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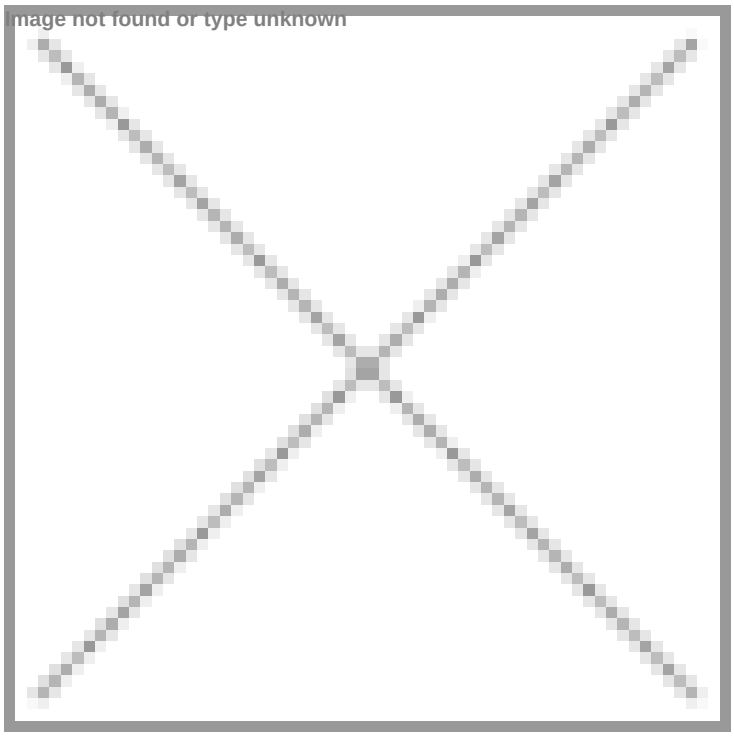
ASIA EDITION

Resurging Funding Catapults APAC Biotech Startups

02 August 2025 | Analysis | By Ayesha Siddiqui

Asia-Pacific's biotech startup scene is on the cusp of a renaissance. After a tough 2024 marked by shrinkingventure capital, 2025 is showing revived investor enthusiasm and a rebound in funding- especially for oncology, gene therapy, and AI-driven drug discovery. With 9,905 life sciences startups now active across the region, APAC Countries are leveraging scientific innovation, government support, and new incubators to move beyond service roles and develop world-class therapeutic assets. Let's take a closer look at Asia's startup ecosystem, evolution of investor sentiment over the past few years, and buoying biotech areas.



After riding the COVID-19 funding wave, APAC's biotech startup ecosystem faced a sharp correction. 2024 was the sector's harshest year since 2019, with global private equity and venture capital (VC) deal value and volume in biotech dropping to their lowest levels in five years, according to S&P Global Market Intelligence. Investors pulled back as post-pandemic euphoria gave way to tighter capital, macroeconomic uncertainty, and regulatory bottlenecks.

"In APAC, VC deal volumes fell by 18 per cent year-on-year (YoY) in the first half of 2024, while deal value plummeted by 27 per cent. Even biotech-heavy markets like China, Japan, and South Korea saw a decline of over 20 per cent in funding metrics compared to the previous year," said **Aurojyoti Bose, Lead Analyst at GlobalData.**

Yet, 2025 is already showing signs of cautious optimism. “The APAC venture capital funding activity in biotech, which witnessed consistent YoY decline through the first half of 2024, showcased a rebound in volume in H1 2025. Deal volume has risen by 14 per cent YoY in the first half of 2025, and total VC funding has crossed the $1 billion mark. While still short of the highs of 2021–2022, the recovery is being fuelled by a sharper focus: capital is flowing to areas investors view as scientifically promising and commercially viable,” said Bose.

In the first half of 2025, biotech funding in APAC has shown signs of revival, marked by a wave of significant investments across oncology, gene therapy, rare diseases, and AI-driven drug discovery. Precision medicine and cell therapies are also reshaping how companies design and personalise treatment approaches.

