the launch of a quarterly bulletin, now in its seventh edition, hosting web interviews with the industry's movers and shakers, and webinars on issues that concern our members. Social events - in person and virtual have been well received and raised the organisation's profile with its members and beyond. Contributions of Sanjay Gujral, Anupum Khaitan, David Gowdey and Melissa Guzy were invaluable.

Gary Ng, who has been on the SVCA Board for eight years and chaired the Professional Development Committee and the biennial SVCA Conference, shared: "The SVCA had organized a significant number of training events and masterclasses to upgrade the skills of the professionals and the SVCA Conference is today a well-regarded event supported by top industry professionals and speakers. Whilst Thomas and I will be stepping down, we are glad to contribute in any way we can."

Thomas agrees, "It is time to hand the reins over to a new leadership team to infuse the SVCA with fresh energy and ensure continued high momentum. This is in the best interests of the organisation, its members and the Singapore VC & PE industry. I am very confident of, and excited about the new leadership candidates."

SVCA wishes to thank every member on the Board and Executive Committee, and looks forward to a new chapter with the incoming leadership.



In conversation with **Danny Koh**

Founder & CEO of Tower Capital Asia

Growing Singapore's next generation of sector champion

Tower Capital Asia is the first name that springs to mind when you think Singapore mid-market private equity investor. Until its debut fund reached a first close, there were doubts that Singapore was a compelling market for the average PE investor. SVCA caught up with Tower Capital Asia's founder and CEO Danny Koh who is building an education group with regional ambitions.

"Over the years, we have built a recognisable brand name in the education investment space, in addition to sectors such as consumer, business services and healthcare. The new fund continues to leverage the pipeline we have cultivated," Danny Koh, Founder and Chief Executive Officer shared.

The fund manager has transferred two investments in its existing portfolio to its maiden blind-pool vehicle, Tower Capital PE Fund I, LP: Singapore-headquartered "I Can Read" which provides English enrichment to pre-primary and primary school students across Asia Pacific and the Middle East, and Indigo, a Singapore-based tuition provider.



"Education is an industry that we are deeply passionate about. Besides being an attractive sector for investment, education is an area where we can create positive impact as an investor. For this fund, we intend to grow a buy-and-build education platform that will cater to both the mainstream as well as ancillary education needs of school-going children in the region."

Circling back to Fund Management

Through the new fund, which secured US\$250 million at its first close, Tower Capital Asia has formally transitioned from a deal-by-deal private equity investor to a blind-pool fund manager.

"With the growth in funds managed, we need a wider senior bench that has commensurate ability to deliver the results that we seek. We have been fortunate to attract deeply experienced talent like Jeffrey Chua from Temasek and Jonathan Ng from McKinsey; as a team, we are unified by a common vision to help develop the next generation of Singapore and Southeast Asian sector champions," says Danny.

Danny had built 15 years of private equity investing experience from global funds Actis and 3i before founding Tower Capital Asia in 2016. Over the years, he has built a reputation for originating proprietary mid-market investments not typically accessible by other market players. His landmark investments include the US\$197 million delisting of iconic Traditional Chinese Medicine (TCM) brand Eu Yan Sang in 2016, and the US\$204 million privatisation of Poh Tiong Choon, one of Singapore's oldest logistics companies, in 2017.

In the Eu Yan Sang transaction, Tower Capital Asia led a consortium comprising Temasek and Richard Eu, the company's fourth-generation owner-manager.

Partnering Business Families

What does Tower Capital Asia have over its peers when it comes to partnering family-owned businesses?

“We chose to partner with Tower Capital Asia due to its belief in the long-term value of our brand and strong alignment with our values of integrity, empathy, and care for people. Tower Capital Asia is more than a private equity investor. Beyond capital investment, they have been very involved post-investment and are committed to institutionalising our founding vision, values, and principles.” Richard shares.



Richard has since stepped down as CEO, and handed the reins to Aaron Boey, who is also Senior Advisor to Tower Capital Asia. Following the delisting, the fund manager has helped Eu Yan Sang professionalise its management, refine growth plans, and optimise its business structure and financial profile. The team is also working on helping the company adopt technology at an enterprise-wide level.

