







of withdrawal of risk capital. The secondary market is considered highly important for prospering minor enterprises, especially those engaged in hi-tech industries.

#### **4. Government's role in training talented risk investors**

Most Chinese people have not a clear idea about its concept, characteristics and running process. That is to say they have a weak sense and a poor knowledge of risk investment. What so many people care is only its high risk instead of great proceeds. The government should popularize the knowledge of risk investment by media or introducing foreign experience in success to give people a sense of risk and a correct conception of investment, and to have them know that great proceeds come from high risk and only bold investment could make great success. In addition, risk investment needs a large sum of money, and feature long period and big risk, so the government should provide necessary support and aid for risk firms by means of tax concession, financial guarantee, compensation for risk loss, low interest loan, and etc. that can reduce their burden in initial stage, and encourage their innovative spirit.

Success in risk investment depends on investor's proper judgment on market outlook and entrepreneur's capability. Foreign experience in success shows that talented enterprising risk investor who has a mastery of both engineering and business management, a strong sense of risk, an rich experience in financial investment, a steel courage, and a sound knowledge of hi-tech invention is indispensable for successful risk investment. In order of priority, key factors to successful risk investment are entrepreneur, market outlook, and then level of technology. Risk investors generally deem:

Advanced technology + bad management = defeat

Ordinary technology + good management = possible success

Government should mobilize risk investment organs to provide fund, instructions and advices for enterprise's business, or to recommend talented persons

to participate in business management. It should intensify reform in senior higher education, set courses of hi-tech application and risk investment, and list some subjects in connection to risk investment as basic courses of ever major with aim to enrich students with diversified knowledge and to strengthen their capabilities of settling complex practical problems. Universities and colleges should make good use of their advantages in talented persons and scientific research to train qualified talents for risk investment enterprise, intensify training of business backbones in knowledge of risk investment, or send them abroad for advanced learning. In addition, it's a also good idea to invite overseas experts in risk investment for instructions, to learn from foreign experience in success, and expand the team of talented persons in risk investment, because only by doing that, the China's risk investment industry can advance continuously.

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