

# Application Guideline for Incu-Tech Business Incubation Programme

(Version 1.1.2)

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## **Remarks to Applicants:**

To apply, please prepare the following:

- Business Plan (writing guideline from p.2 onward)
- Supporting Documents including but not limited to (please refer to p.5 for details):
  - Hong Kong Business Registration Certificate
  - Certificate of Incorporation
  - Articles of Association
  - Latest Annual Return / Incorporation Form
  - CV of all full-time staff
  - Academic cert of the key technical personnel
  - Employment letter of all non-shareholding full-time employee
  - Certificate of filing/ grant of patent (if applicable)
  - Corporate Structure / Organization Chart
- Fill out the [online application form](#), upload business plan and supporting documents (max. individual document upload size is 5MB), and submit

## **Enquiry:**

Email: [biadmin@hkstp.org](mailto:biadmin@hkstp.org)

Enquiry: 2629 6733

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## **SECTION A Business Plan Writing Guideline**

Business Plan is the major tool for the Assessment Panel to understand the R & D plan, product innovativeness, business viability, and many other aspects of the Applicant. A Business Plan is expected to be precise and concise, be delivered ***in Word document format with minimum 10 A4 pages but no more than 20***, covering **ALL** items listed as follows.

1. Executive Summary (1 page)
2. Products/Services to be developed (2 pages)
  - Product concept, features and application
  - What it does? What problem it is going to resolve?
  - What is the technology employed and why it is better?
  - What makes your product better than similar products in the market?
  - What is the technology niche and technical challenges?
  - Include pictures or diagrams for illustration if applicable.
3. Research and Development Content and Plan (2 pages)
  - Current status of development
  - What has been done? What will be done?
  - R & D development schedule
  - The inventions or innovations involved in the R & D
4. Sales and Marketing Plan (2pages)
  - Who are the target customers (those who will pay you) and end-users (those who will use the product)?
  - Market size and target market share
  - What is the market niche of the product?
  - What is the current sales status?
  - What are the similar products in the market and who are your competitors?
  - Competitor analysis (comparison in breadth and depth)
  - Pricing and sales strategy
5. Finance (1 page)
  - ***Amount of Investment by the company shareholders or other investors (including government's funding)***
  - Cost and profit margin estimation
  - Sales forecast for the next 3 years
  - When will the Applicant be profitable
  - Cash Flow Status (please refer to the example on p.3)
6. Management and R&D team (as required)
  - Organization chart
  - Background of all key personnel (***Detailed C.V. of the key personnel can be attached as appendix of business plan***)
  - Future development in manpower
7. Incu-Tech Added Value (0.5 page)
  - Which particular service(s) of Incu-Tech will help your company and Why?
8. Key Milestones Summary (2 pages)

The Applicant is required to provide a 3 to 6-monthly technology and business development plan covering the incubation period (3 years). Provision of support services and funding by HKSTP will be based on regular assessments against this plan with satisfaction. (p.4-5)

**Milestone Assessment:**

Please fill out the online milestone assessment form, below is an example for your easy reference. Please be noted that the content in the example is arranged and displayed differently from the online form to demonstrate the focus on short and concise description. The completed Milestone Assessment form will offer a clear overview of the applicant's development plan and time frame.