While early-stage activity has remained relatively steady, late-stage startups particularly those seeking Series B or beyond are encountering headwinds. Investors are exercising greater caution, closely assessing commercial potential and exit strategies. As a result, many larger growth rounds have been delayed, downsized, or reprioritised.

Even so, a series of high-profile raises in H1 2025 suggests investor appetite is returning, especially at the intersection of computation and biology. Notable deals include: Insilico Medicine raised $123 million to advance its AI-led drug discovery platforms; AdvanCell secured $112 million to grow its pipeline of radionuclide therapies and Shanghai Alebund Pharmaceuticals closed a $75 million round to support development of renal disease treatments.

Asia startup ecosystem

The life sciences startup ecosystem across Asia is entering a new phase of maturity. Countries like Singapore, China, Japan, South Korea, and Australia are no longer just service-driven hubs or low-cost development centres. Instead, they are now home to startups that are creating proprietary technologies, developing innovative assets, and engaging actively in global dealmaking.

“The life sciences ecosystem in Asia has been maturing extremely well over the past years. Previously dominated by service providers, the sector now includes startups creating their own unique technologies, including preclinical and clinical stage biotech companies developing novel and innovative assets. Japan and China currently lead the sector with the highest number of successful product innovations in the global market. Asian, and in particular Chinese companies are now able to develop attractive assets and license them to global companies, competing effectively with their European and US counterparts. When it comes to developing new drugs and running clinical trials, Chinese companies have a clear advantage in terms of execution: high quality, low cost, and speed,” said **Dr Anne-Laure Puaux, CEO, WEHI Ventures.** WEHI Ventures was established in 2023 to manage 66ten, the first internal pre-seed and seed fund created by Australian medical research institute, WEHI. 66ten is investing A$66M over 10 years to build on WEHI’s track record of commercial success.

China’s strength lies not just in its scale but also in the depth of its scientific workforce, many of whom bring international training and experience. This has helped the country move rapidly from ‘me too’ products to original innovation, earning attention from large global pharma players.

“Over the course of the past decade, we’ve seen dramatic advances in the life science ecosystem across Asia, particularly in countries like China and South Korea. China is the emerging powerhouse of innovation, leveraging a wealth of internationally-trained, highly experienced Chinese scientists, and access to a vast patient population, to move quickly from low-risk, ‘me too’ products to cutting-edge biotech innovation. This advance is reflected in the level of global pharma engagement with Chinese biotech, as noted in the Locust Walk Q2 2025 report,” said **Ian Nisbet, Chief Operating Officer, Cartherics, Australia.** Cartherics is a pre-clinical stage company developing cell-based products for the treatment of cancer and other intractable diseases such as endometriosis.

Chinese companies are also leading the region’s licensing activity. They are no longer just receiving technology transfers, many are originating valuable assets and striking outbound deals with global partners. Looking at this, Nisbet pointed out “Geographically, the balance of licensing activity has been evolving with China-based companies dominating 2025’s licensing deal flow, accounting for 42 per cent of total deal value, cementing China’s role as a major participant in global dealmaking through large pharma partnerships.”

Clinical development has followed a similar trajectory. China has become the top location for clinical trials globally in the last couple of years, offering a combination of speed, scale, and execution quality. “The trend is also seen with clinical development – since 2023 China has been the top location in the world for clinical trials, with 39 per cent of all clinical trials worldwide having Chinese sites”, noted Nisbet.

While China’s sheer scale has played a role in its dominance, other Asian countries have also built competitive ecosystems by focusing on niche strengths. Countries like South Korea, Japan, and Singapore are investing in platform technologies such

as cell and gene therapies (CGTs), supported by strong policy and regulatory support. “Countries such as South Korea, Japan and Singapore, have utilised government, regulatory and investor support to build world-class capabilities in areas like CGTs”, said Nisbet.

Meanwhile, the broader funding environment across the APAC region continues to adjust in the wake of the post-2021 venture capital reset. Australia reflects this shift especially well, balancing a strong pipeline of early-stage innovation with a more measured capital environment.

