



**Hong Kong Science and Technology Parks Corporation**

# **Incu-Bio Programme Guide**

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## **1. Introduction**

The Incu-Bio Programme (“Programme”) is a 4-year Programme provided by Hong Kong Science and Technology Parks Corporation (HKSTPC). It aims to support the growth and development of biomedical tech start-ups in Hong Kong. This Guide provides information about the application requirement and funding support of the Programme.

## **2. Application**

### **2.1 Eligibility Criteria**

To be eligible for the Programme, companies applying (“Applicants”) must meet each of the following eligibility criteria:

- (a) The Applicant must be a HKSAR registered and incorporated technology start-up company limited by shares under the Companies Ordinance.
- (b) The Applicant’s date of incorporation should be no more than two (2) years from the date of application.
- (c) The Applicant engages in research and development activities in the focused area of diagnostic, therapeutic, medical device or other biomedical areas such as regulatory/medicine use. In case the Applicant has a parent company, the activities of its parent company should not be the same as those of the Applicant.
- (d) The Applicant must ensure that all the technology, innovations or inventions (“IPs”) to be developed/commercialised in its business are free of infringement of any third party’s rights. Should the IPs described in an application to be developed/commercialised by an Applicant belong to any other third party, the Applicant must secure and maintain all relevant and proper approvals, permits, consents, endorsement/agreement from inventor(s) or owner(s) of the IPs to enable it to properly and lawfully use such IPs throughout the Programme.
- (e) The Applicant and its founding shareholders cannot be a previous or current Incubatee of any one of the incubation Programmes administered or co-administered by HKSTPC, Hong Kong Cyberport Management Company or Hong Kong Design Centre unless otherwise agreed by HKSTPC in writing. HKSTPC may consider admitting the Applicant only if it can demonstrate that the methodology/ product/ services to be developed by the Applicant are different from those developed under the aforesaid Programmes.

- (f) The Applicant is committed to comply with all of the following requirements throughout the Programme:
  - (i) The founders of the Applicant collectively (legally and beneficially) must hold at least 33% of the paid up share capital at the time of application submission and throughout the Programme Period. Such founders can be individual shareholders or non-operating holding companies.
  - (ii) The Applicant must have at least two full-time staff and all staff must have valid licences to work in Hong Kong legally.
  - (iii) At least 50% of full time staff must be engaged in R&D work and based in Hong Kong Science Park.
  - (iv) The Applicant must not engage in retail activities at the premises provided by HKSTPC.
  - (v) The Applicant must demonstrate that their R&D staff possess the necessary training and skills in laboratory operations, if applicable. They must comply with the relevant safety standard, guidelines and procedures and those requested by HKSTPC and all applicable laws and regulations.

## **2.2 Application Procedure**

- 2.2.1. To apply for the Programme, the Applicant must complete an Application Form and submit the required documents. Please refer to the Application Guide at **Annex 1**. The Application Form must be completed by an authorized representative of the Applicant. HKSTPC reserves the right to seek additional information as it deems necessary. An Applicant shall also provide all clarification, information and documents requested by HKSTPC from time to time for processing its application.
- 2.2.2. Note that any information you provide that is considered intentionally misleading or inaccurate will be investigated.
- 2.2.3. We will acknowledge all applications in writing within 10 working days of receipt. Such acknowledgement will include a reference number, contact details and the approximate timeframe for processing the application.
- 2.2.4. If an Applicant delays in the submission of any clarifications, information and documents requested by HKSTPC for processing its application for more than two months, the application may be deemed to have been withdrawn.
- 2.2.5. Applications that are, in HKSTPC's opinion, for a business that is substantially the same as a previously ineligible or unsuccessful application(s) may be rejected.

## 2.3 Enquiries

Any enquiries for the Programme may be directed to the following:

Incu-Bio Team

E-mail: [incubio@hkstp.org](mailto:incubio@hkstp.org)

## 3. Assessment and Approval

### 3.1 Eligibility Checks and Assessment Panel

3.1.1 All applications received will be checked to confirm that all of the eligibility criteria have been met. Eligible applications will be assessed by an Assessment Panel comprising independent experts in the biomedical sector. Panel members will be required to adhere to the probity requirements in accordance with HKSTPC's policy.

3.1.2 A list of panel members can be found in our Website. Should an Applicant identify a potential conflict of interest (e.g. they become aware that a panel member is a current or former supervisor, teacher, student, business competitor, colleague or collaborator, or a relative, friend or personal acquaintance), they should notify HKSTPC via email as soon as they become aware of such a situation. A potential conflict of interest will not adversely affect the application; however, the HKSTPC will seek to ensure it is assessed independently by other members of the panel in order to avoid any potential probity concerns.

### 3.2 Assessment Criteria

3.2.1 Eligible applications will be evaluated based on the assessment criteria as set up in Table 1 below. The overall passing score is 65. Please refer to Annex 1 for the requirements of your business proposal.

Table 1 – Assessment Criteria

No.	Assessment Criteria	Description	Weighting
1.	Innovation and Technology	(a) The proposed product is unique, innovative and disruptive. (b) The proposed product is technically sound. (c) The IP Position / strategy of the technology.	30%
2.	Business Model	(a) The business model is viable (licensing, spin-offs, co-development, etc.) (b) The product addresses an important unmet need. (c) A clear market is defined. (d) The possible barriers to entry.	15%