**Milestone Summary Example:** (The below is an example, please complete with your own information.)

Milestone Summary		Assessment Schedule	0-3	4-9	10-15	16-21	22-27	28-33	
<b>Product Development Progress</b>									
Design Work	Original Plan		DIY device kit design (hardware & software)	Cloud Architecture design, smart router design	Design of cameras	Smart camera (Version 2)	-	-	
Prototype / Demo	Original Plan		DIY device kit prototyping & demonstration	Smart router prototype	Cloud platform demo in various media	Smart camera small production	Cloud platform release	-	
Launch	Original Plan		-	Launch DIY device kit	Cloud platform free test for DIY user	Marketing on smart cameras	Marketing on cloud platform	Cloud based smart cameras pilot testing	
<b>Business Development Progress</b>									
Activities	Original Plan	No.	0	1	3	1	2	3	
		Details	-	Exhibition	Seminar and participate in Industry Collaboration with CUHK; Establish mentorship relationship	Explore business opportunities of designs with high-potential customers	Product demo; site visits for understanding customer requirements	Exhibition x2; pilot testing at trial customer and demonstrate to operation	
Partners	Original Plan		-	-	Build up partnership with industry associations	-	Research & development partnership with HKUST	-	
Clients	Original Plan	No.	0	1	0	1	2	0	
		Details		PCCW Ltd		Secure contract agreement with trial customer	ABC Technology Co Ltd; XYZ Ltd		
Sales Revenue (HK\$)	Original Plan	Core Product	0.00	0.00	100,000.00	100,000.00	150,000.00	250,000.00	
		Non-Core product	20,000.00	25,000.00	10,000.00	10,000.00	20,000.00	45,000.00	
<b>Corporate Development Progress</b>									
I.P. Application	Original Plan	Patent	No.	-	2	-	-	-	
		Details			US Patent granted and filed				
		Trademark	No.	-	-	-	-	1	-
		Details					US trademark: REG No 123456		
Awards	Original Plan	No.	-	1	-	1	-	-	
		Date & Details		Caring company award		HKICT award			
Head Count	Original Plan	FT(Tech)	5	5	5	8	10	10	
		FT(Non-Tech)	0	0	1	2	2	2	
		PT	1	2	2	2	2	0	
Organisation Chart	<pre> graph TD     CEO[CEO Chan Tai Man (FT) (Based in:)] --&gt; MD[Managing Director Mary Lee (FT) (Based in:)]     CEO --&gt; Supervisor[Supervisor David Chan (FT) (Based in: HK)]     CEO --&gt; Manager[Manager Patrick Fong (FT) (Based in: HK)]     MD --&gt; RA1[Research Assistant WK Chan (FT) (Based in: HK)]     Supervisor --&gt; RA2[Research Assistant KY Wong (PT) (Based in: HK)]             </pre>								
Shareholder Structure	Original Plan	100% Chan Tai Man							
Funding (HK\$)	Original Plan	Director Loan	400,000.00	-	-	-	-	500,000.00	
		External Investment	-	-	-	500,000.00	500,000.00	-	
		Govt/Public Fund	-	500,000.00	500,000.00	-	-	-	
		Debt Financing	-	-	-	-	-	-	
<b>Cash Flow Status (HK\$)</b>									
Original Plan	Opening Cash		100,000.00	100,000.00	175,000.00	285,000.00	350,000.00	420,000.00	
	Additional Funding*		400,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	
	Sales Revenue		20,000.00	25,000.00	110,000.00	110,000.00	170,000.00	295,000.00	
	Total Cash In		420,000.00	525,000.00	610,000.00	610,000.00	670,000.00	795,000.00	
	Cash Out		420,000.00	450,000.00	500,000.00	545,000.00	600,000.00	640,000.00	
	Net Balance		100,000.00	175,000.00	285,000.00	350,000.00	420,000.00	575,000.00	
* Types of Funding includes: Director Loan, External Investment, Government/Public Fund and Debt Financing									
<b>HKSTP Services Used</b>									
General Services MINGLE, Training Courses, Seminars, Biz Consultancy, Investment Matching, Exhibition, Networking, Competition									
Support Services Used	Original Plan		Data Centre and web hosting	Lab Services; Hire student through HKSTP internship program	Training organised by SPARK	Mingle	Press release and product launch in HKSP	Engage in First@Science Park	

## **SECTION B Other attachments**

1. Hong Kong Business Registration Certificate;
2. Certificate of Incorporation;
3. Articles of Association;
4. Latest Annual Return (and other acceptable documents) showing the present directors and shareholders (if the Applicant is a company formed under the Companies Ordinance);
5. Curriculum Vitae of all full time staff with clear illustration of their academic qualification (course, period & college attended) and detailed working experience (post held, service period & responsibility);
6. Copy of the share-owning technical staff's academic certificates and proof of their latest employment that is relevant to this application;
7. Employment letter of all non-shareholding full time employee;
8. Incorporation document (NNC1 or NNC1G, if the Applicant is a company formed under the Companies Ordinance);
9. Corporate Structure/ Organization Chart;
10. Other supplementary information such as pictures, diagrams and technology illustration.

