

VENTURE CAPITAL AND PRIVATE EQUITY INITIATIVES IN SINGAPORE

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The Early Stage Venture Fund ("**ESVF**") is an initiative of the National Framework for Innovation and Enterprise ("**NFIE**") and is administered by the National Research Foundation ("**NRF**") from the Prime Minister's Office, Singapore. The ESVF assists venture capital ("**VC**") funds investing in Singapore-based early-stage high-tech companies. To qualify for the ESVF, the manager of a VC fund must have a Capital Markets Services licence, issued by the Monetary Authority of Singapore, or be a registered Fund Management Company. The NRF selects approved VC funds by evaluating factors such as the VC fund's investment mandate and focus, the profile of their management team and their ability to raise funding. One round of the ESVF was completed in 2008 and a second-round was launched in September 2013. In each round, the NRF invests \$10-\$15 million in each approved VC fund, with the VC fund expected to raise the same amount on a matching basis from its own investors. The VC fund has the option to buy out NRF's share within five years by paying back the capital with five per cent interest.

The SPRING Start-up Enterprise Development Scheme ("**SPRING SEEDS**") and the Business Angel Scheme ("**BAS**") are initiatives by SPRING Singapore. Both schemes are managed by SPRING SEEDS Capital Pte Ltd, a wholly owned subsidiary of SPRING Singapore which provides equity co-financing for private equity ("**PE**") funds investing in private limited Singapore-based companies, whose core activities are in Singapore and who have strong international market potential. The investee company must be less than five years old and must have substantial innovative and intellectual content in its products, services or applications. The PE investor must have a minimum paid-up capital of \$500,000, be prepared to invest at least \$75,000 into each business, and must possess the management experience, business contacts or technical expertise to contribute to the start-up's growth. If the deal is approved by the SPRING SEEDS investment panel, SPRING SEEDS Capital Pte Ltd will match any sum invested by the PE fund into the investee company up to \$1 million and will take equity stakes in the company in proportion to its investment. An additional \$1 million may be available in a later round subject to the investee company's performance and progress.

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