“From Sydney, we see two counter-currents shaping APAC biotech. First, capital is still working through a post-2021 reset. Regional life-sciences venture funding has contracted from roughly $187 billion at the peak to about $78 billion in 2023 and an estimated $66 billion last year. Established venture houses are focusing on supporting their existing portfolios, while crossover funds are busy with their public-equity books. As a result, mega-rounds are scarce and more Series A’s are being stitched together with one specialist fund and a handful of generalists”, said **Anthony Liveris, CEO, Proto Axiom,** an investment company with an incubation arm.

Having similar observations, **Dominic Marinelli, Terrain Capital Limited and Corporate Advisor, Cartherics** said, “Australia, while often viewed as a distinct market, shares many characteristics with its Asian counterparts in fostering early-stage innovation. Its strong research base and efficient clinical trial environment make it a compelling location for early-phase drug development. However, like much of the region, the challenge of securing substantial later-stage growth capital remains.”

This tension between early-stage momentum and late-stage capital constraints is echoed across the region. While early-stage company creation and R&D funding have not been major obstacles, financing for clinical development and company scale-up is far less accessible.

“In terms of funding depth, financing for company creation and the conduct of early-stage R&D has not been a particular problem. However, the funding of company growth and clinical development remains a challenge across the region. Pharma deals provide validation and support for later-stage development but pharma companies are inherently conservative and prefer to invest in de-risked assets. Other sources of capital (VCs, family offices, superannuation funds, etc.) need to expand their remit to increase the amount of risk capital available to Asian life science companies. The lack of such capital forces companies to prematurely list on public markets, which is one of the factors that has negatively impacted on the development of the sector in Australia. Thus, while the Asian life sciences sector has grown and matured over recent times, the ability to extend this growth to create internationally-competitive, commercially viable biopharma companies is constrained by the lack of funding depth across the region,” said Nisbet.

Despite the tighter funding environment, Singapore has stood out for its ability to continue attracting global capital. Anchored by a strong research base and well-developed translational infrastructure, the city-state has emerged as a magnet for top-tier investors. “Regarding funding depth, Singapore's rich pool of scientific innovation has increasingly attracted global investor interest. Venture financings have seen a multiple fold increase from 1 in 2012 to 12 in 2023. Leading life science investors from US, Europe and other parts of Asia established a presence in Singapore alongside ClavystBio in the past few years. These include notable names such as Polaris Partners, Lightstone Ventures, Accelerator Life Science Partners, Flagship Pioneering, MPM, Droia Ventures, 4BIO, Panacea, Qiming, and Lyfe Capital,” said **Khoo Shih, CEO, ClavystBio, Singapore.**

ClavystBio was established by Temasek in 2022 to capitalise on this robust growth as a life sciences investor and venture builder. It invests in breakthrough innovations across therapeutics, medtech, and digital health, partnering with innovators to launch and grow global companies from Singapore. The recent achievements of its portfolio companies, Allay Therapeutics, Callio Therapeutics, Leyden Labs and Nuevocor, underscore the quality of Singaporean innovation and its appeal to global investors. Both companies recently closed major financing rounds with global syndicates and are successfully progressing their clinical trials in key international markets.

Biotech investment shift

Investor interest in the life sciences sector has long been influenced by pharmaceutical demand, given that pharma remains the primary customer for biotech innovations. Over the past few years, however, investment priorities have clearly shifted.

According to Nisbet, “While the initial widespread enthusiasm for first-generation cell therapies matured, leading to a more discerning view, investor attention for biotech startups has notably shifted. The primary focus now lies in areas like monoclonal/bispecific antibodies, immunotherapies, antibody-drug conjugates (ADCs), mRNA/lipid nanoparticles, and in vivo gene editing. These are the modalities pharma companies are actively pursuing, and hence, the ones investors are willing to support.”