No.	Assessment Criteria	Description	Weighting
		<ul style="list-style-type: none"> <li>(e) The interest from potential customers.</li> <li>(f) The proposed technology has a sustainable competitive advantage against competing patents/ research labs/ products/ companies.</li> <li>(g) The manufacturability/ scalability of the technology and if it is easy to scale up the technology for mass production.</li> </ul>	
3.	Team/Personnel Competence	<ul style="list-style-type: none"> <li>(a) The team has the necessary technical, business management and development expertise and resources.</li> <li>(b) The team has key/ potential partnerships (e.g. collaborators from industry, etc.) that will enable faster development of the technology and shorten the time to market.</li> </ul>	20%
4.	Risk Assessment	<ul style="list-style-type: none"> <li>(a) The medical ethics or bioethics risks and how they will be mitigated.</li> <li>(b) The safety risks and how they will be mitigated.</li> <li>(c) The assessment on the technical feasibility of the project with reference to the possible events that could lead to project/ business failure, including technical, operational, financial and key partner risks.</li> </ul>	15%
5.	Milestone Plan for the 4-year Incu-Bio Programme	<ul style="list-style-type: none"> <li>(a) A clear technology development roadmap.</li> <li>(b) A clear market development roadmap.</li> <li>(c) The proposed deliverables and milestones are realistic and commensurate with the expected impact.</li> </ul>	20%

- 3.2.2 The Applicant may be required to present its application to the Assessment Panel.
- 3.2.3 The Assessment Panel may require the Applicant to address its comments on the application (e.g. scope, budget and milestones, etc.). In such a case, the Applicant may be required to submit a finalized Application Form together with other necessary documents as requested by HKSTPC.
- 3.2.4 The Applicant should note that they should not offer any advantages to HKSTPC's staff or Assessment Panel members in connection with their applications. This is prohibited under the Prevention of Bribery Ordinance.

### **3.3 Contractual Agreement**

Successful Applications will become Incubatee under the Programme ("Incubatee") and will be offered a co-working space, lab support & services and financial support. Incubatee are required to sign a Licence Agreement and a Funding Agreement (if applicable) with HKSTPC.

## **4. Progress Review**

- 4.1. HKSTPC will assess the progress of the Incubatee in implementing the committed task activities according to the committed milestones under this Application Form and Business Proposal. Methods of monitoring include on-site visit and review of submitted milestone progress report specifying any progress or achievement in research and development, technology/management awards, progress in intellectual property works and study, patent, trademark, registered design, funding received, corporate restructuring such as IPO / joint venture arrangement / mergers and acquisition / spin-off etc. status if applicable, sales orders achieved and number of staff employed; audited financial statements, management accounts, management reports and other supporting documents.
- 4.2. There will be eight milestone review meetings throughout the 4-year incubation Programme. The first meeting will be held 3 months after the Incubatee has joined the Programme and every 6 months thereafter.
- 4.3. Any material modification to the Business Proposal of the Incubatee (including but are not limited to change of key team members, deliverables, cancellation of milestones, and change of R&D or business scope) shall require prior approval from HKSTPC.
- 4.4. In any circumstance that HKSTPC considers the Incubatee has failed to achieve the committed milestones without any valid and acceptable explanation, the Licence Agreement and Funding Agreement (if applicable) shall be terminated at the sole and absolute discretion of HKSTPC. If HKSTPC considers that the Incubatee failed to achieve the committed milestones and valid and acceptable explanation are provided, the Incubatee will be put under a performance improvement plan (PIP). In such a case, the Incubatee will normally be required to prepare a revised plan for the next 3 months with prior approval of HKSTPC. In the event that the Incubatee fails to achieve the revised targets or plans during the next 3 months, all the funding



support will be immediately withdrawn and the Incubatee will be required to vacate the relevant licenced area under the Licence Agreement.

## **5. Biosafety and Bioethics**

- 5.1. The Incubatee should observe and comply with all the Laboratory Biosafety Manual, and such other standards as may be adopted and/or amended by HKSTPC from time to time.
- 5.2. The Incubatee should notify HKSTPC in writing after the Incubatee and/or its subsidiary(ies) make an application for an Investigational New Drug (IND) and/or to the Clinical Trial Authorization (CTA), including the use of foods, supplements, device, drugs or services including traditional Chinese medicine, to be applied to humans in the Licensed Area and any other activities which may have bioethical issues.

## **6. Funding Support**

### **6.1 General Guideline**

- 6.1.1. Disbursement of funds to the Incubatee will only be made when HKSTPC is satisfied with the progress of the Incubatee.
- 6.1.2. As a general rule, it is not permissible to duplicate support available from other Hong Kong Government funding grants (no double payment for the same part of an expenditure item) unless prior written approval is given by HKSTPC on a case-by-case basis. The Incubatee will have to declare if it has received or will receive other funding sources in its expenses claim form.
- 6.1.3. The unused balance of the funding support will be forfeited upon graduation or termination of the Programme.
- 6.1.4. The Incubatee should ensure that all procurements for goods and services for the purpose of the grant are carried out in an open and fair manner and must comply with the procurement guidelines as set out in Table 1 below. Split purchase is strictly prohibited.

Table 1 - Procurement Guidelines

<b>Aggregate value of each procurement</b>	<b>Requirement</b>
\$10,000 or above	Written quotations from at least 2 suppliers
\$50,000 or above	Written quotations from at least 3 suppliers
\$500,000 or above	Written quotations from at least 5 suppliers
\$1 million or above	Open tender

- 6.1.5. In case the Incubatee is not able to follow the above procurement procedures or intends to procure goods or services from one company/organisation/individual, it has to provide details, sufficient justifications and its relationship with the Incubatee company/organisation/individual for not following the open procurement process set out above, prior approval from HKSTPC is required.

## 6.2 Maximum Funding Support

The maximum funding support for an Incubatee throughout the 4-year incubation Programme is HK\$6,000,000:

**No payment proof required:**

(a) Financial Subsidy HK\$ 2,000,000

**Pre-approval and payment proof required:**

(b) Upfront Grant HK\$ 2,000,000

**Reimbursement and payment proof required:**

(c) Regulatory Affairs Funding Support HK\$2,000,000  
(for regulatory activities only)

Note that the above funding support is subject to change at the sole discretion of HKSTPC.

## 6.3 Rental Subsidy

The Rental Subsidy below is applicable to the new Incubatee admitted after February 2019.