## **SECTION C Admission Criteria<sup>i</sup>**

### **Mandatory Admission Criteria**

All the following conditions must be met by any applicant for Incu-Tech Programme (each an "Applicant") for its application to be considered by Hong Kong Science and Technology Parks Corporation ("HKSTP"):

1. The Applicant must be a Hong Kong registered and incorporated technology start-up company limited by shares and on or before the date of submission of application establishing for no more than (i) 2 years or (ii) 3 years if (A) the Applicant is currently participated in or had graduated from the STEP programmes operated by HKSTP; or (B) in the event of the founding team member(s) of the Applicant being an/the overseas company(s), such company(s) should be incorporated earlier than the incorporation of the Applicant and has/have been established for no more than 3 years on or before the date of submission of application. For the purpose of this Mandatory Admission Criteria, "overseas company" means any company that is not incorporated or registered in Hong Kong and does not have any place of business in Hong Kong on or before the date of submission of application. HKSTP may request for proof of the status of the Applicant and its holding company (if applicable) including but not limited to audited financial report of the Applicant and its holding company (if applicable) and any other information as may be required by HKSTP and the Applicant shall upon receipt of such request at its own costs immediately provide HKSTP with all such proof and information.
2. Founding team members of the Applicant (whether individuals or companies) must (legally and beneficially) collectively hold not less than 51% of the issued shares in the Applicant and be legally in-control of the Applicant. For the purpose of this Admission Criteria, legally in-control means founding team members collectively (i) hold, directly or indirectly, not less than 51% of the voting rights of the Applicant; (ii) have the right to appoint or remove a majority of the board of directors of the Applicant; or (iii) have the right to exercise significant influence or control over the Applicant. Founding team members must be (a) individual shareholders; (b) non-operating

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<sup>i</sup>HKSTP reserves the right to revise the admission criteria without prior notice.

holding companies (as reflected by the Articles of Association or any other valid supporting documents of such companies); or (c) operating holding companies which fulfills this admission criterion and admission criterion point 1 above.

3. There shall be at least one full time staff in the Applicant throughout the incubation period and another full time staff to be available for work and on board by the first day of the third month after commencement of the Incu-Tech Programme, and accordingly there shall be at least two full-time staff of the Applicant based in the office at Hong Kong Science Park Technology Incubation Centre (“Incubation Centre”) or other centres approved by HKSTP in writing (“Approved Centres”) from the first day of the third month after commencement of the Incu-Tech Programme up to the end of incubation period. All such staff of the Applicant in Hong Kong must be able to work in Hong Kong legally. The team of full-time engineers and technologists of the Applicant must, individually or collectively, (legally and beneficially) own at least 10% of the Applicant’s issued shares. If the Applicant has licensed technology from a university or research institute with due approval, any shares of the Applicant held by its founding university professor(s) or founding technology inventor(s) who invented the technology, disregarding his/her full or part-time status, shall count towards the aforesaid 10% share ownership requirement unless HKSTP determines otherwise.
4. At least 50% of full time staff of the Applicant based in the office at the Incubation Centre and/or the Approved Centres must be engaged in technology related work.
5. There must be R&D activities at the Incubation Centre and/or the Approved Centres. Operating its office in the Incubation Centre and/or the Approved Centres as a pure sales and marketing office is not permitted.
6. No retail or mass production activities at the Incubation Centre or the Approved Centres is allowed.
7. The Applicant must ensure its operation at the Incubation Centre and/or the Approved Centres will be environmentally friendly (i.e. it must not create smell, noise or other disturbance which may affect others) and within the venue’s design capacity (e.g. floor loading, power supply, ventilation...etc). Hazardous materials can only be handled in wet labs located at Biotech SME Centre, with strict compliance to HKSTP published safety standard and guidelines and any other rules and directions as may be prescribed by HKSTP from time to time.
8. No Applicant that had joined or currently participating in any incubation programmes operated by HKSTP shall be allowed to apply for Incu-Tech Programme. In addition, each of the founding team members of the Applicant cannot be any of the followings:
  - (i) shareholder or former shareholder who is currently working for or had worked for more than one company which is in or previously joined any incubation programmes operated by Hong Kong Cyberport Management Company Limited; or
  - (ii) founding team member of more than one company which is in or previously joined any incubation programmes operated by HKSTP.
9. Requirement of less than 1,600 ft<sup>2</sup> of office space.