This alignment between pharma demand and investor appetite drives capital flows, but Nisbet adds a cautionary note, “New technologies invariably go through highs and lows, driven heavily by the emergence of data. The challenge for companies is to raise enough capital to survive through the lean times and generate supportive data. Those working in areas currently in favour must use this time to raise capital and deliver—otherwise they won’t remain in favour. This is true whether the companies are in Asia or anywhere else in the world.”

While the capital environment remains selective, scientific innovation across the APAC region is advancing steadily. “Patent filings, clinical read-outs and new fast-track pathways out of Korea, Singapore and Australia show an innovation engine that is healthier than the funding headlines suggest. What suffers in the current environment is seed-to-Series A translation, especially for platform technologies that need heavier early capital. Investors instead gravitate toward licence-ready, single-asset programmes where risk can be shared with strategic partners,” said Liveris.

China and South Korea have taken a prominent lead in this evolving investment landscape. “Chinese biotechs, in particular, have demonstrated their ability to attract funding for the development of globally relevant, high-quality assets. Increasingly, China-originated companies are entering global markets not just through licensing deals but by setting up new entities in target regions like the US, often with backing from their original investors in exchange for royalties and equity,” said Dr Puaux.

According to McKinsey, Asian-origin companies driven largely by China and Korea contributed 43 per cent of the global biotech asset pipeline in 2023. Areas attracting the most attention mirror global trends, with oncology and obesity emerging as consistent investment themes.

Incubator boom

APAC has seen a surge of incubators in recent times, driven by the need to de-risk early-stage science and fast-track translational research into viable biotech ventures. Many of these initiatives have emerged through academic–industry–government collaborations, while others are being seeded by global pharma and venture capital firms seeking early access to innovation in the region.

Singapore is emerging as a hub for structured translational research and early-stage biotech incubation. The co11ab incubator—set up by NTU, A*STAR, and the National Healthcare Group—is embedded in the Lee Kong Chian School of Medicine, near major hospitals, to promote bench-to-bedside innovation. 65Lab, backed by ClavystBio, Leaps by Bayer, Lightstone Ventures, Polaris Partners, and Evotec, supports academic spinouts and company formation. Meanwhile, LIVE Ventures, launched by Duke-NUS Medical School, focuses on commercialising research and developing startup-ready talent.

Australia is strengthening its biotech startup ecosystem through a network of incubators formed via public–private and academic collaborations. CSL, WEHI, and the University of Melbourne are launching a new incubator—run by an independent operator—to provide lab and office space for early-stage biotech ventures. Brandon BioCatalyst’s CUREator, backed by the Medical Research Future Fund, will support up to 15 therapeutic startups in its upcoming round. Biointelect Venturer, a new initiative informed by extensive stakeholder input, is slated for launch in 2026. At the same time, emerging incubators like Jumar Bioincubator and Proto Axiom are driving founder-centric innovation and startup readiness.

Big pharma’s obsession with China continues, extending beyond partnerships and licensing into foundational infrastructure. Global drugmakers and investors are backing new incubators to tap into China’s expanding academic and clinical research base. Eli Lilly has launched its first biotech incubator in China, while Bayer opened a dedicated life sciences incubator in Shanghai.

Global VCs flock to Asia

There’s a rising venture activity from global VCs building their presence in Asia. In Singapore, this includes high-profile moves such as Flagship Pioneering launching a regional hub and Accelerator Life Science Partners making its first investment in the region co-leading a $16 million Series A round with ClavystBio in Automera, a startup developing novel targeted protein degradation approaches. Singapore’s appeal is further reinforced by the relocation of both CBC Group and Lyfe Capital, which have moved their headquarters from China to Singapore. Novo Holdings has steadily expanded its footprint through its Asian life sciences platform, backing companies such as Hummingbird Bioscience and Esco

Lifesciences.