- 1<sup>st</sup> year - free rent
- 2<sup>nd</sup> to 4<sup>th</sup> years - 50% off headline rate

## 6.4 Financial Subsidy Funding Disbursement

The Financial Subsidy of HK\$2,000,000 will be disbursed in eight (8) equal instalments of HK\$250,000 each.

Incubatee will receive each instalment of HK\$250,000 for its R&D development after satisfactory assessment by HKSTPC at each milestone review meeting. There is no need to provide any payment proof for the subsidy but the amount should be shown in the audited financial statements.

## 6.5 Upfront Grant Funding Disbursement

### 6.5.1. Supportable Costs

The Incubatee will receive an upfront grant (“Upfront Grant”) at a maximum amount of HK\$2,000,000 which will be disbursed in eight (8) equal instalments of HK\$250,000 each.

Such Upfront Grant is used to **subsidize 75% of the supportable costs** (see [Table 2](#) below) incurred by the Incubatee from time to time during the Programme, subject to a maximum for certain supportable costs as set out in [Table 2](#) below.

HKSTPC has sole discretion to determine the eligibility of the expenses. Unless the Incubatee can provide justifiable reasons, the maximum funding support for the specific expense item will not be changed.

**Table 2: Upfront Grant Supportable Costs**

Supportable Costs		Conditions
<b>1. R&amp;D Expenses</b>		
(a)	The salary of full time R&D staff and student internship employed at Hong Kong Science Park including employer's mandatory contribution to the Mandatory Provident Fund	<ul style="list-style-type: none"> <li>Expenses for the shareholders/directors are not supported</li> <li>The salaries must be reasonable and are in line with market rates</li> <li>Maximum Funding: HK\$120,000 per milestone [the unspent balance cannot be carried forward]</li> </ul>
(b)	R&D or Laboratory equipment or instrument	<ul style="list-style-type: none"> <li>The equipment must be located at the assigned premises of HKSTPC and is subject to inspection by HKSTPC or its representative. The Incubatee must seek prior written approval from HKSTPC if the equipment is to be disposed or transferred to other location or company.</li> <li>Purchase of equipment should be made in the first 2 years of the Incu-Bio Programme.</li> </ul>
(c)	R&D or laboratory consumables	-
(d)	IP licensing/IP development	-
(e)	Public trial and other necessary professional certification	-
(f)	Any other R&D expenses as agreed by HKSTPC	<ul style="list-style-type: none"> <li>Services provided by HKSTP can be put in this category.</li> </ul>
<b>2. Non-R&amp;D Expenses</b>		
(a)	Business consulting	Maximum Programme Funding: HK\$500,000
(b)	Sales and marketing expenses	
(c)	Professional training	Maximum Programme Funding: HK\$100,000
(d)	International travel to attend scientific conferences	Maximum Programme Funding: HK\$100,000 <ul style="list-style-type: none"> <li>Must travel on economy class and reasonable hotel and incidental expenses.</li> <li>Expenses of 2 participants are eligible, spending of extra participants will not be covered. The registered guest name on the quotations for all claimed items should be the same traveller(s) throughout the event.</li> <li>The departure date (local time of the departure location) should not be earlier than 2 days prior to the commencement of the event, while the return</li> </ul>

Supportable Costs		Conditions
		<p>date (local time of the event location) should not be later than 2 days since the end of the event. Only event-related lodging during the above period is covered.</p> <ul style="list-style-type: none"> <li>Written justification of early arrival or staying behind the event is required with relevant proof. (e.g. meeting minute with partners, visit communication with partners). Please note that lodging of the additional period is not eligible.</li> </ul>
(e)	Accounting and auditing expenses	Maximum Programme Funding: HK\$300,000
(f)	Legal services	Maximum Programme Funding: HK\$500,000
(g)	Other relevant operational expenses as agreed by HKSTPC	<p>Maximum Programme Funding: HK\$200,000</p> <ul style="list-style-type: none"> <li>Services provided by HKSTP can be put in this category.</li> </ul>

\*\* For any services provided by HKSTP, it can be reimbursable with prior preliminary clearance obtained from your account manager. Value per receipt/payment proof below HK\$ 3,000 is also eligible. Comparison quotation is exempted when the purchase value is HK\$ 10,000 or above.

#### 6.5.2. Disbursement Procedures

- (a) Before milestone meeting, the Incubatee should submit the wish list and supporting documents (e.g. quotations, tender proposals, etc.) to HKSTPC. Upon the successful evaluation of the progress of the Incubatee by HKSTPC, any Upfront Grant will be released to the Incubatee if the Incubatee has submitted the wish list and supporting documents for such Upfront Grant to the satisfaction of HKSTPC.
- (b) Once any Upfront Grant has been disbursed, the Incubatee is required to submit a claim form and all the supporting documents to the satisfaction of HKSTPC within 3 months after the purchase of the relevant items covered by such Upfront Grant to substantiate that such Upfront Grant has been properly disbursed to cover the relevant supportable costs.
- (c) If the claim form referred to in (b) above reveals that the unspent amount is less than 30% of the upfront grant already disbursed, HKSTPC may allow it to be carried forward to offset the next Upfront Grant. If the unspent amount is 30% or more, no further Upfront Grant will be made unless the Incubatee has submitted the required documents to the satisfaction of HKSTPC or unless otherwise approved by HKSTPC in writing.
- (d) If the amount requested in the wish list is less than HK\$250,000 for any particular milestone, the balance of the HK\$ 250,000 ("Unspent Balance") can be carried forward to cover the supportable costs for the next milestone. Such right to carry forward can be applied for each milestone until the end of the 4<sup>th</sup> year of the Programme such that the total amount of Upfront Grant that the Incubatee is entitled in the last milestone is HK\$250,000 plus the total Unspent Balance carried forward from previous milestones.

- (e) The Incubatee should observe the claim procedures as detailed in the Guidance Notes of the Claim Form which is set out in Annex 3.

