

PRESS RELEASE

31 July 2008

NRF SEEDING SIX VENTURE FUNDS WITH S\$10 MILLION EACH TO INVEST IN SINGAPORE-BASED EARLY-STAGE START-UPS

- *Awarded fund managers will operate venture funds of at least S\$20 million each (including S\$10 million from NRF) to invest in Singapore-based early-stage high-tech start-up companies*

1. The National Research Foundation (NRF) announced today that it would be seeding six new venture funds with S\$10 million each under the Early Stage Venture Funding scheme.

2. This scheme is part of a package of programmes under the National Framework for Innovation and Enterprise (NFIE) announced by the Prime Minister at the 3rd Research, Innovation and Enterprise Council (RIEC) meeting in March this year. The NFIE is a comprehensive national programme to encourage innovation and entrepreneurship especially through the formation of start-up companies to commercialise technologies developed out of R&D.

3. One of the biggest challenges facing young start-up companies in Singapore is the dearth of venture funds investing in companies during the early stages of their development. This is because the risk of failure is very high at this stage and the entrepreneurs require guidance and nurturing in addition to funding, even though the returns on investment would be correspondingly greater if the companies succeed. The Early Stage Venture Funding scheme seeks to catalyse the set-up of several early stage venture capital funds. Under this scheme, NRF will invest S\$10 million in each of the selected VCs, who are required to raise a matching sum of at least S\$10 million from third-party investors to invest in locally-based start-ups. The fund managers will be given an option to buy out NRF's investment within 5 years at the price of 1.25 times NRF's original investment.

4. NRF launched a call to solicit proposals for the early stage venture funds on 18 April 2008. The call received very strong response, with 22 proposals submitted. An Evaluation Panel, comprising experienced entrepreneurs and investors, was formed to evaluate these submissions. The Panel, chaired by Mr Teo Ming Kian, Permanent Secretary (National Research & Development) unanimously recommended 6 fund managers for

award. The NRF Board meeting on 25 July 2008 approved these awards. (See **Annex A** for a list of the panel members.)

5. The six selected fund managers are:

- BioVeda Capital II;
- Nanostart Asia;
- Raffles Venture Partners;
- Tamarix Capital;
- Upstream-Expara; and
- Walden International.

(See **Annex B** for a brief write-up on each fund manager and the respective funds.)

6. Mr Teo said: “The Evaluation Panel was impressed with the competence, commitment and passion of the 6 selected fund managers. The six funds to be created would cover a broad base of technologies, ranging from infocomm, digital media, electronics and engineering to specialised fields like biotechnology and nanotechnology. I am confident that with the increased liquidity available for early stage companies in the coming years, we would be able to remove a key obstacle to the creation of high tech start-ups in Singapore.”

7. Mr Pierre Hennes from Upstream-Expara, one of the selected fund managers, said: “It’s a tremendous opportunity to be selected as one of the fund managers under the Early Stage Venture Funding scheme. The Singapore government has pro-actively responded swiftly to the needs of the community. In bridging the funding gap in the ecosystem, there will be excellent opportunities for entrepreneurs and those with expertise to interact. We are very excited and look forward to taking young start-up companies to the next level.”

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ANNEX A

Early Stage Venture Funds Evaluation Panel	
1.	Teo Ming Kian (Chairman) Permanent Secretary (National Research and Development)
2.	Dr Francis Yeoh Chief Operating Officer, NRF
3.	Mr Inderjit Singh Chief Executive Officer, Infiniti Solutions Ltd
4.	Prof Tom Magnanti MIT Institute Professor & Director, Singapore-MIT Alliance in Research and Technology (SMART) Centre
5.	Mr Chay Kwong Soon Chairman, Enspire Capital
6.	Mr Ng Kai Wa Chairman & Chief Executive Officer, InnoMedia
7.	Mr Leslie Loh Chairman, The NextView
8.	Mr Tan Cheng Gay Chairman & Chief Executive Officer, EnGro Corporation Ltd

ABOUT THE FUND MANAGERS

1. BioVeda Capital II

BioVeda Capital is focused exclusively on healthcare and provides venture capital financing to companies in the life sciences with leading proprietary technologies and outstanding scientific and management talent. It invests in outstanding companies in leading market positions with products and services which target large markets, unmet medical needs and the evolving lifestyles of modern societies.

With its international network, BioVeda Capital provides a crucial business and scientific bridge between companies in the East and West, linking finance and technology between two very diverse markets. Its experienced Investment Team and Scientific Advisory Board together provide a strong combination of broad scientific, industry and medical expertise, and financial and investment experience to assist partner companies.

In Singapore, the BioVeda team has been involved in the financing, business development or technology licensing of almost 20 local life science companies. With the support of the NRF funding and the government's initiatives in biomedical sciences leading to the creation of innovative life science companies here, BioVeda Capital aims to partner with Singapore research institutes, universities and the biomedical community to build strong, emerging, high growth companies with global potential.

