

## Five Minutes At... the HKVCA Forum

### PEI shares some highlights from the recent HKVCA Asia Private Equity Forum in Hong Kong.

posted - 18 Jan 2013 02:57 GMT

updated - 18 Jan 2013 03:58 GMT

Michelle Phillips

*“No matter how much you want to pay, those people just aren’t available. So we tend to shy away from industries where expertise is not available.”*

Co-founder and managing partner of Northstar Equity Partners Patrick Walujo says the most difficult thing about investing in Southeast Asia is finding management talent to put into portfolio companies.

*“For too long, investors have had the impression that no matter where you throw your dollar [in China], you will get three times back – and that hasn’t played out.”*

Sebastian van der Berg, managing director at HarbourVest Partners, discussing the impact of China’s slowdown.

*“In China, 75 percent of exit returns are from IPOs. Worldwide, IPOs make up 15 percent of returns. So it’s reasonable to assume that China will converge to a global norm eventually.”*

Derek Sulger, partner at Lunar Capital Management, talking about the changes in China’s stock market.

*“The real estate business in Asia is going to dwarf the private equity industry in the long term. The underdeveloped debt markets will dwarf the size of Asia private equity in the long term.”*

Joseph Bae, managing partner of KKR Asia

*“The deals I was involved with [in Korea], I can write a 12 chapter book about. The kind of things we had to do to build a relationship, how many times deals actually died on us and what we needed to do to revive them, how much things change from the time we start a discussion of the deal to actually end up closing the deal. It takes a lot of patience. In a place like Korea, it’s not an easy thing for a newcomer to come and be active, a big player on day one. These kind of relationships take time to build.”*

Chul Joo Lee, partner at Affinity Equity Partners

*“I’m not that optimistic about US listings for Chinese companies [opening again], because the regulatory tussle between China and the SEC will be difficult to resolve, and at the end of the day the Chinese [regulators] really don’t care.”*

Yichen Zhang, chief executive of CITIC Capital, explains his views on the US market for Chinese companies, saying that Chinese regulators actually prefer Hong Kong as a listing site for Chinese companies.

*“Success in India is in spite of the government, unlike in China.”*

Mintoo Bhandari, senior partner at Apollo Global Management, talks about the on-going tension between India’s government and its private equity industry.

© PEI Media Ltd. All rights reserved. Content on this site may not be reproduced, distributed, transmitted, displayed, published or broadcast without the prior written permission of PEI Media or in the case of third party content, the owner of that content. You may not alter or remove any trademark, copyright or other notice from copies of the content. You may download material from this site (one machine readable copy and one print copy per page) for your personal, non-commercial use only.