## **6.6 Regulatory Affairs Funding Support**

The Regulatory Affairs Funding Support is provided to the Incubatee for conducting regulatory activities required for IND filing or certification (e.g. for CE marking from EU, or for submissions to regulatory agencies such as the EMA, FDA or NMPA). This is an extra funding that Incubatee could apply separately. For the eligibility and application details, please refer to the Incu-Bio Regulatory Affairs Funding Application Guide. (The Guide will be provided upon request)

## **7. Recovery of Loss**

- 7.1. HKSTPC reserves its right to recover any payment to the Incubatee and seek compensation from the Incubatee for any loss or expenses incurred by HKSTPC due to the Incubatee's breaching of the Licence Agreement and this Guide.
- 7.2. HKSTPC reserves its right to recover unspent balance of the disbursed fund, or any amount of the disbursed Fund without appropriate proof documents, or such proof was considered not admissible by HKSTPC or the auditor, upon termination of the Programme for whatever reasons, including but are not limited to: (a) failure to achieve the milestones; (b) breaching of conditions stipulated in the Licence Agreement, this Guide and the Funding Agreement (if applicable).

## **8. Accounting and Auditing**

- 8.1. The Incubatee shall engage an independent practicing auditor/an auditing firm to prepare the Auditor's Report and Statement of Expenditure in the format as prescribed by HKSTPC, if requested by HKSTPC.
- 8.2. The Incubatee should properly handle the keeping of books and records of their expenditures utilizing the funding support to facilitate auditors to conduct the reasonable assurance engagement in accordance with the requirements of HKSTPC.
- 8.3. HKSTPC may appoint an accounting firm to perform accounting and auditing services for the Incubatee. These expenses will be deducted from the funding support. The Incubatee cannot refuse such appointment unless valid reasons are provided.

## **9. Audited Financial Report**

Within 90 days after the financial year-end date, the Incubatee shall provide HKSTPC with the audited financial statements and if required, an Audit Report verifying that the funding disbursed has been spent in accordance with the Guide.

## **10. Monitoring, Management and Reporting**

The Incubatee shall permit any person authorised by HKSTPC such reasonable access at any time to its employees, auditors, agents, premises, facilities, books and records, for the purpose of inspecting, discussing, monitoring and evaluating the Incubatee's fulfillment of the conditions of the Guide and shall, if so required, provide appropriate oral or written explanations to any issues raised by HKSTPC.

## **11. Early Graduation**

11.1. The Incubatee will be required to early graduate from the Incubation Programme if any one of the following events occurs:

- (a) The founders of the Incubatee collectively (legally and beneficially) hold less than 33% of equity.
- (b) The Incubatee becomes a listed company in Hong Kong Stock Exchange or in any other jurisdiction.
- (c) The Incubatee's valuation exceeds the amount of HKEX IPO valuation threshold of biomedical tech startup (such threshold as set by HKEX), subject to HKSTPC's sole discretion.

11.2. The procedures for such early graduation shall be in accordance with the termination procedures set out License Agreement.

## **12. Termination**

12.1. Without prejudice to the rights of HKSTPC under Section 11 above, the agreement(s) with Incubatee may be terminated and all fundings will be suspended and/or stopped if any one of the following events occurs:

- (a) There is a material deviation of research or R&D focus/foci or business plan as compared to those set out in the Application Form, Business Plan or any other documents previously submitted by the Incubatee to HKSTPC without prior written consent of HKSTPC.
- (b) The Incubatee does not comply with any the terms and conditions laid down in the Licence agreement, this Guide and all instructions and correspondences

issued by HKSTPC or its representative from time to time in respect of the Programme.

- (c) The Incubatee fails to progress in accordance with any of the milestones set out in the Business Plan or PIP.
  - (d) The Incubatee did not use the assigned space appropriately and/or actively.
  - (e) Any of the directors or staff of the Incubatee engaged in any unlawful, fraud or corruption activity.
  - (f) The Incubatee or any of its directors or staff misrepresented or provided any wrongful or incorrect or inaccurate statement(s) in its (i) Application Form, (ii) Milestone Report and (iii) any other matters relating to the eligibility for such Incubatee's continued use and enjoyment of the funding grant and the co-working space.
  - (g) The Incubatee mishandled the funding grant or lacked discipline in its financial management.
- 12.2. The procedures for such early graduation shall be in accordance with the termination procedures set out License Agreement.

## **13. Use and Disclosure of Information**

- 13.1. Unless the information provided to HKSTPC is Personal Data (as defined under the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong or confidential information as designed by the Incubatee, HKSTPC may disclose the information provided by the Incubatee/Applicant to any person for any purpose directly related to the activities and functions of the HKSTPC, including but not limited to the purpose of:
- announcing the awarding of the grants (where applicable)
  - improving the administration, monitoring and evaluation of this Programme
- 13.2. Where the Applicant/Incubatee is asked to submit any information, content or material to HKSTPC ("Content") for the purposes of enabling HKSTPC to assess the Applicant and its suitability as an Incubatee, or for inclusion on HKSTPC's website, the Applicant/Incubatee must ensure that all Content is up-to-date, accurate, legal, honest, decent, truthful and complies with all applicable laws, regulations, standards and codes of practice. The Applicant/Incubatee must ensure that all Content submitted to HKSTPC 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, libellous or defamatory of any person.
- 13.3. The Applicant/Incubatee shall have sole responsibility for the Content which it submits to HKSTPC and the Applicant/Incubatee shall indemnify and shall keep HKSTPC 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 HKSTPC arising directly or indirectly from the Content submitted by the Applicant/Incubatee to HKSTPC in breach of these terms and conditions. Where HKSTPC has relied upon, published or used the Content then the losses to be indemnified by the Applicant/Incubatee shall include all sums claimed from HKSTPC by third parties having relied up on the Content and all sums expended by HKSTPC on the Applicant/Incubatee in connection with the Programme (including but are not limited to any benefits or funding support that the Applicant/Incubatee has received).

- 13.4. The Applicant/Incubatee is aware that the Content in the application will be vetted by HKSTPC staff, its advisors and/or the Incu-Bio Panel despite the absence of any non-disclosure Agreement or any document of a similar nature.

