

# Asian AI Spin-Outs: ByteDance's Anew Labs and the Carve-Out Model

*Value Released Sideways.*

## Key takeaways

- ByteDance's AI drug-discovery unit Anew Labs raised US\$290m at a US\$1.5bn valuation in its first external round, with ByteDance retaining 56% (Reuters).
- Asia's AI liquidity has run through listings rather than secondaries: Zhipu and MiniMax raised a combined US\$1.2bn in Hong Kong in January.
- Asia-Pacific accounted for a small share of global secondary volume in H1 2026, so carve-outs and IPOs, not secondary trading, are the region's main liquidity route.

Corporate carve-outs have become one of Asia's most active routes for creating independent technology companies. The latest example arrived this week, and it illustrates both the appeal of the structure and the reasons investors should read these transactions carefully.

## The Anew Labs transaction

Reuters reported on 16 September 2026 that ByteDance had completed a US\$290 million fundraising for Anew Labs, its AI drug-discovery unit, after spinning it out of the group. The round valued the Shanghai-headquartered company at about US\$1.5 billion and was led by HSG — formerly Sequoia China — with IDG Capital and Hillhouse Investment, and 5Y Capital as co-lead. Gaorong Ventures, Primavera Venture Partners and Boyu Capital participated, alongside strategic investor SBP Group and the state-backed Shanghai Future Industries Fund. ByteDance retains a 56% stake [1][2].

The business originated in an internal AI-for-science team and develops platforms for biomolecular structure prediction, molecular design and antibody design, with offices in Shanghai, Singapore and San Francisco [1]. It enters a well-capitalised field: Isomorphic Labs, spun out of Google DeepMind, raised a US\$2.1 billion round earlier this year [3].

## Why groups carve out

The logic is consistent across the region. A unit inside a large group competes for internal budget, cannot issue its own equity to recruit specialists, and is valued by the market as part of the parent. Separating it creates a dedicated capitalisation table, brings in outside investors who price the business on its own prospects, and allows equity incentives tied to its performance. For the parent, retaining a majority stake preserves control and any upside while transferring part of the funding burden.

## What an investor is buying

- **A controlled company.** With the parent at 56%, minority investors depend on protections negotiated in the documents, not on voting power.
- **Continuing dependence.** Carve-outs frequently rely on the parent for compute, data or services; the terms of those arrangements affect economics and are not usually public.
- **A long development cycle.** A drug-discovery platform is valued on scientific milestones, not on software adoption curves. The round is capital, not validation.
- **Restricted transferability.** Shares in a controlled private company typically carry consent requirements at least as strict as those of a standalone start-up.

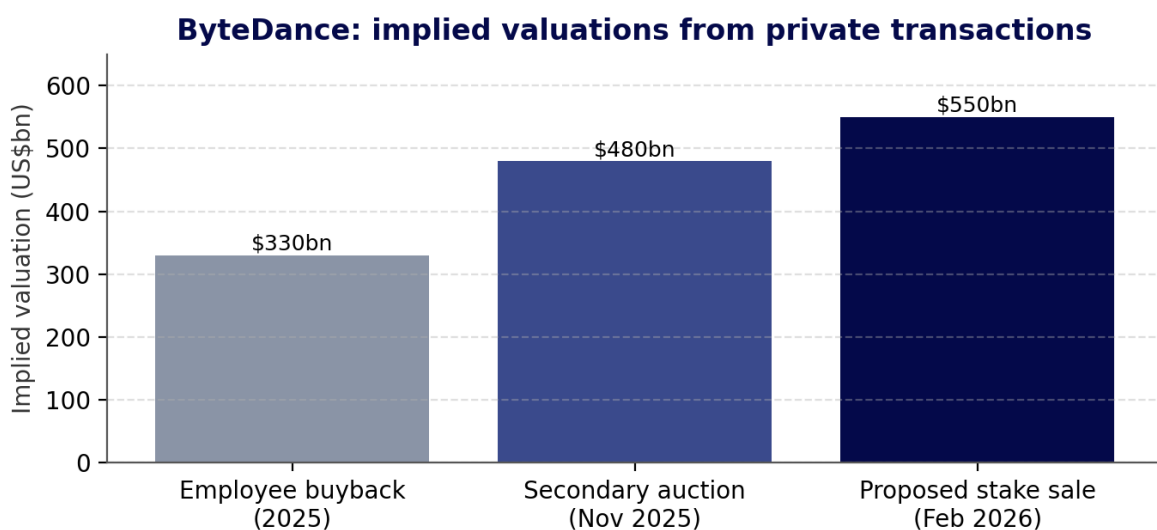
## Where Asian liquidity is actually coming from

The region's route to liquidity in 2026 has run mainly through public markets, not secondaries. In January, two Chinese large-language-model developers listed in Hong Kong within a day of each other: Zhipu AI raised US\$558 million and rose 13% on debut, while MiniMax raised US\$620 million and closed 109% higher, valuing it at about US\$13.7 billion [4][5]. By contrast, Evercore's data show Asia-Pacific and the rest of the world accounting for just 2% of GP-led secondary volume by portfolio-company geography in the first half of 2026 [6].

