

# Malaysian Life Sciences Capital Fund



<http://www.mlscf.com>

## Malaysian Life Sciences Capital Fund, Malaysia

The Malaysian Life Sciences Capital Fund (MLSCF) specializes in early stage investments in the areas of agriculture, industrial and healthcare biotechnology. Co-managed by Malaysian Technology Development Corporation Sdn Bhd (MTDC) and Burrill & Company, the fund was started in late 2006 and currently has USD150 million in committed capital. MLSCF is organized to invest in leading, privately held life science companies with Malaysia centricity and deliver on the twin objectives of superior financial results and advancing the life science eco-system in and for the country of Malaysia.

### Investment focus: Biotechnology

MLSCF is committed in transforming the Malaysian biotechnology industry by providing access to global innovation, and will invest in all segments of the life sciences space, including agricultural, industrial and healthcare applications of biotechnology.

### Investment criteria

**Team:** We invest in people – we seek seasoned entrepreneurs who have passion coupled with the requisite skill set, for success. We value relationship and view each investment as a partnership. We build and enhance skills. We evaluate teams and look for positive references from our extensive network of contacts in the specified community before we invest in any opportunity.

**Market:** While we seek large market opportunities, smaller but high-margin niche markets will not be ignored. We will balance the market size with cost to launch a product or technology. While it is often difficult to forecast market size, particularly in nascent markets, we still look for a realistic analysis of the size of a market, after segmenting by target customers via both a top-down and bottom-up analysis.

**Technology:** We believe that there are two types of technical innovations – true breakthrough and faster, better and cheaper companies – we partner with both. Companies with true breakthroughs are visionary companies innovating as the originator or first mover in a category while fast followers bring in new technology to better solve a problem. Clearly, the challenges for both types of companies have distinctive characteristics. For breakthrough companies, strategic positioning, innovation and talented management teams able to navigate through uncharted waters are essential.

**Business model:** We seek companies who have a well-defined model clearly articulating how they will develop, market and get paid for their products or services, and a well-articulated financial plan for the amount of capital it will take to do so. We seek companies with business models that create and capture value.

**Malaysia centricity:** The MLSCF is committed to using its capital and global network to assist Malaysia in accelerating the development of its biotech sector as quickly as possible. To this end, the MLSCF will give preference to companies founded in Malaysia, willing to set up operations in Malaysia, or partner with Malaysian companies or institutions; or at the very least, having technologies and products consistent with the goals of the Malaysian biotech policy.

### Funding process

**Introduction/Presentation:** The process begins with the introduction of an entrepreneur's idea to MLSCF. The introduction might come from other entrepreneurs, industry leaders, service providers, other mutual contacts, or through our website (although an introduction always helps).

**Review business plan:** After reviewing a concise overview or executive summary of the business plan, and if the idea is appealing, we will follow up with an initial meeting with the entrepreneurs to better evaluate the team and the opportunity.

**Due diligence:** If, after this meeting, the opportunity remains attractive, we will follow up with due diligence. We will assess the market opportunity, often by talking with market experts, scientists and/or technologists, completing detailed market research, and checking management references.

**In-depth discussion:** Following the successful completion of this review, the entrepreneurs will be invited to meet with our managing directors for an in-depth discussion. At this point, we might agree to invest immediately or decide to follow up with more questions before making a decision, often involving additional members of the MLSCF team.

**Invest/Reject:** In any outcome, our commitment is to complete this process as quickly as possible, and to give opinions and feedback to the team along the way. We don't believe in dragging out the process and tying up an entrepreneur's time. If it's not a right fit, we will say so quickly. If it is a fit, we'll show interest immediately and follow up in a reasonable course of time.



<http://www.sidbiventure.co.in>

Venture Funds are recognized globally as the most suitable form of providing risk capital to innovative and high technology businesses. In order to meet the venture capital needs of SME units and enable them to achieve rapid growth by taking advantage of opportunities in the emerging sectors, SIDBI Venture Capital Ltd. has set up SME Growth Fund. The fund has a targeted corpus of Rs.500 crore with a life of 8 years.

SME Growth Fund is registered with Securities and Exchange Board of India (SEBI) as a Venture Capital Fund and has been structured as a unit scheme to make primarily equity or equity-related investments in the growth oriented businesses having significant business activity in India. The Fund seeks to achieve attractive risk-adjusted returns for its contributors through long-term capital appreciation.

### Investment focus

SME Growth Fund's focus is to invest in unlisted entities in the small and medium enterprises in manufacturing as well as services sector as also businesses providing infrastructure or other support to SMEs. The Fund may also invest very selectively in listed entities, to take advantage of attractive opportunities in growing companies.

The Fund will typically invest in companies at early stage as well as in second round financing for those with a track record of proven technology or business model and opportunities for growth and earnings.

SME Growth Fund will focus at wide range of growth sectors, such as life sciences, retailing, light engineering, food processing, information technology, infrastructure related services, healthcare, logistics and distribution, etc.

# SME Growth Fund

## SIDBI Venture Capital Limited (SVCL), India

### Mode of investment

SME Growth Fund provides financial assistance primarily by way of equity or equity-linked capital investment. It shall also endeavor to provide mentoring support and other value addition to enable the funded companies to achieve rapid growth and achieve/maintain their competitive edge in domestic and international markets.

The Fund will seek a strategic stake in the funded companies with board representation and other rights as venture capital investor.

### Investment criteria

SME Growth Fund is looking for investment in projects offering potential for attractive growth and earnings. Key criteria for project selection are:

- **Strong and committed core team:** The Fund will look for businesses managed by a team with a demonstrated performance track record, commitment and energy.
- **Growth potential:** The Fund will like to invest in promising businesses having potential for sustainable high growth.
- **Long-term competitive advantage:** The Fund will prefer to invest in innovative business operations with a sustainable competitive advantage.
- **Viable business plan:** The venture should have a viable business plan which offers above average profitability leading to attractive return on investment.
- **A Clear exit plan:** The Fund, being of limited life, will seek to invest in ventures offering a strategy for clear exit within a reasonable time period. The exit could be by way of IPO, offer for sale, merger and acquisition or sale to a strategic or a financial investor.

### CII-Cluster for Competitiveness programme

This CII-Cluster for Competitiveness programme aims at further strengthening Indian small and medium enterprises and component suppliers to meet the requirements of global competitiveness with the fast changing environment. It is CII aim to see the Indian SMEs integrate into global supply chain. This CII – Cluster programme is delivered from the CII – L M Thapar Centre for Competitiveness for SMEs and has successfully established many such clusters. The Centre has been working for providing consultancy to SMEs for various components of competitiveness like Energy Management, Quality Management, Cost Management, and Human Resource Management.

For more information, contact:

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