## **14. Publicity**

The Incubatee or any of its directors, employees, or agents shall not use the name of HKSTPC or any of its directors, employees or any adaptation of their names, its logo, etc. in any promotional material, other public announcement, events or disclosure without the prior written consent of HKSTPC.

## **15. Prevention of Fraud and Corruption Activities**

- 15.1. The Applicant/Incubatee agrees to undertake all necessary actions in order to prevent possible Fraud and Corruption activities. In pursuance of this policy, the practices constituting Fraud and Corruption are defined as follows:

- (a) “corrupt practice” is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence the actions of another party;
- (b) “fraudulent practice” is an act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
- (c) “collusive practices” is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- (d) “coercive practices” is impairing or harming, or threatening to impair or harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract;
- (e) “obstructive practice” is deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the



investigation, or acts intended to materially impede the exercise of inspection and audit rights.

- 15.2. The Applicant/Incubatee shall observe the relevant regulatory requirements and practices in Hong Kong relating to Fraud and Corruption Activities, in particular the following Ordinances:
- (a) The Prevention of Bribery Ordinance (Cap 201)
  - (b) The Theft Ordinance (Cap 210)
  - (c) The Competition Ordinance (Cap 619)
- 15.3. The Applicant/Incubatee should report any suspected or known crime to the law enforcement agencies (i.e. the Police or ICAC) at the first practicable opportunity and avoid making any enquiries or taking any action that may hinder or frustrate subsequent investigation by the law enforcement authority concerned.

## **16. Intellectual Property Rights, Network, Software Piracy and Internet**

The Incubatee should comply with the Terms and Conditions on Intellectual Property Rights, Network, Software Piracy and Internet as detailed in **Annex 2**.

## **17. Personal Information**

- 17.1. The Personal Data provided to HKSTPC as required will be used by the HKSTPC in relation to the following activities:
- (a) Processing and counter-checking of the Applicant's application and Incubatee's claim for the funding support of the Programme;
  - (b) Matching of the Personal Data provided against other databases as may be required;
  - (c) Activities/matters related to the communication or exchange of views with the Applicant/Incubatee for the purpose of Programme administration; and
  - (d) Statistics and researches.
- 17.2. In accordance with Sections 18 and 22 and Principle 6 of Schedule 1 of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), Applicant/Incubatee have the right to request access to and correction of its Personal Data supplied to HKSTPC. Details of HKSTPC's Privacy Policy can be found on HKSTPC's website.

## **18. Obligations**

- 18.1. The Incubatee must comply with the terms and conditions in this Guide and the Licence Agreement to be signed with HKSTPC throughout the application and the Programme period.
- 18.2. The Incubatee shall complete and submit to HKSTPC annual surveys with statistics relating to its business performance (including without limitation key financial data including the turnover, profit/loss and the number of employees hired by the Licensee and its subsidiaries, if any) after completing the Programme for the purpose of improving the administration, monitoring and evaluation of this Programme.

## **19. Changes to Guidelines**

HKSTPC reserves the right to make changes to any of the provisions under this Guide and any templates related to the Programme as it deems necessary and appropriate.

**Annex 1**

**Application Guide**

1. Each application must contain the following documents:
  - (a) Application Form
  - (b) Business Proposal (the Guidance Notes are at **Annex 1 (Schedule 1)**)
  - (c) Presentation Deck of the Business Proposal (include a 4-year milestone plan)
  
2. In addition to the above documents. The Applicant should provide the following supporting documents:
  - (a) Hong Kong Business Registration Certificate;
  - (b) Certificate of Incorporation;
  - (c) Articles of Association;
  - (d) Latest Annual Return Form (NAR1) or Incorporation Form (NNC1 or NNC1G) showing the present directors and shareholders;
  - (e) Current and Proposed Shareholder Structure (in one diagram);
  - (f) Current and Proposed Corporate Structure (in one diagram);
  - (g) Latest Audited Financial Statements, if any;
  - (h) Current and Proposed Organization Chart (two (2) separate diagrams with staff's name indicated with full-time or part-time on each position);
  - (i) 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);
  - (j) Copy of the key technical staff's academic certificates and proof of their latest employment that is relevant to this application;
  - (k) Signed employment letter of all non-shareholding full-time employee;
  - (l) Copy of certificate(s) of filing/grant of patent(s), if any;
  - (m) Copy of the agreement between the Applicant and the R&D collaborating organisation(s) on the sharing of the royalties or intellectual property rights or any other sorts of income to be generated from the Applicant, if any;
  - (n) Information about the Company's impending patent(s), award(s) and published scientific paper(s), if any;
  - (o) Other supplementary information such as pictures, diagrams and technology illustration;
  - (p) The Chemical Material Handling and Storage list;
  - (q) Ethics Declaration Form

**Annex 1 (Schedule 1)**

**Business Proposal Guidance Notes**

**1. Executive Summary**

Give a concise description of your business proposal which aims to provide the assessment panel with an overview of your product or service.

**2. Innovation and Technology**

- (a) Describe your proposed product/service. What are the unmet needs/problems to be resolved?
- (b) Is the proposed product/service unique, innovative and disruptive?
- (c) What is the IP position/strategy of the technology?
- (d) Does the Company have freedom-to-operate?
- (e) How long will the Company enjoy IP protection? Is it long enough to generate adequate profits?
- (f) If the patent position is weak, what other advantages does the Company have over the competition?
- (g) Is your product/service subject to regulatory compliance (e.g. FDA's approval)? If yes, how long do you think you can obtain the necessary approval?
- (h) What is your technology development roadmap in terms of time, resources, and strategy to develop the product(s) or service(s)?

**3. Business Model**

- (a) What is your business model (licensing, spin-offs, co-development, etc.)?
- (b) What is your competitive advantage against competing patents/ research labs/ products/ companies?
- (c) What is the addressable market size?
- (d) Is there interest from potential customers?
- (e) Do you have a market development roadmap? What are the possible barriers to entry?
- (f) What is the time to market? Do you have plans for long term funding?
- (g) What is the manufacturability/scalability of the technology? How easy is it to scale up the technology for mass production?

