



SAMPLE

CHINA

2023

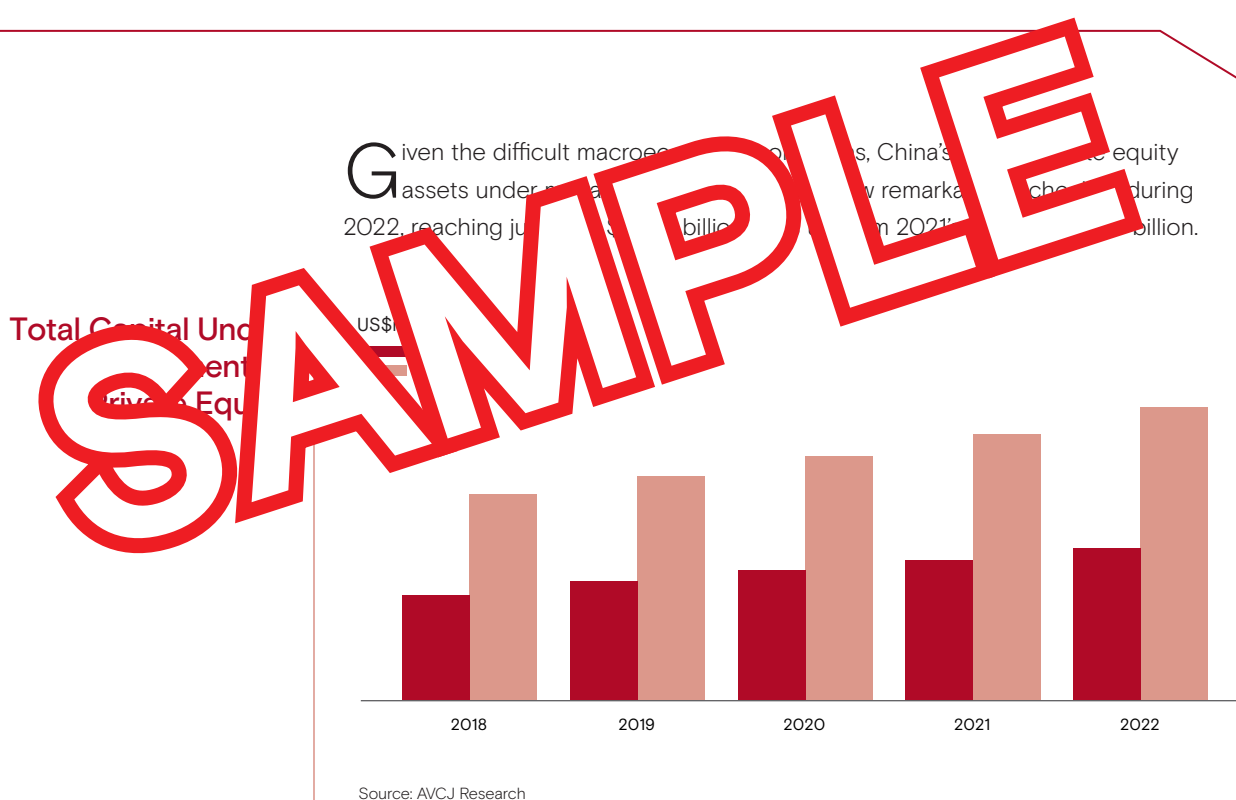
AVCJ private equity and
venture capital report

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ASSETS UNDER MANAGEMENT AND M&A

Lockdown and lags



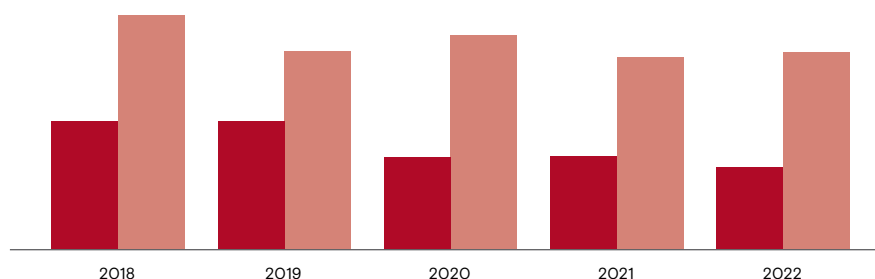
China's headline gross domestic product figures likewise showed a remarkably consistent rise through 2022, despite the wide challenges. This finished 2022 at just over \$18.3 trillion, versus 2021's just over \$17.7 trillion. Private equity provided some 0.34% of the total in 2022, compared to 2021's 0.73%. The overall contribution of investment as a whole to GDP, however, remained far more consistent, at 44.77% in 2022 versus 2021's 42.58%.

FUNDRAISING

Fundraising fairly fragile

Total private equity funds raised in and for China in the calendar year 2022 were just under \$54.7 billion – a 12.1% decline on the just over \$62.5 billion raised in 2021. This marked China's lowest percentage share of the global private equity fundraising in Asia Pacific for the past five years at 29%. In contrast, in 2021 the figure stood at 64.6%. Fundraising in 2022 was dominated by RMB-denominated funds, which made up 64.4% of the total year on year funds value, compared to 54.4% in 185 RMB denominated value funds raised in 2021. The average size of funds raised in 2022 was \$166 million, a 6% increase on the \$157 million raised in 2021.

Total Private Equity Funds Raised



Source: AVCJ Research

Largest fund closing in 2022 by amount closed was the Sequoia Capital China Expansion Fund I, which closed at its target of \$3.6 billion. Second largest closing was Hangzhou Taikun Equity Investment Fund, which closed at \$2.97 billion. Third most lucrative closing was FountainVest Capital Partners Fund IV, which closed at \$2.9 billion, just over its \$2.8 billion target.

INVESTMENTS

Investments in difficulties



China investments in 2022 sustained their customary breakdown by stage, with expansion and growth deals predominating, and even extending their lead. Growth deals saw almost \$43.4 billion invested in 2022, or 70.3% of the year's total, from 833 investments, 444 disclosed, versus 2021's just over \$76.8 billion of growth deals, or 59.3% of the year's total, from 1,367 transactions, 832 disclosed. Start-up and early stage deals were 2022's second most lucrative investment stage, with just over \$10.25 billion, or 16.6% of the 2022 total, from 862 early stage deals, 338 disclosed, as compared to 2021's almost \$12 billion, or 9.3% of the total, from 1,205 deals, 423 disclosed. Buyouts, meanwhile, delivered just over \$5 billion in 2022, or 8.1% of the year's total, from 13 buyouts, 7 disclosed, as against 2021's almost \$11.4 billion, or 8.8% of the 2021 total, from 25 buyouts, 15 disclosed. No other investment stage rose above low single percentages in 2022's China investment breakdown.