




July 2009 update to the IMF's Global Financial Stability Report (IMF 2009b) put global credit losses on US loans and securities at \$2.9 trillion; projected credit losses on loans and securities originated in Europe and Japan bring the global tally to over \$4 trillion.

Total support for the financial system coming from governments and central banks in the United States, the eurozone, and the United Kingdom totals nearly \$9 trillion—composed of \$1.95 trillion in liquidity support, \$2.52 trillion for asset purchases, and \$4.48 trillion in government guarantees .



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- 1. Stock Market was down : China A down 58.7%, HK down 33.6%, Taiwan down 39.6%, Singapore down 35.3%, Japan 225 down 25%.**
 - 2. Real Estate market was down: 10/2, 2008, Singapore down 1.8%, HK third quarter of 2008, down 30%**
 - 3. Liquidity tight up**
 - 4. Confident down: HK East Asia bank, within 2 days, withdrew up to 256 million USD**
 - 5. BIG DIFFERENCE BETWEEN THIS CRISIS AND THE ONE IN 1997**
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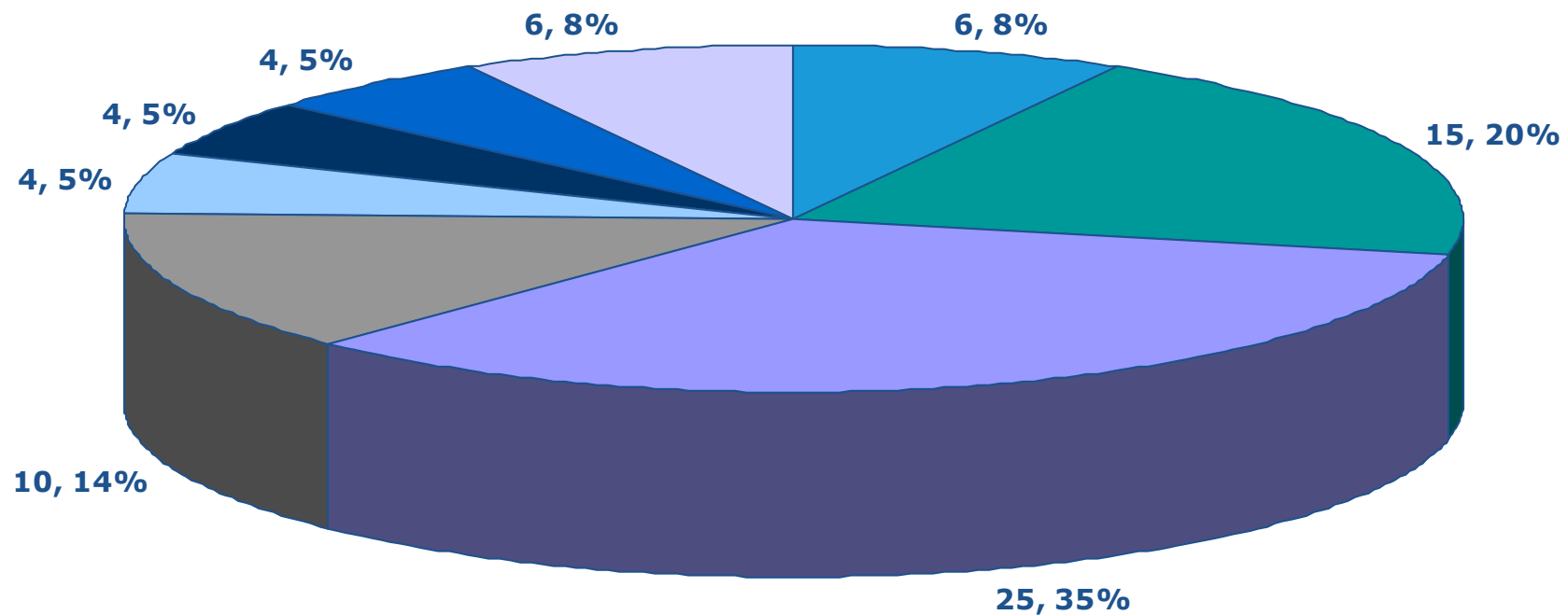
Business Angels in China