**4. Team/Personnel**

- (a) Profile of Team - capabilities, location, work experience and affiliation.
- (b) Does the team have key/potential partnerships (collaborators from industry etc.) that will enable faster development of the technology and shorten the time to market?

**5. Milestone Plan**

Provide a 4-year Milestone Plan for the 4-year Incubation period in the prescribed format. A template is included in the Application Form.

**Annex 2**

**Terms and Conditions**  
**Intellectual Property, Network, Software Privacy and Internet**

**1. General**

In the event of HKSTPC receiving any complaints or information from any person indicating that the Incubatee may be making or using pirated or unauthorized software copies or is otherwise doing anything which infringes the HKSTPC's and/or third party proprietary rights, Incubatee agrees and acknowledges that HKSTPC shall have the right to report such possible infringement from time to time to the relevant governmental authorities without the need of notifying the Incubatee in advance or giving any prior notice thereto and in such event the Incubatee shall allow such governmental authorities to inspect and/or carry out a search of its computer systems to verify such infringement. The Incubatee hereby further agrees and acknowledges that the Incubatee shall be co-operative and allow entry of its premises on which its activities are being carried out and/or inspection and/or search of its computer system by person(s) as authorized and/or permitted by all relevant laws, regulations and any court order insofar as it affects such premises to ensure compliance therewith.

**2. Intellectual Property**

The Incubatee should not in any way knowingly infringe the HKSTPC's and/or third party proprietary rights, statutory or otherwise whether or not the act of infringement is carried out in Hong Kong or elsewhere outside of Hong Kong. Proprietary rights in this context shall include all patents, designs, copyrights, trademarks, trade or other names and all other similar rights or interests relating thereto from time to time whether pending applied for or otherwise.

**3. Network**

The Incubatee agrees and undertakes with HKSTPC:

- (i) Subject to sub-Sections (ii) and (vii) below, all Network Services provided to the Incubatee are for use only by the Incubatee, its directors, officers and employees in the manner permitted under this Programme Guide and must not be shared, used, licensed, assigned or transferred to any other companies or persons, or used for any other purposes without HKSTPC's prior written consent. The specifications of the Network Services including but not limited to the manner in which the Network Services are provided, the speed, band width and quantity of the Network Services shall be determined at the sole and absolute discretion of HKSTPC.
- (ii) HKSTPC will only provide the Network Services to the Incubatee after it has accepted the Incubatee's application for the Network Services under the "IT Service Application Form" as prescribed by HKSTPC. HKSTPC reserves the right to reject the Incubatee's application for Network Services in its discretion without the need of giving any reason. The Incubatee hereby waives any and all

claims, objections and disputes in relation to or in connection with such rejection (if any).

- (iii) The Incubatee shall, and shall procure that its directors, officers and employees shall:
  - a. only use the Network Services for legal, honest and decent purposes (and shall be aware that computer hacking and illegal misuse are criminal offences), ensure that such use complies with all applicable laws, regulations, standards and codes of practice and not email, post or receive any illegal, obscene, abusive, threatening, libelous or defamatory statement when using the Network Services;
  - b. not infringe HKSTPC's or any third party's intellectual property rights while using or benefiting from the Network Services;
  - c. not transmit any virus, Trojan horse, or other malicious code through the Network Services;
  - d. not access any other user's computer or computer system, software, or data without their knowledge and consent, or breach the security of another user using the Network Services;
  - e. co-operate in any requests by HKSTPC for assistance and follow all HKSTPC's instructions in relation to the Network Services;
  - f. not restrict, inhibit, interfere with, or otherwise disrupt or cause a performance degradation to the Network Services or to any other person's computer system; and
  - g. not use the Network Services to transmit unsolicited bulk or commercial or "spam" messages.
- (iv) The Incubatee shall upon HKSTPC's request at no charge to HKSTPC cease to use all IP addresses and delete all files and data pertaining to the Incubatee or its employees on the Network Services and provide any other reasonably assistance as may be required by HKSTPC.
- (v) The Incubatee agrees that it shall solely be legally liable for its use of the Network Services, its own related information/content and any acts that are carried out through the IP addresses assigned to it. To this end the Incubatee agrees to strictly maintain the confidentiality of any log-on details and passwords provided to it for use with the Network Services.
- (vi) The Incubatee must take all necessary steps to ensure secure use of the Network Services (including without limitation setting up necessary security control devices such as firewalls, intrusion prevention systems and spam controls etc.) to protect its own networks, as well as any contamination that might affect the Network Services themselves or their performance generally.
- (vii) HKSTPC shall have the immediate right at any time to terminate and/or to discontinue the provision of the Network Services if the Incubatee, its directors, officers or employees are/is breach of any term in this Programme Guide or the Hong Kong Science Park IT Service Application Form or IT Service General Rules and Regulations or WiFi Service Conditions of Use and Disclaimer issued by HKSTPC (or other third party services provider, as the case may be) or if for any reason HKSTPC decides to cease to provide Network Services or is unable to provide the Network Services for reasons beyond its reasonable control

(including without limitation force majeure, act of god, strike, telecommunications failure or other technical issues).