In 2017, Tower Capital Asia partnered another family, this time to delist Poh Tiong Choon Logistics (PTCL) from the Singapore Exchange.

The Poh family had mulled over several proposals of investment and privatisation in the past and eventually decided to partner with Tower Capital Asia, for reasons not dissimilar to the Eu family. Moreover, “the earlier deal with Eu Yan Sang had cemented our position in the market as a private equity partner who can work alongside family sponsors.”

Danny explained, “to these business sponsors, the company is an emblem of the family’s legacy. They want to know that whoever they partner with has the commitment and resolve to not only preserve the legacy, but also bring it to further heights. And that takes mutual trust and objective alignment.”

Shortly after making the investment into Singapore’s oldest and largest home-grown integrated (3PL) logistics company, Tower Capital Asia sought to reduce debt and optimise loan, and created a joint venture with ESR-Reit.

From family business to building resilience

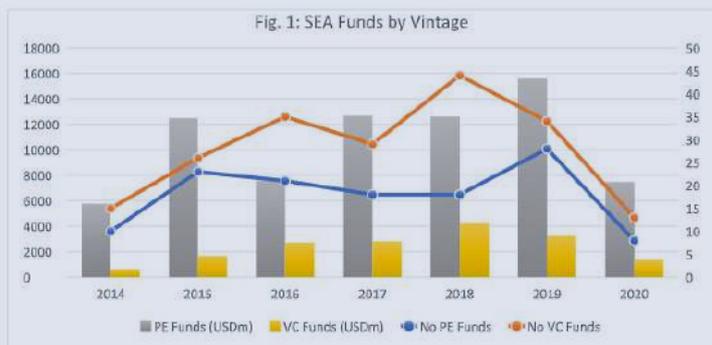
After partnering business families in take-privates, Tower Capital Asia has gone on to invest into what it considers to be an attractive sector with impact generation opportunities: education. While Danny maintains that Tower is generally sector-agnostic, the Firm is cognizant of Singapore’s current economic cycle.

“Aside from education, we are actively looking at opportunities in the healthcare space, where we believe inelastic long-term demand for healthcare services will support the growth of the industry. More traditional consumer and manufacturing sectors also have their appeal, as we believe there is significant headroom for creating operational efficiencies and the introduction of new growth drivers into the businesses.”

As of 31 December 2020, Tower Capital Asia manages US\$450 million of institutional capital across various vehicles.

Resilience Amid Covid: SVCA Research

Southeast Asian private equity and venture capital industry underwent unprecedented challenges over the past year but demonstrated remarkable resilience from fundraising to deployment and exit.



Most of 2020 has proven to be challenging for capital raising globally; managers trying to raise Southeast Asia funds were not spared. The 2020 vintage saw the close of 8 private equity funds (compared to 28 in 2019) across all strategies and 13 venture capital funds (against 34 in 2019). While the aggregate funds raised fell sharply, average fund sizes increased significantly, reflecting a bias towards larger, more established fund managers in times of crisis. The average VC fund raised crossed the \$100m mark. This trend towards larger funds will in turn drive the growth of larger deal sizes and support for later stage investments.

While deal volumes declined due to the challenges of undertaking cross-border due diligence, investments by Private Equity (Buyout/Growth) in 2020 was close to values in 2018 reflecting larger average cheque sizes. Singapore-based targets benefited as most regional fund managers have a presence in Singapore.

Venture investments continued on a strong growth trajectory, especially in segments such as fintech and digital health. Although there was some downward pressure on valuation in Q3, this was short-lived as percentage of up round financings rebounded quickly in Q4 to near pre-Covid levels.

Exits also dropped, but sales to PE were up. The year also saw a phenomenal rise in the listing of SPACs which will add to the list of potential acquirers in the years ahead.

[Read the full report here.](#)

This 2-hour session is designed for participants to gain a deeper understanding of the best practices for investors when conducting due diligence on their investment targets.

