

# FINANCIAL REVIEW

SE Information  
HD **Deals data signals Asian tech boom**  
BY James Hutchinson  
WC 528 words  
PD 13 May 2014  
SN The Australian Financial Review  
SC AFNR  
ED First  
PG 21  
LA English  
CY Copyright 2014. Fairfax Media Management Pty Limited.  
LP

The public listing of **Chinese** e-commerce giant Alibaba in New York could be the start of increased investment and **acquisition** activity in Asian markets this year, technology investors have predicted.

Statistics compiled by Internet DealBook, the publishing arm of investment **firm** Right Click Capital, indicated the average value of acquisitions in the Asia-Pacific region rose 334 per cent during the first three months of 2014, compared with the same time last year.

TD

The number of deals in the region declined slightly, by 12 per cent, compared with a 14 per cent decline in the United States and 26 per cent increase in Europe.

Right Click Capital partner Benjamin Chong said that while Facebook's **acquisition** of WhatsApp and Google buying Nest dominated headlines, an increasing number of **acquisition** and investment deals were being done outside of Europe and the United States.

"I think we're going to see more activity in the Asia Pacific region, particularly for Australia," Mr Chong said. "The uptake of technology is very high, so you're seeing people actually skipping what may have been the old school wired networks, and going straight to wireless. And people are starting to spend more which is commensurate with their growing incomes. "The opportunity is for us not to forget a lot of Asia is in our time zone and to somehow take advantage of that."

Alibaba, the e-commerce giant, has said it hopes to raise \$US1 **billion** from a public listing in New York, but analysts estimate that the initial public offering could yield up to \$US15 **billion** to \$US16 **billion** initially, beating out Facebook for the largest ever public listing.

But Mr Chong said Alibaba's float was likely the first in a line of Asian companies seeking investment outside of their traditional markets, and **lead** to public listings in the US and Australia.

The investment could also prompt increasing activity for Australian technology companies into Asia, particularly those developing social and e-commerce technologies.

Mr Chong pointed to Mig33, a mobile gaming and social **company** that listed on the ASX through a **mining** back-door, as an example. Foxconn technology, the **Chinese** manufacturer of Apple and other consumer electronics, recently agreed to buy a 19.9 per cent **stake** in the business.

"[The Alibaba IPO] is going to make it easier for fledgling Asian companies to get access to public markets, there's no doubt about that," Mr Chong said. "We can see some of the early signs with the Asian-focused companies listed on the ASX. "Investors here want to bank that and in some ways we have an advantage here being closer than some of the folks who have to travel across the Pacific." Globally, Internet Dealbook tracked a total \$US26.5 **billion** in value across 855 investments and acquisitions during the first quarter of 2014, up 166 per cent on the same period last year, excluding Facebook's \$US19 **billion acquisition** of WhatsApp.

The statistics indicate a significant boost in **acquisition** values, increasing from \$3 **billion** during the first quarter of 2013 to \$16.5 **billion** a year later.

**CO** alibab : Alibaba.com Corporation

**IN** iebus : E-business (B2B) | iecom : E-commerce | iint : Internet/Online | itech : Technology

**NS** c1711 : Initial Public Offerings | c18 : Ownership Changes | cacqu : Acquisitions | ccat : Corporate/Industrial News | c02 : Corporate Changes | c14 : Stock Listings | c17 : Funding/Capital | c171 : Share Capital | c181 : Acquisitions/Mergers/Takeovers | cactio : Corporate Actions | ncat : Content Types | nfact : Factiva Filters | nfcpin : FC&E Industry News Filter

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document AFNR000020140512ea5d0000I