

Profile of Business Angels in Singapore

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Overview of Business Angel Investments

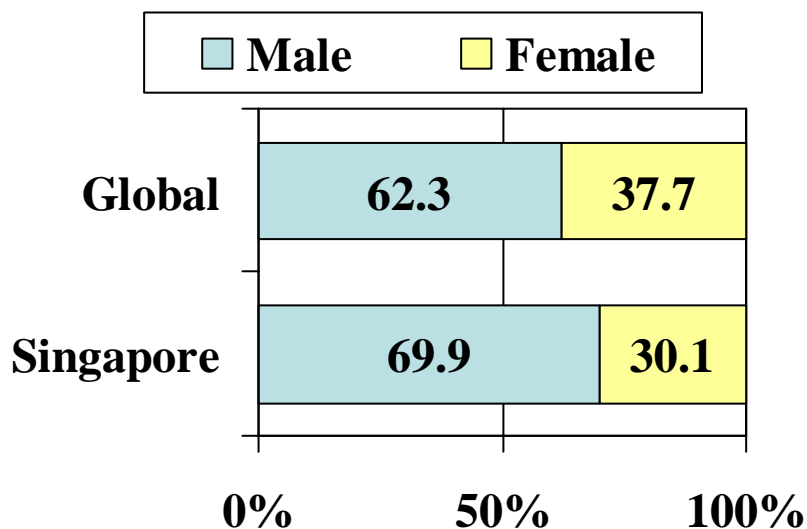
- In terms of both number of investments and total amounts invested, informal investment is many times that of formal venture capital
- According to the Global Entrepreneurship Monitor (GEM) Global Report 2002, funding by informal investors was more than 5 times the total funding by formal venture capital among the 37 countries covered by GEM.
- In Singapore, total informal investment is estimated to be 7.7 times that of formal venture capital
- Worldwide across all GEM nations, the median angel investment propensity in 2003 is 3% of the adult population

Characteristics of Singaporean Business Angels

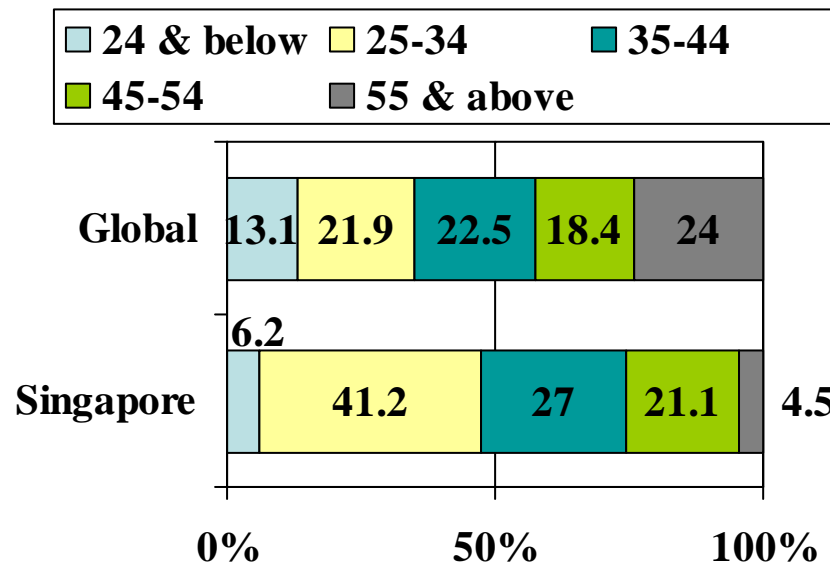
- According to GEM, the percentage of adults in Singapore who have invested informally in start-ups averages around 2.0% (rising from 1.3% in 2000 to 2.0% in 2001 and 3.6% in 2002, and falling again to 1.6% in 2003)*
- Examine characteristics of Singapore business angels by looking at a sample of 165 business angels who participated in the GEM survey from 2000 to 2003
- Compares the Singapore findings with profile of business angels globally, based on 29 countries participating in GEM 2001.