- Get tips on how to employ a due diligence process that is rigorous, comprehensive and truly independent
- Understand how actionable intelligence can be gathered to assist decision making and risk mitigation before and after a deal.
- Partake in case study exercise

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Masterclass AND Conference for SVCA members \$649/ \$1,049 for non-members

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SVCA Resilience Awards

Celebrating Resilience: SVCA lauds four winners in the portfolio companies of Affinity Equity Partners, Monk's Hill Ventures and Platinum Equity

In 2020, at the height of COVID-19 outbreak, SVCA witnessed our members engaging with portfolio companies to ensure business continuity, minimize disruptions whilst undertaking cost cutting and cash preservation to help save or pivot. businesses that were hit by lockdowns. As the pandemic has affected many, we want to highlight the efforts of private equity and venture investors who have steered their portfolio companies through the storm.

Platinum Equity

Platinum Equity won the resilience award for Singapore-headquartered electronics manufacturing services (EMS) provider, PCI, which offers design, manufacturing, testing and supply chain services to global businesses.

PCI leveraged on the experience of larger portfolio companies in the Platinum investment portfolio. It swung into action using Platinum's Call to Action Plan, which served as a standard operating procedure for operations, cost control and liquidity management for all its portfolio companies in early March 2020.

PCI implemented safety measures at its factories by ensuring factories were fit for operation, particularly in China where their Kunshan factory was shut for 5 weeks. Applying lessons learnt from larger Platinum portfolio companies in China and leveraging upon its own experience in Kunshan, it proactively approached authorities in Indonesia to put forward its plans for the control and management of Covid at its facilities in Batam, obtaining classification as an essential business. Although one asymptomatic case caused its Batam facility to be shut for 5 days, its supply chain and factory operations remained undisrupted.

Platinum's inhouse Operations team worked alongside PCI's management to manage its

finances, improve its web presence and identified "winning segments" in its existing plethora of products and even developed new products. Platinum challenged management to innovate and remodel its go-to-market initiative to focus on "winning segments" from Covid. Hence, while orders for gym equipment dropped in 2020, orders for smart home, industrial, telematics and specialty equipment more than made up for the loss. Revenue rose by more than 10% in 2020 after a weak Q2.

In the midst of Covid, PCI responded to the Singapore government's call for the design, manufacture and supply of a token to help identify those who had been in close proximity to Covid-19 patients. Within eight weeks, PCI produced a solution - the TraceTogether token many of us carry around today.



L to R: Matthew Bardsley, CEO Medical Director; Sam Johnson, Partner at Affinity



Affinity Equity Partners

Affinity Equity Partners won over the judges with not one, but two portfolio companies to score a double win: Health Communications Network Limited (MedicalDirector) and Trimco International Holdings.

Health Communications Network Limited (MedicalDirector) is a cloud-based medical practice management platform that provides electronic health records, telehealth, patient management, billing, scheduling, care coordination and population health insights to some 50% of general practitioners and over 10% of specialist doctors in Australia.

As Covid-19 unfolded, prioritizing the health and safety of doctors and patients led Medical Director to develop and launch its telehealth service; a video-consultation product integrated into its platform. Two teams of developers and project managers dedicated to develop the flagship video consultation product from scratch completed the assignment over a span of 2 weeks working entirely from home!

To accelerate the adoption of telehealth, MedicalDirector made the telehealth functionality free for all customers who also enjoyed a deeply discounted offer for Surface Pro laptop and applicable accessories which MedicalDirector negotiated with Microsoft Australia for new and existing users. Simultaneously, MedicalDirector worked with key stakeholders including Australian government-owned internet infrastructure

provider NBN to support GPs with increased bandwidth requirements to support increased online activity at no additional cost.

These initiatives have provided 1 in 2 Australian GPs access to telehealth, enabling 4,700 hours of video consultations covering 66,000 patient consultations since its April 2020 launch; an impressive adoption considering demand, for telehealth was negligible prior to Covid-19 and MedicalDirector's own workforce was working from home since March 2020.

"Our responsiveness to the demands of Covid were materially improved because of Affinity Equity Partners," Matthew Bardsley, CEO of MedicalDirector shared, citing greater cloud infrastructure investments, continuing integration and deployment of software operations. "With the support of the Affinity Equity Partners team, we were able to mobilise and deploy at scale an industry leading video-based telehealth solution that required collaboration across both industry and government to enable a seamless experience for doctors and patients, whilst also minimising the health risk posed by COVID-19," Matthew added.

The investment has doubled the number of primary care physicians (PSPs) migrating to cloud, and this migration to cloud is encouraging MedicalDirector to look beyond Australia to the UK as well as other new and rapidly growing digital health-focused countries.