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- ❖ **No strict definition of the BA in China;**
 - ❖ **Currently, don't have any specialized statistical data about Angel Investment in China;**
 - ❖ **Here the data is provided by Zero2IPO, a leading integrated service provider in the China venture capital and private equity industry;**
 - ❖ **We use it as proxy: all the investments in Chinese venture capital market during past three years, which have the total number below 1 million US dollars, and we consider this kind of investment as Chinese angel investment**
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- ❖ **Even though BA is a new word to Chinese people, the real number of Chinese Business Angel investors have already reached a considerable size;**
 - ❖ **Angel investment in China is now in its early stage, but we believe it will develop rapidly in coming years;**
 - ❖ **The following analysis is based on information we get from Zero2IPO, and it shows the current situation of China's angel investment**
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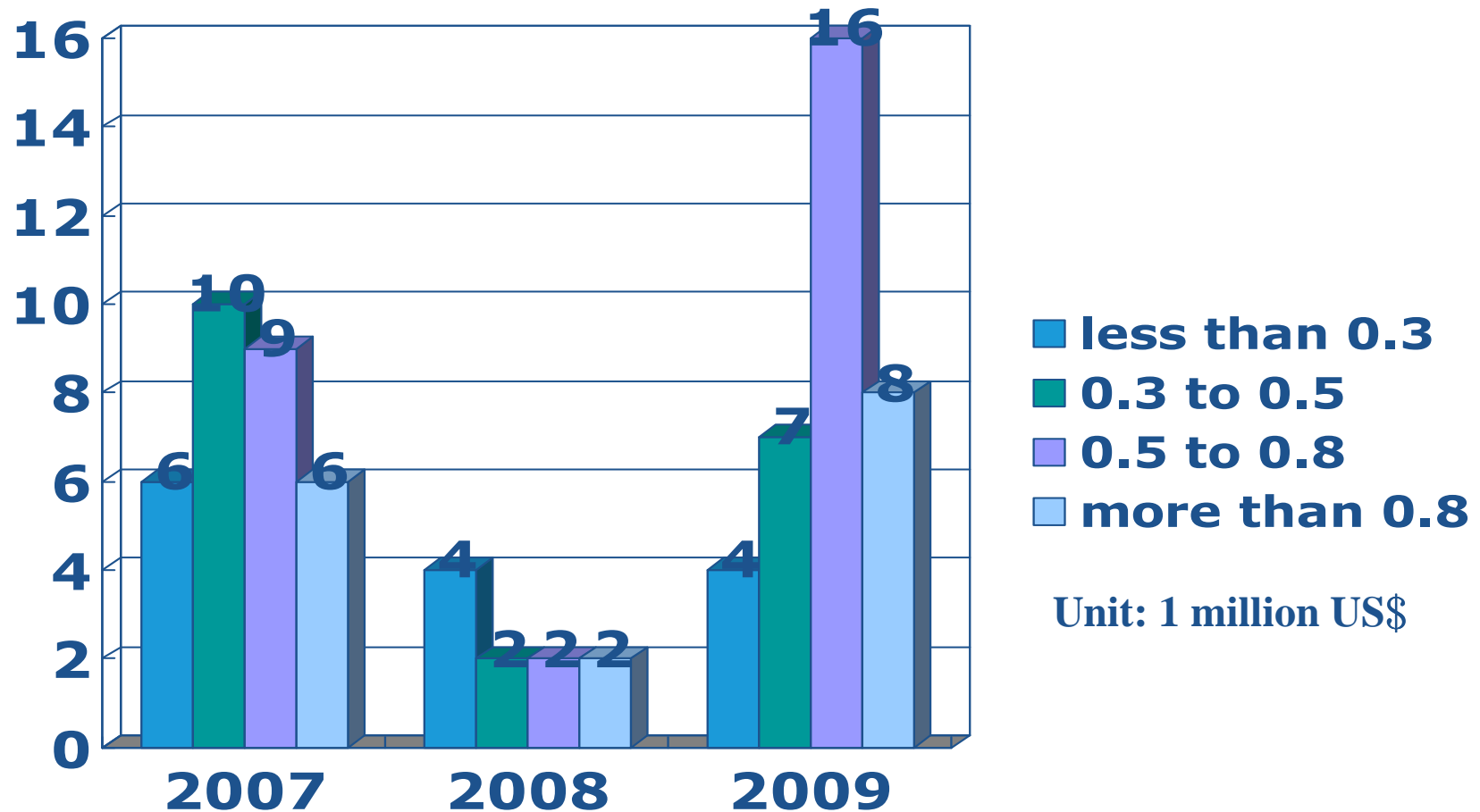
The industry distribution of cases (by number pieces)