** Caution should be exercised in interpreting this trend due to error bounds in estimating angel investment propensity using survey data*

Gender and Age of Business Angels

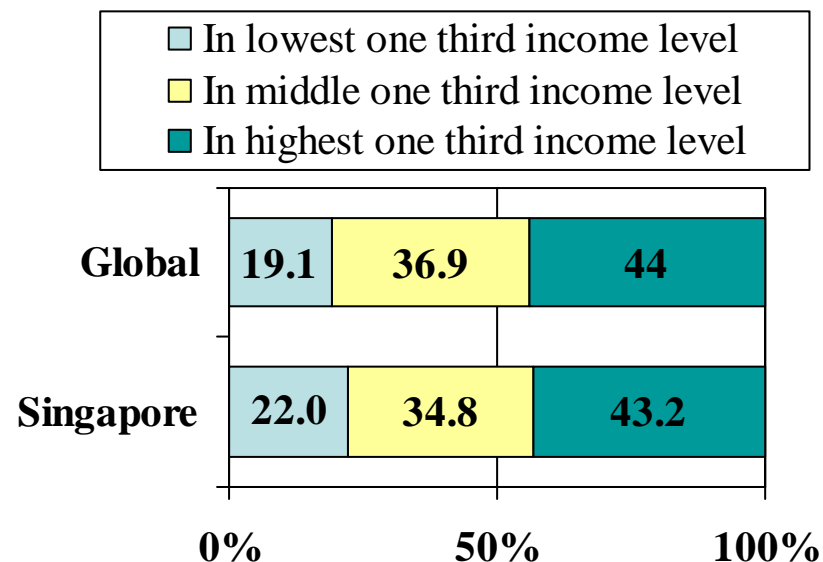
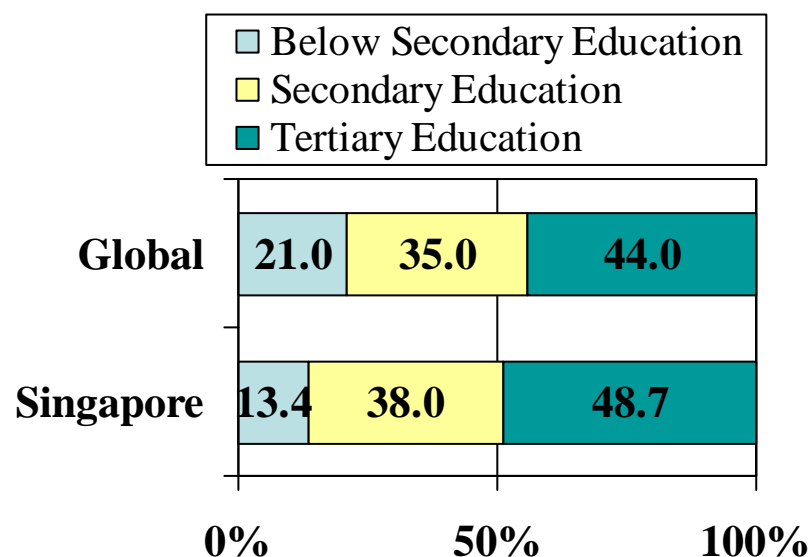


- More than two-thirds of Singapore business angels are male (69.9%).
- Globally, the proportion of female angel investors is higher than in Singapore.