BioVeda Capital presently manages a US\$32 million venture fund that has successfully invested in the US, Europe and Asia. It was the only Asian venture capital firm ranked in a list of "Top 25 US Biotech VCs" by Venture Reporter (2002-03). For more information, please visit www.biovedavc.com.

2. Nanostart Asia

Nanostart AG is the world-leading nanotechnology investment company based in Frankfurt, Germany. Through its Portfolio Division, Nanostart invests globally in young up-and-coming companies whose business is based on groundbreaking nanotechnology. With the backing of Nanostart's capital and business know-how, they are given the opportunity to radically transform existing markets. Nanostart also links them up in a network of potential clients, cooperation partners and research institutions that span the entire globe. In this way, they gain access to a new source of additional potential of securing, strengthening and accelerating their own growth. Nanostart made its first Asian investment in December 2007 to Curiox, a spin-off company from the Institute of Bioengineering and Nanotechnology (IBN) in Singapore.

Nanostart continues to expand its global activities in 2008. In Asia, it incorporated its first Asian subsidiary Nanostart Asia Pte Ltd in April and successfully launched its 1st NanoEquity Asia 2008 event in May in Singapore. Please visit www.nanostart.de for more information about Nanostart and www.nanoequity.de for information on Nanoequity events in Europe and Asia.

Nanostart is privileged to be one of the winners of NRF's Early Stage Venture Funding scheme. We recognise Singapore has state of the art nanotech R&D infrastructure, world-class research centers, motivated and talented human capital as well as strong government support in nanotech R&D and commercialisation. Together with NRF, we will continue to build alliances with government funding agencies, research, industry and business communities and actively invest and nurture Singapore-based nanotech start-ups, and accelerate the transformation of Singapore into "Nano Silicon Valley" of Asia.

3. Raffles Venture Partners

Raffles Venture Partners Pte Ltd was founded in early 2008 by David Lim, Yap Ning Jee and Yap Keng Ann – former investment professionals from TIF Ventures Pte Ltd who had managed both direct and fund-of-funds investments. TIF Ventures was an investment arm of the Singapore Economic Development Board and had more than US\$1.3 billion fund-under-management.

In direct investment, Raffles' founders and Raffles' partners have a wealth of investment experience in investing in and operationally engaging with innovative start-up companies. Its successful track record includes Biosensors, SoundBuzz, Savi and China The9 Interactive. Raffles Venture Partners has been selected by the NRF to be one of the fund managers under the NRF's Early Stage Venture Funding Scheme. The team will capitalise on their extensive networks locally and globally to bring about more locally-based successful innovative start-up companies to be funded under the NRF's Early Stage Venture Funding Scheme. In fund-of-funds investment, the Raffles Venture Partners manages a fund-of-fund which invests with top quartile experienced US fund managers with the aim of achieving superior long-term returns.

4. Tamarix Capital

Tamarix Capital is a newly-formed venture capital fund, backed by an internationally-renowned venture capital firm, with more than S\$800 million under management and more than 16 years experience in investing in early stage technology companies. The Fund will focus primarily on early stage investments in innovative Singapore-based technology companies, specifically in the areas of Information Technology, Internet & Digital Media.

5. *Upstream-Expara*

All of our partners are actively engaged in Singapore's early stage venture capital and entrepreneurship scene, while several have been working in this area since 2000. The team members have an average of 18 years of experience in venture capital, angel investing, entrepreneurship, management, operations, consulting, teaching, and financial services. All of them are residing in Singapore.

We believe that Singapore is extremely well-positioned to support high-growth start-ups, given advantages such as its central location in Asia, the fastest-growing market in the world, good infrastructure, ease of starting up a company, ability to attract foreign talent, good corporate governance practices, intellectual property protection, deep capital markets, and strong support from the government. The Singapore government has been highly pro-active in their support of the growth of the IDM and media industries, especially in the efforts of NRF, the IDM Programme Office, and the Media Development Authority. We believe that Singapore has tremendous potential to establish itself as a global hub for the interactive and digital media and entertainment industry.

6. *Walden International*

Walden International is an international venture capital organisation with total funds under management in excess of US\$1.9 billion. Walden provides seed and start-up funds for emerging growth companies, as well as capital for expansion financing and acquisitions. Walden has a US - Asia footprint with 9 offices in the United States, Singapore, Taiwan, Malaysia, India, Hong Kong and China.

Walden Singapore was established in 1988. Over the past 20 years, Walden has been an active player in the Singapore venture capital scene with 7 Singapore-based venture funds under its management. Walden has invested in about 60 Singapore companies, including several spin-offs from local universities and research institutes. Notable investments include Creative Technology, Frontline Technologies (acquired by British Telecom), MediaRing and JobStreet. Areas of special interest to Walden include Digital Media and Internet, Electronics, Semiconductors, Software and IT Services, Communications and Clean Tech sectors.

Mr Tan Lip Bu is the chairman and founder of Walden International. Mr Tan grew up in Singapore and graduated from Nanyang University. He has been involved with venture capital since 1984 and has pioneered many US venture capital concepts in Asia. For more information, please visit www.waldenintl.com.

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