L to R: Amy Wan,
CEO Trimco;
Miranda Kong,
Founder and
Chairlady Trimco



Trimco International Holdings

Trimco International Holdings is the world's fifth largest manufacturer of apparel trim and labels supplying to more than 500 customers (sportswear, high street fashion and e-commerce brands) from 13 manufacturing sites globally.

The label maker's CEO Amy Wan shared with SVCA how the company "(we) did not fire anyone because of Covid-19" even though orders in April to May 2020 "cliff-dived."

Amy, who took over as Trimco CEO from the founder in 2019, also added that the decline in orders was an anomaly, and she had never in her 13-year tenure experienced. Trimco was, according to Affinity, one of the hardest hit companies in Affinity Equity Partners' portfolio. Sales were halved in Q2 of 2020 from a year ago but new customer acquisition, reduction in staff costs, intensified collection of receivables, renegotiations with landlords and suppliers as well as a 90% reduction in capex returned the business to recovery by 2H of 2020.

"We cut salaries by 30 percent for three months in Asia. We couldn't do that in most of Europe, but furlough packages from the governments helped."

The sales team in Europe took this time to promote sustainability best practices, to prepare customers to comply with upcoming EU requirements as the 2025 deadline was looming, and the lockdown presented a window of opportunity for brands to act on making some of those changes happen. ESG in fashion presented an opportunity, and has real potential to become a revenue enhancer.

Trimco has accelerated its efforts in new product innovation, notably in sustainable materials and radio-frequency identification (RFID) to better manage inventory across distribution channels and supply chain positioning the company to capture even more opportunities post-Covid.

Amy was appreciative of the stewardship Affinity has provided the Trimco management team throughout this period, "Despite the short term weakness in the business, Affinity continues to support investments in resources to pursue new customers, especially those apparel brands less impacted by Covid, e.g. online player and sports wear brands, upgrading the ERP system, and strategic expansion of production footprint."



Victor Tseng, new CFO introduced by Lim Kuo-Yi to KKDay

Monk's Hill Ventures

Monk's Hill Ventures (MHV) was the only venture investor to bag the Resilience Award for KKDay, a popular travel platform headquartered in Taiwan. With customers across Asia, KKDay was forced to pivot from its predominantly cross-border business model to domestic tourism and souvenir sales.

Pre-COVID, KKDay was attracting 5 million daily users. Revenues plummeted by 90% in April 2020, at the onset of Covid.

KKDay cut overall costs and burn rate was reduced by over 50%; marketing expenses were cut by 90%, particularly allocations to paid channels, senior management tightened their belts with either no salaries or stomached significant pay cuts and some employees were retrenched.

MHV provided counsel at the board level in scenario planning, runway management and cost-cutting. The early investor of KKDay introduced potential investors and injected follow-on capital

into KKDay's \$75 million Series C round led by Taiwan's National Development Fund and Cool Japan Fund, which is supported by the Japanese government.

MPV cofounder Lim Kuo-Yi introduced Victor Tseng, who joined in the midst of Covid as CFO. With over 20 years of M&A experience at large China tech names from Trip.com to Baidu and Pinduoduo.

Victor will strengthen the management bench and lead raising capital for KKDay going forward. Today, the platform offers more than 30,000 unique experiences in over 550 cities and 92 countries, with a focus on the Asia region. "Since the pandemic, KKDay has doubled its product offerings and revenue has returned to near pre-Covid levels in markets that have managed the pandemic well. These new product offerings catering to domestic tourism will continue as new revenue streams post-Covid and KKDay is also ready to recruit again after having normalized salaries", Victor shares.

Remote Work A New Norm



Business leaders in Asia Pacific are more optimistic than their peers elsewhere about exceeding business goals, with a vast majority expecting to expand into new territories as they changed their minds about a remote work model, according to a study by CFO Research and Globalization Partners.

A February survey polled 215 chief financial officers, chief executive officers and other senior finance executives from companies in North America, U.K., Asia-Pacific (APAC), and the Europe/Middle East/Africa region (EMEA). Most of the companies represented had annual revenues of \$1 billion or more.

