



For Immediate Release

ANGELS TO AID BUDDING ENTREPRENEURS

Virtuous Investment Circle set up to grow angel investment ecosystem

Kuala Lumpur, 4th August 2010 – The entrepreneurship ecosystem in Malaysia received a boost today with the launch of the Virtuous Investment Circle (ViC), an independent not-for-profit angel investment group set up to grow the angel investment community in Malaysia.

The ViC official announcement, which was made at a networking lunch event hosted by Cradle Fund Sdn Bhd today, was graced by Mr Goh Ching Yin, Executive Director of Strategy & Development, Securities Commission Malaysia, and also saw the attendance of ViC Chairman Bob Chuah, Cradle Chief Executive Officer Nazrin Hassan and a number of high net-worth private investors.

Speaking to the guests and media, Chuah said the organisation's inception was rooted in the Malaysian government's efforts to improve the funding and support ecosystem for entrepreneurs.

"In 2007 and 2008, the Malaysian Government commissioned Boston Consulting Group (BCG) to do a thorough review on Malaysia's financial and investment sector. BCG produced two reports – *Funding to Achieve an Innovation Economy by 2020* and a *Study on Funding an Innovation-led Economy*. In both reports, BCG highlighted that Malaysia has a very poor angel investment ecosystem and tapping into a group of angel investors was the single biggest challenge for start-up companies," he added.

In his keynote address, Goh commended the founders of the ViC for their vision to grow the angel investment community. "Much work has been done by Cradle's Ideas Bank team to structure a suitable and workable model to formalise a local angel network. It is encouraging to see our very own angel investors stepping out to extend a helping hand to our hardworking entrepreneurs via a professionally managed establishment." Goh said.

Goh added that the launch of ViC as a professionally managed network is timely and hoped that with its success, it would create a chain of other successes which would put Malaysia prominently on the innovation world map. "With 2010 being Malaysian Creativity and Innovation Year, we must collectively work to reignite our nation's innovative and entrepreneurial flames and be inspired to transform the landscape for a better tomorrow." he said.

Seeking to educate Malaysians on the nature of Angel Investments, the ViC declares a four-fold goal:

- 1) To provide a platform for innovative start-ups to raise funds and for investors to invest.
- 2) To encourage and strengthen the local angel community.
- 3) To generate quality deal flows through rigorous screening process.
- 4) To provide guidance and mentoring for new business angels and entrepreneurs.

The ViC does not directly invest in start-ups but acts as a *Business Angels Investment Platform*, with the aim of filling the gap in early stage investment by creating a win-win situation where affluent investors can assist entrepreneurs in technology-related fields in terms of funding and mentorship to expand their business. In return, investors obtain competitive financial returns, as well as the satisfaction in helping to build a successful business. ViC's support will allow a start-up to accomplish critical milestones that will make it attractive for a larger round of funding.

Chuah said, "The core of ViC's energy will be focused on sourcing good deal flows that are commercially sound and financially viable for our investors. Albeit ViC's efforts may be small at this juncture, we think that they are a step in the right direction. We are also working with the Angel Education Group under the Kauffman Foundation in America to continuously improve ourselves."

Elaborating on the management of the ViC, Chuah added that the organisation will be led by an investment manager who acts as an Executive Director (ED) and will be responsible for the day to day management and the mining of deal flows, conducting due-diligence and advising entrepreneurs. The ViC's Committee will consist of the 7 core members of the organisation plus the ED, as an ex officio, non-voting member.

The ViC is supported by main sponsor Cradle Fund Sdn Bhd (Cradle), an organisation that manages the Cradle Investment Programme under the purview of the Ministry of Finance. Cradle will play many roles in ensuring the continuity and success of the ViC, extending its support in terms of start-up cost and operational cost, marketing and advertising, channeling potential entrepreneurs to the organisation, providing seed grants or pre-seed grants as a co-investor, and providing office space allocation for ViC's activities, staff and members.

Membership of the ViC is by invitation only and is extended to individuals who share the organisation's vision and values. A new member would need to be nominated by an existing member and approved by the Committee of the ViC with a simple majority. The organisation is targeting 20 members by the end of the first year, concentrating on technology and business savvy individuals with the financial capacity to invest.

The ViC is also open to any sponsorship and support from other organisations as long as it adheres to the rules, values and vision of the ViC.

About the Virtuous Investment Circle (ViC)

The ViC is an independent not-for-profit angel investment group set up primarily to educate and grow the angel investment community in Malaysia. It comprises a small band of technology and business savvy individuals with the financial capacity to invest. Ranging from their mid 30s to 50s, the members are focused on investors with domain knowledge. ViC's role will be to actively endeavour to match the right investors with the right deals. The group's efforts attempt to plug up the early investment gaps within the current ecosystem. The core of ViC's energy is focused on sourcing good deal flows that are commercially sound and financially viable for investors.

For more information, please log on to www.vic.org.my

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