Note:

- (1) In case of successful application, all the admission criteria as shown above shall be met by the Applicant throughout the incubation period, including but not limited to maintaining at least 2 full-time staff in its office at the Incubation Centre and/or the Approved Centres (where the Applicant’s core R & D should be conducted) from the first day of the third month after commencement of the Incu-Tech Programme up to the end of the incubation period.
- (2) Full disclosure of each of the Applicant’s shareholder’s identity and amount of shares holding is mandatory. In case of corporate shareholders, they must not be mature companies from the same industry involved in R & D of the same or similar products/services as the Applicant.
- (3) In case of successful application, the office provided to the Applicant can be in the form of workstation(s) and/or work

bench(s).

- (4) HKSTP has the sole and absolute right to interpret any terms or conditions in this Admission Criteria. Any disputes in relation to this Admission Criteria shall be determined by HKSTP at its sole and absolute discretion and HKSTP's determination shall be final and binding on the Applicant.

### **Qualitative Assessment Criteria**

HKSTP will consider and assess applications with the following qualitative assessment criteria:

1. Quality and competence of the management team
2. Sound business plan
3. Innovativeness
4. R&D content
5. Plan feasibility as revealed in milestones

### **Technology Areas**

The applicant should engage in technology related businesses, including but not limited to:

1. Information and Communication Technology , *for example, multimedia and networking, software and system*
2. Electronics, *for example, microelectronics & components, IC & system design*
3. Precision Engineering, *for example, photonics & nanotechnology*
4. Green Technology, *for example, solar energy application*
5. All other technology areas that have not been mentioned above

## **SECTION D Assessment Procedure**

1. All applications are free of charge.
2. All applications will be processed in strict confidence.
3. An application must fulfill all mandatory admission criteria stipulated by HKSTP before further assessment will be conducted.
4. All applications will be vetted by an Admission Panel involving representatives from 3 parties: i) HKSTP, ii) Hong Kong Venture Capital and Private Equity Association Limited and iii) the Technology Advisory Panel (a university professor or co-opted member from the relevant field).
5. Members of the Technology Advisory Panel:
  - Prof. Alfonso Ngan, Department of Mechanical Engineering, The University of Hong Kong
  - Prof. Chuk Han Cheng, Department of Biomedical Sciences, City University of Hong Kong
  - Prof. Chung-Ming Francis Lau, Department of Electronic and Information Engineering, The Hong Kong Polytechnic University
  - Dr. Denis Yu, School of Energy and Environment, City University of Hong Kong
  - Prof. Edmund Lam, Department of Electrical & Electronic Engineering, The University of Hong Kong
  - Prof. Francis Chin, Department of Computer Science, The University of Hong Kong
  - Prof. Gary Shueng-Han Chan, Department of Computer Science & Engineering, The Hong Kong University of Science and Technology
  - Prof. George Huang, Department of Industrial & Manufacturing Systems Engineering, The University of Hong Kong
  - Prof. Ho Yin Edwin Chan, School of Life Science, The Chinese University of Hong Kong