APAC businesses most optimistic

Two in three CFOs in Asia are optimistic about exceeding their goals for 2021, compared to their counterparts in North America (47%) and the UK (46%) who feel the same. Almost all (94%) of respondents from Asia Pacific have a growth strategy involving expansion into countries where they do not currently operate.

"The ongoing rollout of COVID-19 vaccines, investments flowing into the region, and momentum gained as companies accelerated their digital investments during the pandemic – all of these are contributing to positive sentiments toward business in 2021," said Charles Ferguson, General Manager, Asia Pacific,

Globalization Partners. Globalization Partners is a global Employer of Record (EOR) that helps companies hire anyone, anywhere, quickly, and easily in over 180 countries with its AI-driven, automated, fully compliant platform.

More than half the APAC CFOs that are expecting to achieve their goals in 2021 are already engaging a global Professional Employer Organization (PEO) or EOR while 25 percent plan to use a global PEO or EOR within one year to support their international business strategy.

Singapore vs Australia Expansion

Implementing a strategy for global expansion and presence was deemed a top priority in the next 12 to 18 months for 52% of APAC executives, compared to 38% of the EMEA executives and 36% percent of the North American executives.

"Eight out of 10 people that I have spoken to in Singapore are looking to expand in ASEAN and/or China, but very few are looking beyond the region, to Europe or the U.S. This could be perceived as being risk averse or being opportunistic given that Singapore is the first to complete the ratification process for the Regional Comprehensive Economic Partnership (RCEP) agreement," Charles Ferguson, who leads Globalization Partners in Asia.

Australia, on the other hand, where the economic recovery has surpassed all expectations particularly given the trade war with China, is a market where businesses are “punching above their weight.” And businesses in Australia are growing internationally, and the U.S. tends to be the first stop for Australian businesses that go offshore, Charles added.

“You get brands like Canva, which has seen phenomenal growth, going head-to-head with Adobe and AirWallex expanding to the U.S., U.K. and Europe. After receiving a \$71 million investment, Canva’s valuation has climbed to \$15 billion, up from \$6 billion in June 2020, and \$3.2 billion at the end of 2019. The online design platform crossed \$500 million in annualized revenue this year, and increased 130% year on year.” Adobe has a market capitalization closer to \$256bn.

Remote work to gain traction

The global pandemic has altered views on hiring and workforce management, with 9 in 10 Asia-based CFOs changing their views on a remote work model. Nearly half (48%) of APAC respondents said they will attract new talent confined to where they are based while 43% said they will attract new talent unbound by geographic restrictions.

CFOs in Asia are keen to tap into a more cost-effective, global talent pool and capture market share through global expansion. Three in 4 of the survey respondents in APAC anticipate operating remote and/or hybrid workforce models in the next 12 to 18 months.

“All our customers are hiring in remote locations – which is why they engage us. The question is how long they will hire in place versus relocating their talent.”

“Before, you had office centricity. Today, you have employee centricity, but this is not for all businesses, and particularly for SMEs, you can’t just kill the office. So, what you will end up getting is a hybrid Core-and-Flex model, where there is a permanent office perhaps for the C-suite, and a Flexible coworking space for the field force. And this will also impact real estate and city planning so you will see the CBDs evolve into mixed use developments, and not purely commercial as they tended to be in the past.”

In the U.S., U.K., and Australia, the pandemic has resulted in an exodus from metropolitan areas, and this has had a positive impact on the environment and people’s health and well-being, while creating opportunities for second and third-tier cities. For example, in the U.S., West Virginia is offering a \$12,000 subsidy to invite remote workers to live there as the coal- driven economy pivots to become a digital economy.

PE and VCs see this happening, and they will place their bets accordingly, Charles concludes.

About Charles Ferguson

Singapore-based Charles Ferguson was appointed in July 2020 as General Manager for Globalization Partners in Asia. Charles was most recently Group Chief Commercial Officer for Tricor Group, where he was responsible for designing and executing the global sales, marketing, and product innovation strategy. Prior to this role, he was President and General Manager for the Asia Pacific region at ADP.

Charles also co-founded management consulting and advisory services firm ReedHamilton where he led the technology and innovation practice. Prior to that he held positions at SAP, Salesforce, Microsoft and Intel.