Beyond Singapore, the region's venture scene is deepening. In Australia, Brandon Capital has launched its sixth fund, while the Merchant Biotech Fund just three years old has seen strong investor interest and performance, prompting plans to triple investments. Newer players such as Proto Axiom and Jumar Bioincubator are also emerging as local anchors for early-stage biotech. In Japan, US based AN Venture Partners has closed a $200 million debut fund, one of the largest ever first-time biotech funds in Asia. Hong Kong-based ORI Capital is planning a $350 million fund targeting Chinese healthcare startups. South Korea, too, is committing heavily to the space, with the government investing KRW 910 billion to raise additional venture funding for startups.

With a deepening pipeline of startups, growing venture capital momentum, and a new generation of incubators, Asia-Pacific's biotech ecosystem is entering a new phase. The coming years will test whether these early signals can convert into sustained global breakthroughs.

Country wise analysis of startups with funds raising

Asia-Pacific is home to 9,905 active life sciences startups, as of July 20, 2025, according to Tracxn. Of these, 4,289 have secured funding, and 1,840 have advanced to Series A or later stages. While the concentration of startups varies across countries, the region continues to show steady momentum in new company formation with an average of 453 life sciences startups launched annually over the past decade.

China

- Total startups: 3,060
- Funding in 2025 (till June): $471 million

China's rise on the global stage has been impressive. In 2024, one-third of all biotech assets licensed by Big Pharma originated from China, a sharp increase from less than 10 per cent in 2017. These innovations span oncology, immunology, diabetes, and increasingly, platform technologies such as antibody-drug conjugates (ADCs), cell therapies, and AI-assisted drug discovery. Of the 3,060 life sciences companies in China, 1,676 have secured funding. Among these, 848 have reached Series A or higher, and 532 have progressed to Series B or beyond. Over the past decade, China's life sciences sector has attracted more than $38.7 billion in total funding. As of 2025, the sector has raised $471 million to date. (Source:Tracxn)

India

- Total startups: 2,561
- Funding in 2025 (till June): $122 million

According to Biotechnology Industry Research Assistance Council (BIRAC), set up by the Department of Biotechnology (DBT), Government of India, the country now has over 10,075 biotech startups, a tenfold increase in the last nine years. Annual funding rose from $193 million in 2020 to $269 million in 2024. India's biotech sector is dominated by early-stage ventures; nearly 90 per cent of startups are in pre-Series A. (Source: Omnivore and Nucleate report)

Singapore

- Total startups: 464
- Funding in 2025 (till June): $66.6 million

Singapore has maintained steady startup momentum, with 180 funded companies, 73 beyond Series A, and two unicorns. The local ecosystem is buoyed by strong government support and deepening infrastructure. LEK Consulting projects the number of biotech firms in Singapore to rise over 61 per cent between 2022 and 2032. (Source:Tracxn)

Australia & New Zealand

- Total startups: 1,298
- Funding in 2025 (till June): $146 million

Australia and New Zealand together account for over 1,200 life sciences startups, with 436 funded and 248 in Series A+. Investor sentiment rebounded strongly in 2025, driven by confidence in translational science and strong clinical pipelines. The life sciences sector in Australia and New Zealand saw a total funding of more than $4.96 billion in the last 10 years. The region also leads in IPO volume with 118 listings in the past decade. (Source: Tracxn)

Japan

- Total startups: 653
- Funding in 2025 (till June): $44.3 million

Japan's startup formation has been slower compared to its peers, with many biotech initiatives still emerging from large pharma or academia. Only 46 startups have reached Series A+ stage. However, the country's drug development and regenerative medicine research remains globally competitive. Investors are starting to back more specialised ventures, including startups in neurodegeneration, advanced cell therapies, and organoids. (Source: Tracxn)

South Korea

- Total startups: 1,062
- Funding in 2025 (till June): $57.3 million

South Korea has a maturing biotech scene anchored by firms like MedPacto, Helixmith, and Genexine. Of the total, 533 startups are funded, and 231 are Series A+. The country's strength in biologics manufacturing is now extending into startups developing antibody-drug conjugates (ADCs), microbiome therapeutics, and AI-led R&D. Although 2025 funding is slightly down, the government's 'Bio Economy 2030' roadmap continues to attract institutional and cross-border interest. (Source: Tracxn)

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