* 2 company lack this information



The number of cases according to its amount of investment

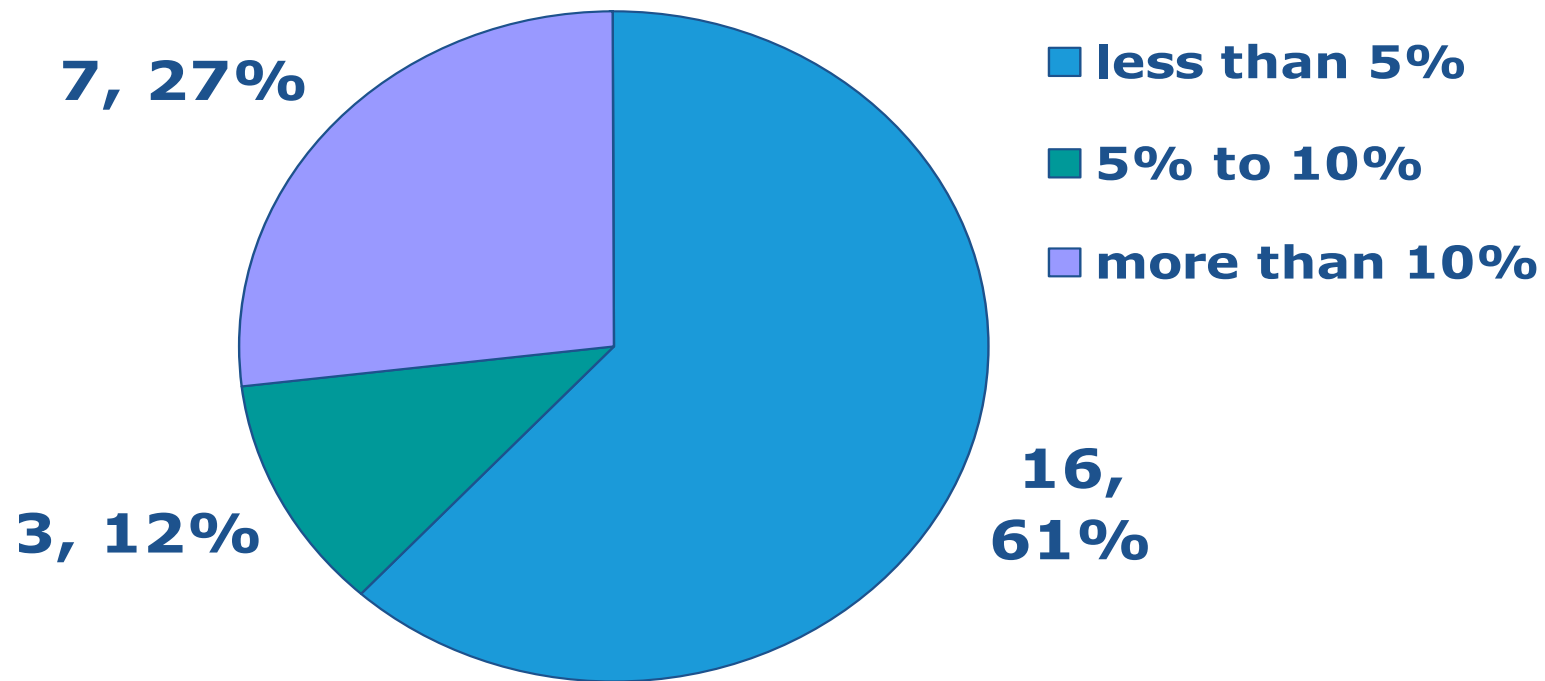
Number of cases



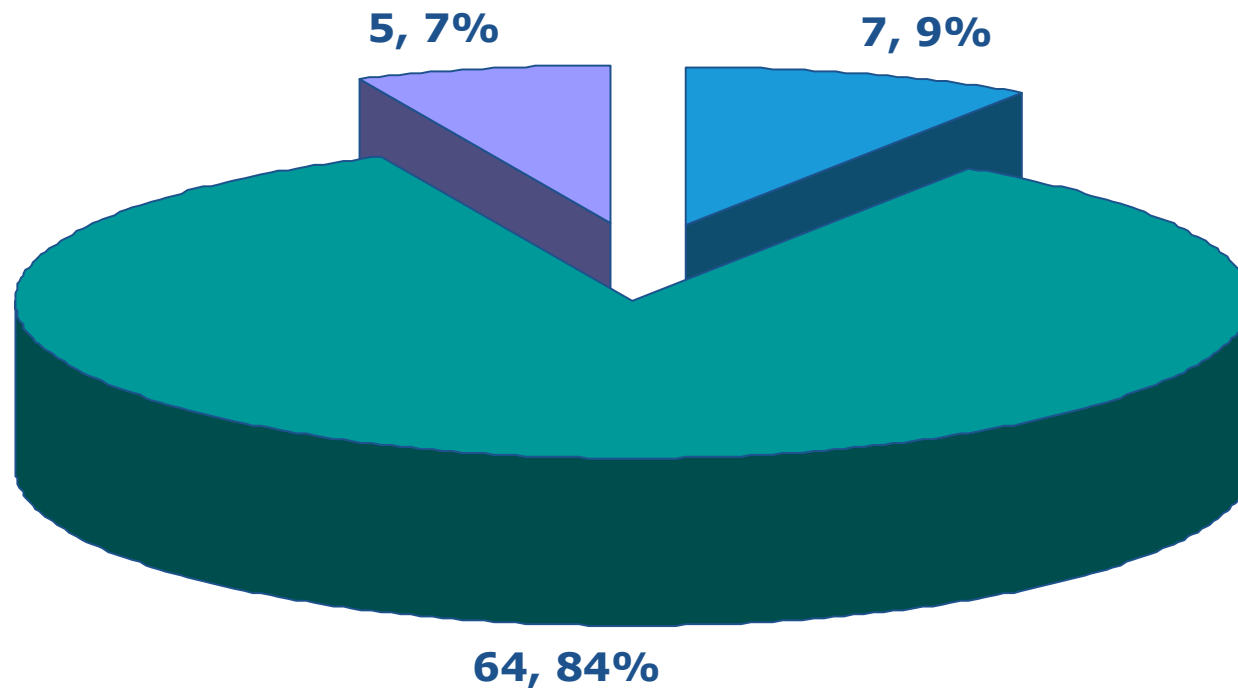
Unit: 1 million US\$

Equity ratio required by the Angel investors

- ❖ We only have 26 cases contain this kind of information, and only 7 of them ask for more than 10%;
- ❖ We also find out there are no direct relation between the amount of investment and the required equity ratio;