More information on Globalization Partners can be found [here](#).

People

Carlyle fundraiser David Tung retires



David Tung

David Tung, who set up the Carlyle Group office in Singapore in 2000, and was the face for the global investment firm in the region as one of the key fundraisers, retired in April after nearly 21 years. Carlyle has more than 10 investor relations professionals in Asia and its fundraising efforts will continue to be led by Alan Su in Hong Kong, SD Chu in South Korea, and Maki Mitsui in Japan.

East Ventures names ex-Temasek exec as venture partner

East Ventures appointed Koh Wai Kit, a founding member of Pavilion Capital who spearheaded fund investments in North and Southeast Asia, as a new venture partner in February. Prior to setting up Pavilion, Wai Kit served in investment, strategy and portfolio management functions at Temasek.

East Ventures in March took control and assumed the management of EV Growth, dissolving its original co-GP

structure. EV Growth was a JV between East Ventures, SMDV and YJ Capital.

Dilhan Pillay to helm Temasek from Oct



Ho Ching

Dilhan Pillay Sandrasegara will succeed Ho Ching as CEO and Executive Director of Temasek Holdings from October. Ho Ching, who will retire and step down from its Board from 1st October, said Dilhan has been in charge of investment since 2019, and has integrated sustainability into Temasek's investment process.



Dilhan Pillay Sandrasegara

"We have an internal carbon pricing that is factored into our cost of capital. And it goes into an evaluation of every investment we currently own, which means it will increase the cost of capital by reference to the carbon emissions of each investment. And it will go into the evaluation of every new investment we make," Dilhan told the press.

L Catterton boosts Asia investment team

L Catterton Asia has added two senior hires: Yock Siong "Song" Tee in the Singapore from March 1, to oversee Southeast Asia, and Anjana Sasidharan since mid-February in Mumbai to oversee earlier stage investments across India and SE Asia. Song joins L Catterton from Affinity Equity Partners.



Tee joins L Catterton from Affinity

Before Affinity, Song was an Associate Director at Temasek, where he was part of the CIO office, working on transactions across strategies and sectors. Anjana joined L Catterton after nearly a decade at Sequoia Capital. Both started their careers at McKinsey & Company.

Terence Lee resigns from KKR

Terence Lee, a managing director who leads TMT and growth equity investments in Southeast Asia at KKR, left the buyout firm in February after more than ten years. Prior to his resignation, Terence sat on the boards of PropertyGuru, Gojek, Voyager Innovations in the Philippines, and Weststar Aviation Services in Malaysia.

Deals

Grab mulls secondary listing: Reuters



Grab is mulling a secondary Singapore listing after a SPAC merger on Nasdaq that values the superapp unicorn at \$40 billion, the largest-ever US equity offering by a Southeast Asian company, according to a Reuters report citing three sources familiar with the matter.

A secondary listing would give SGX a boost at a time when the SPAC fever is enticing Southeast Asia unicorns to the US where Traveloka is reportedly also in advanced discussions to list a SPAC merger.

Rival Gojek and Tokopedia are finalising an \$18bn merger in which Gojek will hold 58%, and Tokopedia, the remaining. The merged entity – GoTo - is targeting a valuation that matches Grab's \$40bn under the leadership of Gojek co-CEO Andre Soelistyo.

Novo Tellus makes first bet in India

Novo Tellus may be getting pushbacks from investors including DeClout (which owns 21.2% of Procurri as at 13 April) in its quest to take control of Singapore-listed Procurri at 36.5 Singapore cents a share but it has managed to complete a first investment in India.

Novo Tellus is investing \$40

million into Tessolve, a global provider of engineering and research and development services to semiconductor companies. Hero Electronix became a majority investor in Tessolve in 2016, and since then, Tessolve has witnessed a Y-on-Y growth of over 30%, achieving \$75m in 2020 revenues.

Indonesia edtech in favour

Tiger Global has led a \$55 million funding round, topping a \$150m Series C round in 2019, to accelerate expansion at Ruangguru, with participation from existing investor GGV Capital, into Indonesia, Vietnam and Thailand after the Indonesian edtech startup reached 22 million users.

At the early stage, Binar Academy, founded by ex-Gojek executives to develop digital talents for Indonesia's burgeoning digital economy, has received an undisclosed sum of seed funding from gender lens investor, Teja Ventures.