- Dr. Hongjie Zhang, School of Chinese Medicine, Hong Kong Baptist University
- Prof. Jianbin Xu, Department of Electronic Engineering, The Chinese University of Hong Kong
- Prof. Jian-Guo Dai, Department of Civil & Environmental Engineering, The Hong Kong Polytechnic University
- Prof. Joseph Kee Yin Ng, Department of Computer Science, Hong Kong Baptist University
- Dr. K.P. Chow, Department of Computer Science, The University of Hong Kong
- Prof. K.T. Chau, Department of Electrical & Electronic Engineering, The University of Hong Kong
- Dr. Ka Fu, Joseph Yung, Department of Applied Biology & Chemical Technology, The Hong Kong Polytechnic University
- Dr. Ka Hing Wong, Department of Applied Biology & Chemical Technology, The Hong Kong Polytechnic University
- Dr. Ka-Hong Loo, Department of Electronic and Information Engineering, The Hong Kong Polytechnic University
- Ir. Prof. Kaimin Shih, Department of Civil Engineering, The University of Hong Kong
- Dr. King-Ho Cheung, School of Chinese Medicine, Hong Kong Baptist University
- Prof. Kin-Man, Kenneth Lam, Department of Electronic and Information Engineering, The Hong Kong Polytechnic University
- Prof. Lawrence Yeung, Department of Electrical & Electronic Engineering, The University of Hong Kong
- Prof. Lin, Vivien Lu, Department of Building Services Engineering, The Hong Kong Polytechnic University
- Dr. Man Kin Wong, Department of Applied Biology & Chemical Technology, The Hong Kong Polytechnic University
- Dr. Man-Wai Mak, Department of Electronic and Information Engineering, The Hong Kong Polytechnic University
- Prof. Michael Yang, Department of Biomedical Sciences, City University of Hong Kong
- Prof. Min Wang, Department of Mechanical Engineering, The University of Hong Kong
- Dr. Ming Hung Thomas Lee, Department of Biomedical Engineering, The Hong Kong Polytechnic University
- Prof. Qing Li, Department of Computer Science, City University of Hong Kong
- Dr. Reynold Cheng, Department of Computer Science, The University of Hong Kong
- Prof. Robert Ko, Division of Life Science, The Hong Kong University of Science and Technology
- Prof. Shih-Chi Chen, Department of Mechanical and Automation Engineering, The Chinese University of Hong Kong
- Prof. Shun-Cheng Lee, Department of Civil & Environmental Engineering, The Hong Kong Polytechnic University
- Prof. Thomas Ng, Department of Civil Engineering, The University of Hong Kong
- Dr. Wallace Lim, School of Biological Science, The University of Hong Kong
- Prof. Zhang Li, Department of Mechanical and Automation Engineering, The Chinese University of Hong Kong

(The above list is subject to change without notice, please contact the incubation admission desk [biadmin@hkstp.org] for the latest update)

With strong and justified reason(s), an Applicant can opt-out member(s) of the Admission Panel. Such request must be given in writing and submitted together with the application (late request will not be accepted), and HKSTP reserves the right of final decision in case of any disputes.

## **SECTION E Summary of Terms and Conditions for Business Incubation Programme**

1. Once admitted into the incubation programme, depending on availability, applicant can choose exclusively between workstation, office or wet lab for their operation at Hong Kong Science Park or its approved centres at discounted rates. Basic rules of space allocation are:
  - a. Workstation – one staff per workstation.
  - b. Office or wet lab – total number of **full-time** staff in the company working at Hong Kong Science Park (100



ft<sup>2</sup> lettable per head, up to 1,600 ft<sup>2</sup> in total).