## ByteDance itself

The parent remains the region's largest private valuation reference. Its implied value has been set through a sequence of private transactions rather than a market: an employee buyback at more than US\$330 billion, a secondary transaction at US\$480 billion in November 2025, and a proposed stake sale by General Atlantic in February 2026 at about US\$550 billion [7].

**Figure 1: ByteDance implied valuations from reported private transactions**



Source: Reuters, February 2026 [7]. Each mark comes from a different transaction type; proposed sales may not complete. Chart: Argent Bluebook.

## The cross-border overlay

For non-Chinese investors, these opportunities sit inside a regulatory frame that has to be checked before price is discussed. The US Outbound Investment Security Program has since January 2025 prohibited or required notification of certain investments by US persons in AI, semiconductor and quantum businesses connected to China, including Hong Kong and Macau [8][9]. Structures typically involve offshore holding companies, and both the tax and the regulatory analysis differ from a US transaction. Specialist advice is essential, and it belongs at the start of the process rather than at signing.

### RELATED READING IN THIS SERIES

**Market Lens No. 8** · Sovereign and Asian Capital in Frontier Technology · 17 June 2026

**Market Lens No. 11** · Global Capital Conduits · 22 July 2026

**Market Lens No. 19** · European Tech Independence · 9 September 2026

## References

- [1] Reuters, "ByteDance unit raises \$290M for AI drugs post-spinoff, sources say," 16 September 2026. <https://www.emirates247.com/business/bytedance-ai-drug-unit-anew-labs-raises-290m-after-spin-off-valued-at-15b/5686>
- [2] TechNode Global, "ByteDance AI drug spin-off Anew Labs raises \$290M," 17 September 2026. <https://technode.global/2026/09/17/bytedance-ai-drug-spin-off-anew-labs-raises-290m/>
- [3] WOWTALE, "ByteDance's AI drug spin-off Anew Labs closes \$290M round, sources say," 17 September 2026. <https://en.wowtale.net/2026/09/17/235139/>
- [4] CNBC, "The first of China's 'AI tigers' goes public as Zhipu climbs in Hong Kong debut," 8 January 2026. <https://www.cnbc.com/2026/01/08/china-ai-tiger-goes-ipo-zhipu-hong-kong-debut-openai-knowledge-atlas-hsi-hang-seng-listing.html>
- [5] Reuters, "MiniMax, China's second AI tiger to go public, doubles in value in Hong Kong debut," 9 January 2026. <https://uk.marketscreener.com/news/minimax-china-s-second-ai-tiger-to-go-public-doubles-in-value-in-hong-kong-debut-ce7e59d2d988ff27>
- [6] Evercore Private Capital Advisory, "H1 2026 Secondary Market Review," July 2026. <https://www.evercore.com/wp-content/uploads/2026/07/Evercore-H1-2026-Secondary-Market-Review.pdf>
- [7] Reuters (via Yahoo Finance), "Exclusive: ByteDance valued at \$550 billion in proposed share sale by General Atlantic, sources say," 25 February 2026. <https://finance.yahoo.com/news/exclusive-bytedance-valued-550-billion-084444417.html>
- [8] Greenberg Traurig, "US Outbound Investment Security Program Takes Effect January 2025," December 2024. <https://www.gtlaw.com/en/insights/2024/12/us-outbound-investment-security-program-takes-effect-january-2025>
- [9] Congressional Research Service, "Regulation of U.S. Outbound Investment to China" (IF12629), updated March 2026. <https://www.congress.gov/crs-product/IF12629>

### DISCLAIMER

This article is published by Argent Markets, a technology platform, for general informational purposes only. It does not constitute investment, legal, accounting or tax advice, and it is not an offer to sell, a solicitation of an offer to buy, or a recommendation of any security in any jurisdiction.

Investing in privately held assets is speculative and illiquid and involves the risk of loss. Argent conducts no due diligence on, and makes no representation regarding, any target company's transfer restrictions, rights of first refusal, board consent or veto rights. Parties transact at their own risk and are advised to obtain independent legal advice.

All figures derive from press reports, regulatory disclosures, or third-party data, as fully cited.