US VCs Alpha Wave Incubation and GSV Ventures have led a \$10m Series A investment into CoLearn, an Indonesia edtech startup that uses AI to facilitate step-by-step video solutions to help students attain conceptual mastery.

ABC World deploys one-quarter of Fund

Temasek-backed ABC World, the manager of S\$405 million maiden fund, has deployed nearly one-quarter of its first fund in five companies that seeks to make their impact

on climate change, food sustainability, healthcare and financial and digital inclusion.

In the latest deal, ABC led a \$24m Series B round in Kim Dental, alongside existing investor Aura Private Equity, to support expanded delivery of affordable dental care in Vietnam. In an ABC-commissioned survey of over 300 dental patients, nearly half are experiencing quality oral healthcare treatments for the first time – attesting to the mission of Kim Dental to deliver oral healthcare to the underserved segments in Vietnam.

David Heng, Founder and CEO of ABC World Asia, said, "The improvement of health outcomes is a key impact focus for us. Oral health, despite being an important component of primary healthcare, is often neglected and continues to pose a major public health concern in many developing countries."

Ekuias makes first pharma bet

Malaysia's Ekuias has acquired a controlling stake in Medispec, a local pharmaceutical and supplement product distributor based on an enterprise value of RM88.5 million (\$21.5m). Ekuias anticipates the post-pandemic world to see a significant shift from remedial to preventive healthcare measures.

Medispec marks Ekuias' first investment in the pharmaceutical industry.

Funds

Temasek makes \$1.1bn commitment to sustainability

Temasek has made two major moves to integrate sustainability into its overall investment approach: backing Leapfrog Investments, a global impact fund manager with \$500 million, and partnering Blackrock to accelerate efforts toward a net zero economy by 2050.

Temasek raised its stake in Blackrock last year to become its fifth largest shareholder. BlackRock and Temasek will commit \$600m in initial capital to invest in a series of late stage venture capital and early growth private equity investment funds to be launched by Decarbonization Partners. The first such fund, which seeks third party capital, has a \$1 billion target.

In the strategic partnership with LeapFrog, Temasek will have a minority stake in the manager, and anchor LeapFrog's future funds.

TPG acquires majority stake in NewQuest

TPG has acquired a majority interest in NewQuest Capital in a non-cash, share-swap transaction. This follows TPG's 2018 minority stake investment in the Asia-focused private equity secondaries platform. Founder and managing partner, Darren Massara and his team will maintain oversight of NewQuest's business and its investment process, including the strategy for its four existing funds with capital commitments over \$2.4 bn.

In 2020, TPG hired Toronto-based Michael Woolhouse, former head of secondaries at CPP Investments, to spearhead the Firm's entry into secondary business to provide strategic solutions to GPs and owners of private market assets in the U.S. and Europe. The expanded partnership with NewQuest paves the way for TPG to create a global secondary platform.

KKR raises \$15bn for largest Asia fund to date

KKR has raised \$15 billion for the largest private equity fund raised to date for the Asia Pacific region, and tops Hillhouse's \$13bn fund target.

Openspace Ventures closing in on \$100m for OSV+

Openspace Ventures is closing in on \$100 million for the first close of the firm's first growth fund, OSV+ just after OpenSpace raised \$200m for its third fund. A first close on OSV+ will bring total commitment across four funds under Openspace Ventures to \$525m.

Temasek, StepStone Group and Sofina have returned as repeat LPs for Fund 3. New investors include DEG, Norfund, 57 Stars and Japan's Mizuho Bank.

B Capital on fundraising spree

B Capital has raised \$415m to provide follow-on capital to high performing later stage companies in its portfolio. For early-stage bets, B Capital

Ascent Fund II has also raised \$126.3m from 30 investors, according to SEC filing.

B Capital is also raising \$300m via a SPAC on Nasdaq.

Asia Partners debuts with \$384m

Asia Partners has collected \$384m for "the largest debut technology fund in history specifically focused on Southeast Asia, and one of the region's largest debut funds across all industries."

LPs include the U.S. International Development Finance Corporation (DFC) and DEG.