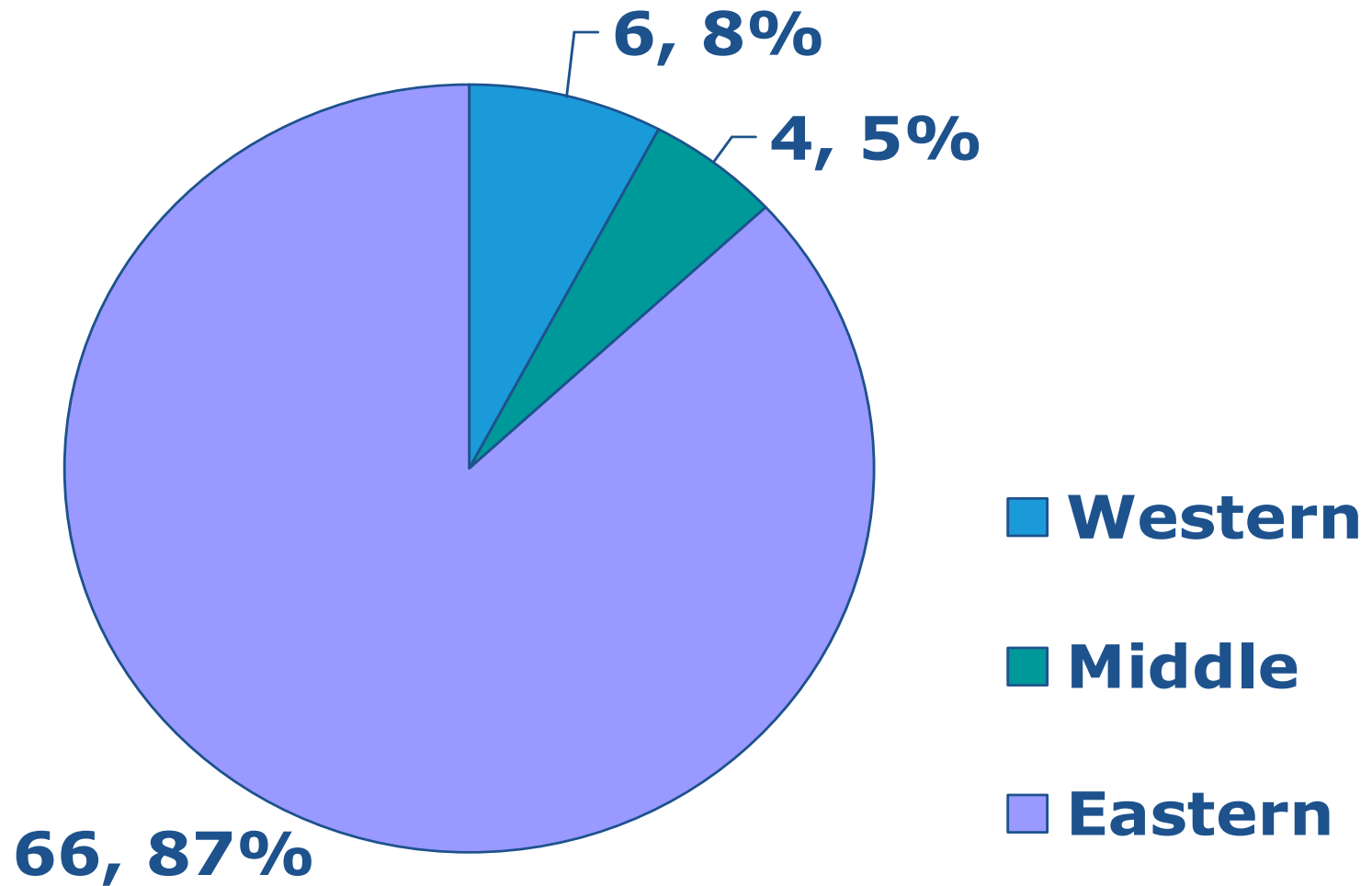
The size of companies which received angel investment




- public
- private
- belong to the government or state owned business

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- ❖ There are 7 companies which received angel investment during the past 3 years have already gone public in China stock market, and 1 another company tried to but failed;
 - ❖ 3 companies, including Beijing Dinghan Technology, Chengdu Geeya Technology and Xinning Modern Logistics, went public in GEM; another 3 companies, Lier High-Temperature Materials , Zhejiang Fuchunjiang Hydropower Equipment and GoerTek are on the list of Shenzhen Stock Exchange market;
 - ❖ Shanghai Magus Technology applied for IPO in GEM, but was turned down by the Issuance examination committee;
 - ❖ In the meantime, many other companies in our data are much smaller than those we mentioned above, which only have ten employees or so
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Number of cases according to the companies location





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- ❖ The most concentrated area of Angel investment is the Yangtze River Delta, especially in the city of Suzhou. There are several reasons. For example, Suzhou government has been playing an leading role in promoting this business for years;
 - ❖ Also, there are many cases took place in the city of Beijing, Shenzhen and Shanghai;
 - ❖ However, we can't find any trace of angel investors' activity in most part of China;
 - ❖ Compared to the eastern part of China, western and middle area lagged far behind
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Thank You !