- (viii) To the fullest extent permissible by applicable law, HKSTPC does not make any warranties, representations or endorsements whatsoever with regard to the Network Services (including but not limited to availability or functioning thereof) and accepts no liability for any damage or loss howsoever arising out of or in connection with the Network Services (including but not limited to HKSTPC's non-provision and/or suspension thereof (if any) whether due to error, omission or any other cause).
- (ix) As owner of the Network Services HKSTPC shall have the unilateral right at any time on notice to amend the terms under which the Incubatee receives the Network Services, as it sees fit in its entire discretion, including without limitation monitoring and altering the network system and/or refusing to transmit, remove or block any material or content.
- (x) The Incubatee agrees to indemnify and/or keep HKSTPC indemnified against all actions, claims, losses, liability, proceedings, damages, costs, expenses, loss of profits, business interruption and other pecuniary or consequential loss (including but not limited to legal costs and expense) suffered or incurred by HKSTPC arising directly or indirectly from the Incubatee's breach of the terms and conditions under this Annex 2 on Intellectual Property, Network, Software Privacy and the Internet. If the Incubatee breaches any of the terms and conditions under this Annex 2, without prejudice to any other rights and remedies available to HKSTPC under this Programme Guide or otherwise, HKSTPC shall have the right to forthwith terminate the Incubatee's participation in the Programme or any similar scheme operated by HKSTPC, and in case of such termination the Incubatee shall repay to HKSTPC a sum equivalent to all benefits and sponsorship that HKSTPC has disbursed to the Incubatee and/or that the Incubatee has received in connection with the Programme or any such similar scheme.

#### **4. Software Piracy**

Unauthorised copied, distributed, modified or sold of legally protected computer software (irrespective of whether such activities are carried out in Hong Kong or elsewhere outside Hong Kong) violates the copyright law. The Incubatee disapproves of such piracy, recognizes and agrees to observe the following principles as a basis for preventing its occurrence: -

- (i) The Incubatee shall neither commit nor tolerate the making or use of unauthorised software copies under any circumstances.
- (ii) The Incubatee shall at its own costs provide legitimately acquired software to meet all software needs in a timely fashion and in sufficient quantities for all the Incubatee's computers and such other computers as the Incubatee may from time to time use.
- (iii) The Incubatee shall comply with all licence or purchase terms regulating the use of any software the Incubatee acquires or uses.
- (iv) The Incubatee shall enforce strong internal controls to prevent the making or use of unauthorised software copies, including effective measures to verify

compliance with these standards and take appropriate disciplinary action for violations.

## **5. Security on Network Services**

The Incubatee understands that the Internet service (either wired with static IP address or wireless with dynamic IP address) as provided by HKSTPC to the Incubatee at limited speed, if applicable, is for email and general internet browsing instead of demanding usage such as video calling). The Incubatee shall not use the Internet service as a primary medium for conducting the Incubatee's businesses.

The Incubatee shall not visit websites that contain obscene, hateful, pornographic or otherwise illegal materials (e.g. child porn images) or shall not distribute such materials.

When browsing the Internet, the Incubatee should observe the following security measures:

- (i) Install and update the latest anti-virus and anti-spyware software regularly on the device, whenever available.
- (ii) Install updates and patches to the device regularly, including upgrades/updates to the operating system and web browsers.
- (iii) Don't let your browser remember your log on details.
- (iv) Secure the device based on the security recommendations from the device's manufacturer and enable data encryption on the device if possible.



**Annex 3**

**Guidance Notes on Upfront Grant Expenditure Claims**

**A. General**

1. All expenditure claims need to be pre-approved by HKSTPC.
2. The Procurement Guidelines as stated in the Incu-Bio Programme Guide should be observed.
3. If you have applied or received Government Funding on any item, you should not apply for the expenditure claim.
4. The claimant can only submit the wish list for the upcoming milestone when the spending of the previous upfront grant is 70% or above of the approved amount.
5. The wish list should be submitted no later than two (2) months after the milestone assessment date and the submission is limited to two (2). Late submission will not be accepted. [It is recommended to submit the wish list within one (1) week before the milestone assessment date so that the items could be discussed during the meeting.]
6. The claim form(s) should be submitted at least one (1) month before the next milestone meeting and the submission is limited to two (2). Late submission will not be accepted.
7. Each invoice amount should not be less than \$3,000.
8. Each claim should follow the Procurement Guideline stated in the Para. 6.1.4 of Incu-Bio Programme Guide.
9. For the ease of administration, you are required to complete the Forms in soft copy. Please do not attempt to change the contents of the wish list(s) when it has been verified by HKSTPC. HKSTPC reserves the right to terminate the Incubation Programme of the Incubatee if it fails to comply with this procedure.
10. HKSTPC reserves at all times the absolute right to determine the validity of any reimbursement claim and whether the supporting documents are adequate.
11. The service provider of Consultancy project must be a registered company.
12. The consultancy service must be project specific with clearly defined service scope. General consultancy service (e.g. charged with monthly service fee) is not eligible for expenditure claim.
13. For enquiries, please send e-mail to [incubio\\_claims@hkstp.org](mailto:incubio_claims@hkstp.org).

**B. Pre-Approval Process**

No.	Responsible Party	Procedures
1.	Claimant	Submit the Wish List Excel Table for getting approval from Account Manager.
2.	HKSTPC	Approve or reject on the items on the Wish List Excel Table and send it back to Claimant.
3.	Claimant	Indicate the UG number onto the approved Wish List Excel Table.
4.	Claimant	Submit the Wish List Excel Table, with scanned copy of supporting documents in soft copy.

5.	Claimant	Sign on the verified Wish List (with company stamp) and submit it to HKSTPC.
6.	HKSTPC	Pay the upfront grant by bank transfer to the claimant in accordance with the verified Forms.
7.	Claimant	Keep the verified Wish List in a proper manner. Please do not attempt to change the contents.

### C. Claim Process

No.	Responsible Party	Procedures
1.	Claimant	Complete Expense Claim Form in soft copy and submit it with scanned copy of supporting documents. Submit the original supporting documents, if requested by HKSTPC. Indicate the Document Serial No. (e.g. 1-1-1, 1-1-2 and 1-1-3 for quotations, 1-2 for invoice and 1-3 for delivery/goods receipt notes of item 1) in the Form. (Note that HKSTPC will not providing funding support for disapproved items.)
2.	HKSTPC	Verify the Form and send the verified Form to the claimant in softcopy to the Claimant, if any. Return the original supporting documents stamped with “Paid” to the claimant, if any.
3.	Claimant	Sign on the verified Form (with company stamp) and submit it to HKSTPC.
4.	Claimant	Keep the verified Forms in a proper manner. Please do not attempt to change the contents.