EPF allocates \$600m to Harborvest, Partners Group and Black Rock

Malaysia's Employees Provident Fund (EPF) has allocated \$600 million toward a new launched sharia-compliant separate managed account (SMA) private equity fund to be managed by three asset managers, each with \$200m respectively.

SGX closes deadline for market feedback on SPAC listing

The Singapore Exchange is recommending a minimum \$300 million market capitalisation, and founding shareholders to hold at least 1.5% to 3.3% equity in listing of Special Purpose Acquisition Companies (SPACs). Deadline for market feedback is set for 28 April, 2021. SGX hopes to list SPACs as early as this year if it garners enough support from the market.

ASEAN Fundraising at a Glance – Q1 2021

ASEAN-Based Private Equity & Venture Capital Funds Closed in Q1 2021 (As at April 2021)

Fund	Firm	Headquarters	Fund Type	Fund Size (mn)	Final Close Date
Asia Partners I	Asia Partners	Singapore	Venture (General)	384 USD	Mar-21
Mekong Enterprise Fund IV	Mekong Capital	Vietnam	Growth	246 USD	Jan-21
Openspace Ventures III	Openspace Ventures	Singapore	Early Stage	200 USD	Mar-21
M Venture Partners	M Venture Partners	Singapore	Early Stage	31 USD	Mar-21
Kinesys Group Fund I	Kinesys Group	Indonesia	Early Stage	15 USD	Feb-21
TRIVE Tenacious Founders Venture Philanthropy Fund	TRIVE	Singapore	Early Stage	2 SGD	Feb-21

Source: Preqin Pro

Largest ASEAN-Based Private Equity Funds in Market (As at April 2021)

Fund	Firm	Headquarters	Fund Type	Target Size (mn)
Sino-Singapore (Chongqing) Connectivity Private Equity Fund	UOB Venture Management	Singapore	Growth	20,000 RMB
Everstone Capital Partners IV	Everstone Group	Singapore	Buyout	950 USD
Gateway Fund II	Gateway Partners	Singapore	Growth	900 USD
Northstar Equity Partners V	Northstar Group	Singapore	Buyout	800 USD
Vertex Master Fund III	Vertex	Singapore	Fund of Funds	800 USD
Makara Innovation Fund	Makara Capital Partners	Singapore	Growth	700 USD
Creador V	Creador	Malaysia	Growth	680 USD
Ascenta V	Affirma Capital	Singapore	Buyout	700,000 KRW
Lion-OCBC Capital Asia Fund II	LionGlobal Capital Partners	Singapore	Growth	400 USD
Foundation Private Equity Fund	Foundation Private Equity	Singapore	Secondaries	300 USD
Ikhlas Capital	Ikhlas Capital	Singapore	Growth	300 USD
Jasmine Private Market Fund I	Jl Capital Partners	Singapore	Growth	300 USD
KV Asia Capital Fund II	KV Asia Capital	Singapore	Buyout	300 USD
Tembusu Guizhou Baijiu Fund	Tembusu Partners	Singapore	Growth	300 USD

Source: Preqin Pro

Largest ASEAN-Based Venture Capital Funds in Market (As at April 2021)

Fund	Firm	Headquarters	Fund Type	Target Size (mn)
Asia AgriTech Fund	Vanda Global Capital	Singapore	Venture (General)	1,500 USD
Japan Israel High Tech Ventures 2	Chartered Group	Singapore	Early Stage: Start-up	500 USD
Vickers Venture Fund VI	Vickers Venture Partners	Singapore	Venture (General)	500 USD
Jungle Ventures IV	Jungle Ventures	Singapore	Early Stage	400 USD
Xeraya Opportunity Fund	Xeraya Capital	Malaysia	Venture (General)	400 USD
MDI Seed Stage Fund	MDI Ventures	Indonesia	Early Stage: Seed	300 USD
OSV+	Openspace Ventures	Singapore	Expansion / Late Stage	300 USD
Alpha JWC Ventures III	Alpha JWC Ventures	Indonesia	Early Stage: Seed	250 USD
Asian GreenTech Fund	Malaysia Venture Capital Management	Malaysia	Venture (General)	200 USD
Socialpreneur Growth Fund	Gomif Partners	Singapore	Early Stage	200 USD

Source: Preqin Pro