- c. If additional space is required, sound reasons are to be provided and approval may be granted at the sole discretion of HKSTP. For the approved additional space, licence fee (check with HKSTP for the latest rate) is chargeable notwithstanding the licence fee free period as stated in paragraph 3.a. below. If the additional space approved exceeds the allowable maximum (1,600 ft<sup>2</sup>), any excess area will be charged at double the incubation rate.
2. Approved application is required to move into the Incubation Centre or other approved centres within 6 months from the date of approval, failing to comply will result in the approved status being revoked.
  3. The incubation period commences on the first day of moving into the Centre or 3 months from the approval date, whichever is sooner, for a maximum of 3 years when the Applicant will graduate. Throughout the incubation period, the company is subject to 3/6-monthly assessments throughout the incubation period for regular progress review:
    - a. With satisfactory assessment results, the incubation programme offers rental subsidy and an amount of grant per successful milestone assessment.
    - b. Unsatisfactory assessment may result in early termination of incubation licence. In such a case, the company is required to vacate from the Incubation Centre or the approved centres within 1 month from the day of written notification. All other incubation services and benefits will also be withdrawn immediately.
  4. A non-interest bearing and refundable deposit equivalent to 2 months' licence fee is required before the Applicant moves into the Incubation Centre or other approved centres.
  5. HKSTP must be informed of any change of business name (whether it is the company name as registered under the Companies Ordinance or under the Business Registration Ordinance), legal entity, company structure or shareholder structure. In case of violation of any incubation programmes' mandatory criteria as a result of such changes, HKSTP reserves its absolute right to terminate the applicants licence agreement.
  6. Should the Applicant wish to use its address at the Incubation Centre to receive mail and other correspondence for its holding company or subsidiary companies, the Applicant is required to apply in writing to clearly indicate their relationship in both business and technology. HKSTP reserves its absolute right to the final decision.
  7. Should the Applicant need to apply for any type of visa for working or residing in Hong Kong, HKSTP shall not act as a sponsor for the visa application under any circumstances and it is the responsibility of the Applicant to deal with relevant parties or authorities in the course of visa application.
  8. The Applicant must ensure a minimum of 50% of its staff engaged in technology related work throughout the incubation period.
  9. Early graduation may be applicable should the Applicant achieves any one of the following conditions during the incubation period:
    - a. achieving all milestones per the business plan prior to the end of the standard incubation period of 3 years
    - b. obtaining funding from any third party in exchange of 50% or more equity
    - c. undergone IPO
  10. Content Provided to HKSTP
    - a. Where the Applicant is asked to submit any information, content or material to HKSTP ("Content") whether for the purposes of enabling HKSTP to assess the Applicant and its suitability as an incubating/graduated company or for inclusion on the HKSTP website then the Applicant must ensure that all Content is up-to-date, accurate, legal, honest, decent and truthful and complies with all applicable laws, regulations, standards and codes of practice. The Applicant must ensure that all Content submitted to HKSTP does not

infringe copyright, design, privacy, publicity, data protection, trade mark or any other rights of any third party, and is not obscene, abusive, threatening, libelous or defamatory of any person.

- b. In relation to Content to be used on the HKSTP website the Applicant must own, or have the right to submit, the Content for publication and the Applicant hereby grants to HKSTP a non-exclusive, perpetual, irrevocable, royalty free, worldwide licence to publish all Content which it submits, HKSTP shall have the right to monitor the Content and may edit, reject or remove Content if it believes that it does not comply with any terms or conditions herein or under the Licence Agreement.
- c. The Applicant shall have sole responsibility for the Content which it submits to HKSTP and the Applicant shall indemnify and shall keep HKSTP fully and effectively indemnified on demand from and against all actions, claims, losses, liability, proceedings, damages, costs, expenses, loss of business, loss of profits, business interruption and other pecuniary or consequential loss (including legal costs and expenses) suffered or Incurred by HKSTP and arising directly or indirectly from the Content submitted by the Applicant to HKSTP being in breach of these terms and conditions. Where HKSTP has relied upon, published or used the Content then the losses to be indemnified by the Applicant shall include all sums claimed from HKSTP by third parties having relied upon the Content and all sums expended by HKSTP on the Applicant in connection with the Incubation Programme (including without limitation any financial benefits and sponsorship that the applicant has received as an incubation/graduated company).
- d. The Applicant shall be aware that the information and content provided in the application will be vetted by HKSTP staff and external assessors and HKSTP will not sign Non Disclosure Agreement or any document alike in any occasion.

11. Unsuccessful applications can reapply one month after rejection.

12. Please be noted that this Section only points out those key elements in the Licence Agreement and is not intended to be its supplement or replacement. In the event of discrepancy, the terms and conditions stated in the Licence Agreement shall prevail.