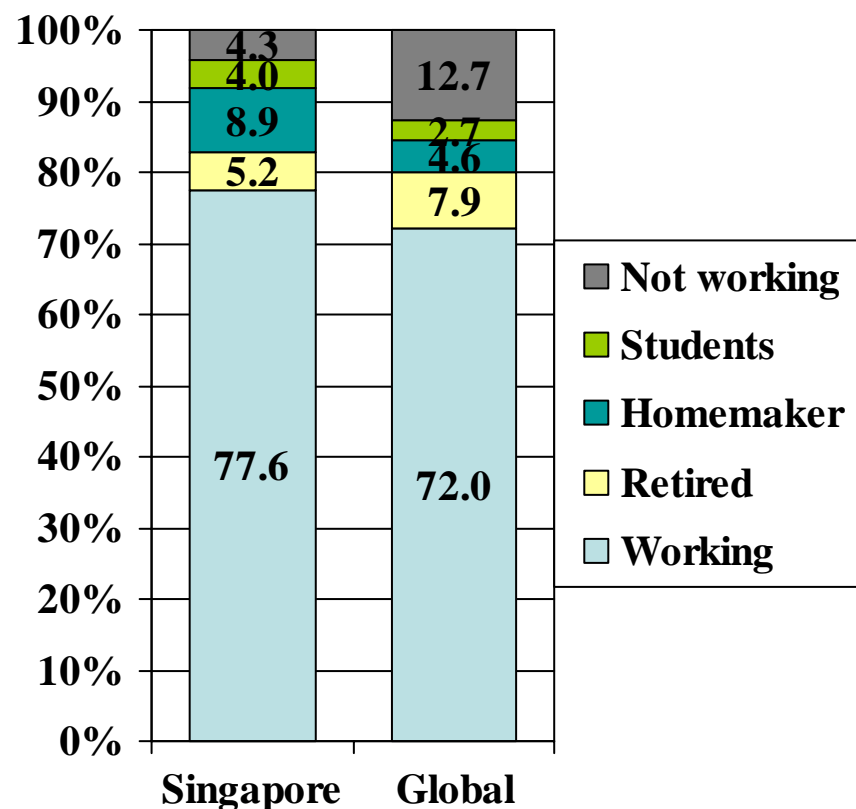
- Over 40% of Singaporean business angels are aged between 25 and 34 years; and very few are aged above 55..
- Profile of Singapore angel investors is much younger than that of global business angels, where almost one quarter are above 55 years old.

Educational and Income Level of Business Angels



- Close to half of Singaporean business angels are tertiary educated
- Educational profile of Singapore business angels is similar to that of other countries
- Over 40% of business angels, both in Singapore and world-wide consider their household income to be among the top one third of households in the country.

Economic Status of Business Angels



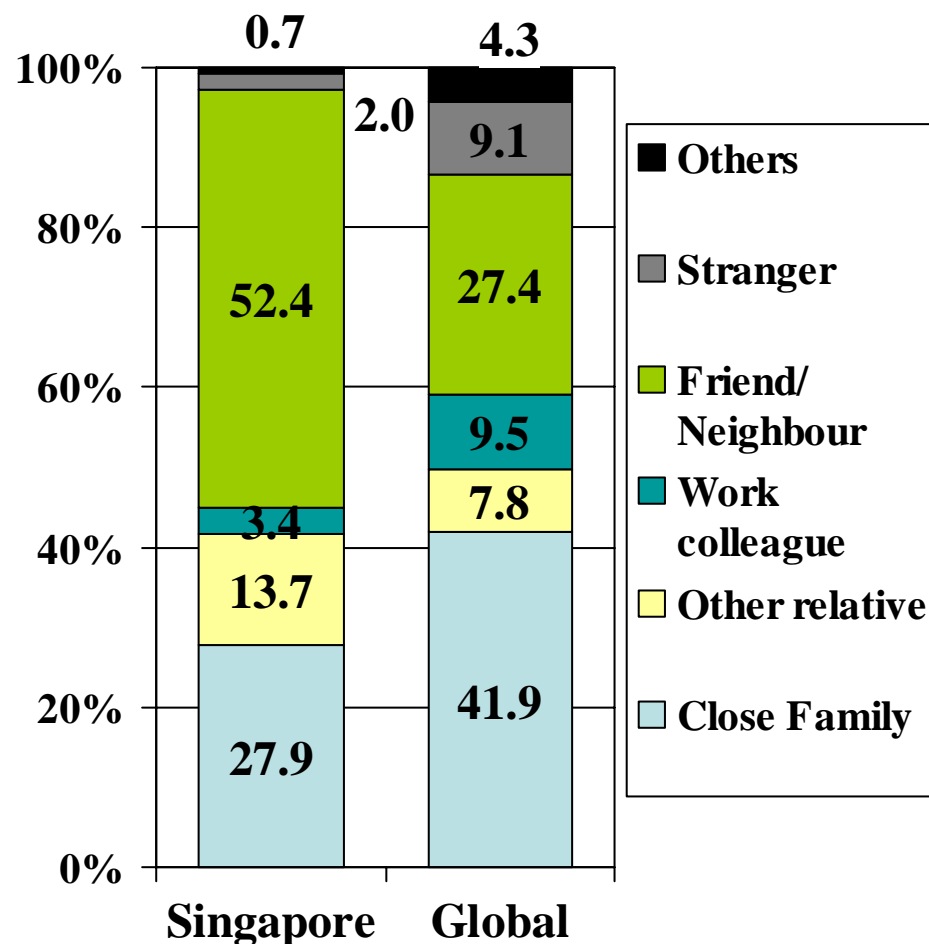
- Majority of business angels in Singapore are economically active and are working
- Compared to the global sample, Singapore has a lower proportion of business angels who are retired or are not working, but a higher proportion of business angels who are homemakers

Types of Firms Invested In by Business Angels

% distribution by Sector	Singapore	Global
Agriculture, Fishing, Hunting	-	4.6
Mining and Construction	2.6	5.7
Manufacturing	6.0	12.4
Transportation, Communications and Utilities	3.5	6.9
Wholesale (including motor vehicle sales and repair)	10.1	8.3
Retail, Hotels and Restaurants	39.1	24.8
Financial, Insurance and Real Estates	6.0	4.7
Business Services	26.7	21.6
Health, Education, Social Services	5.0	3.9
Consumer services	1.0	7.1

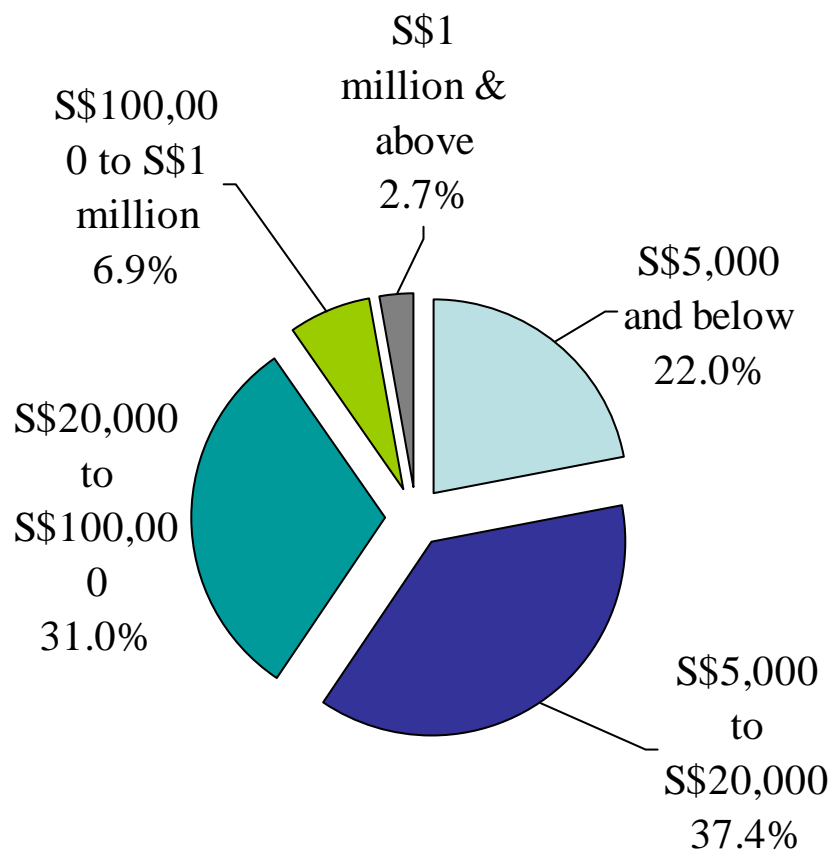
- The retail and hospitality sectors are the most common types of businesses that Singaporean business angels invest in, followed by the business services sector
- Compared to the global profile, the proportion of business angels investing in retail and hospitality in Singapore is much higher

Relationship of Business Angel to Investee



- Majority of business angels in Singapore invested in business ventures by those with whom they do not share family ties.
- Globally, investing in ventures owned by family and relatives is much more prevalent than in Singapore
- However, compared to the global sample, lower proportions of Singaporean investors invested in ventures by complete strangers

Value of Angel Investments in Singapore



- Median value of angel investments in Singapore is \$18,760
- Majority of angel investors made relatively small investments of less than \$20,000, with 22.0% investing \$5,000 and below

Trends in Angel Investment Propensity – International Comparisons