### 1. Supporting Documents

#### (a) Wish List Supporting Documents

R&D Expenses		
(a)	Staff Salaries and MPF	1. Signed Employment Contract; and 2. CV of the Staff

(b)	Expenditure on R&D Laboratory Equipment/ Instrument	1. Request for Proposal/ Request for Quotation/ Tender Documents; and 2. HKSTP BSC Pre-approval
(c)	Expenditure on R&D Consumables	
(d)	Expenditure on IP Licensing/ Development	<u>IP Licensing:</u> The signed agreement showing the name of the collaboration company, details of the IP licensing/development, the licence period and the cost. <u>IP Development:</u> Request for Proposal/ Request for Quotation/ Tender Documents/ Abstract of the draft of the IP
(e)	Expenditure on Public Trial and Other Necessary Professional Certification	1. The signed agreement showing the name of the collaboration company, details of the public trial or other necessary professional certification, the trial/certification period and the cost. 2. HKSTP BSC Pre-approval
(f)	Any Other R&D Expenses as agreed by HKSTPC	Request for Proposal/ Request for Quotation/ Tender Documents
<b>Non-R&amp;D Expenses</b>		
(a)	Business Consulting	1. Request for Proposal/ Request for Quotation/ Tender Documents; and/or 2. Proposal (if applicable)
(b)	Sales and Marketing	
(c)	Professional Training	
(d)	Overseas Travel to attend Scientific Conferences	Details of the conference (e.g. name, organizer, place, time, etc.)
(e)	Accounting and Auditing	Request for Proposal/ Request for Quotation/ Tender Documents
(f)	Legal Services	
(g)	Other Relevant Operational Expenses as agreed by HKSTPC	

**(b) Expenses Claim Supporting Documents**

<b>R&amp;D Expenses</b>		
(a)	Staff Salaries and MPF	1. MPF Remittance Statements showing the company name, staff name, salary, salary month and employer's mandatory provident fund contribution. 2. If MPF Remittance Statement is not available (e.g. the staff is employed for less than 60 days), the employment contract, student card or University Transcript showing that they are

		studying full time, the salary acknowledged receipt by the staff and the bank statement should be provided.
(b)	Expenditure on R&D Laboratory Equipment/ Instrument	1. Quotation; 2. Supplier's invoice; 3. Delivery/Goods Receipt notes of the equipment/ consumables; and 4. Payment proof (i.e. receipt / cheque and bank statement)
(c)	Expenditure on R&D Consumables	
(d)	Expenditure on IP Licensing/ Development	1. Quotation; 2. Supplier's invoice; 3. Delivery/Goods Receipt notes (if applicable); and 4. Payment proof (i.e. receipt / cheque and bank statement)
(e)	Expenditure on Public Trial and Other Necessary Professional Certification	
(f)	Any Other R&D Expenses as agreed by HKSTPC	
Non-R&D Expenses		
(a)	Business Consulting	1. Quotation; 2. Supplier's invoice; 3. Delivery/Goods Receipt notes/ (if applicable); 4. Payment proof (i.e. receipt / cheque and bank statement); and 5. Proposal / Sample (if applicable)
(b)	Sales and Marketing	
(c)	Professional Training	1. Quotation; 2. Attendance Record; and 3. Payment proof (i.e. receipt / cheque and bank statement)
(d)	Overseas Travel to attend Scientific Conferences	1. Price comparison on air tickets and hotel expenses; 2. Boarding Pass; 3. Receipts; and 4. Any proof for the attendance of the Scientific Conference (e.g. Photo, Certificate, etc.)
(e)	Accounting and Auditing	1. Quotation; 2. Supplier's invoice; and 3. Payment proof (i.e. receipt / cheque and bank statement)
(f)	Legal Services	
(g)	Other Relevant Operational Expenses as agreed by HKSTPC	

## Revision History

Revision	Revised Date (DD/MM/YYYY)	Change Details
1	16/01/2019	Initial Release
2	22/02/2019	Revisions: <ol style="list-style-type: none"> <li>1. The word “Program” changed to “Programme” for all para.</li> <li>2. Minor changes made in Para. 2.3, 3.1.2, 4.4, 6.1.4, 6.6.3 and 8.1</li> <li>3. Para. 6.3, 6.4.2(c), 11.2 and 12.2 are added</li> <li>4. Annex 1 “Application Guide”: <ul style="list-style-type: none"> <li>• Presentation Deck on Business Proposal must be submitted with the application</li> <li>• Some changes were made to the list of supporting documents</li> </ul> </li> </ol>
3	24/04/2019	Revisions: <ol style="list-style-type: none"> <li>1. Para. 6.6.4 is deleted</li> </ol>
4	17/09/2019	Revisions: <ol style="list-style-type: none"> <li>1. Para. 2.2.2, 2.2.3 and 3.2.4 are added</li> <li>2. Para. 2.1 (a) ,2.1 (b), 3.1.2, 3.2.1, 6.2, 6.6 and 15.3 are revised</li> </ol>
5	01/11/2019	Revisions: <ol style="list-style-type: none"> <li>1. Minor changes made in Para. 2.1, 2.2.1, 2.2.3-2.2.5, 2.3, 3.1.1, 3.1.2, 3.3, 4.1, 4.2, 4.4, 6.1.2, 9, 10, 11.1, 13.3, 13.4, 15.2, 15.3,17 and 18.</li> <li>2. Para. 6.4, 6.5, 6.6 ,11.2, 12, 13.1,19 and Annex 2 are revised</li> <li>3. Annex 3 “Guidance Notes on Upfront Grant Expenditure Claims” is added</li> </ol>
6	01/09/2020	Revisions: <ol style="list-style-type: none"> <li>1. Minor changes (with new contact number) made in Para. 2.3</li> <li>2. Annex 1 point 2(e) and 2(h) are added</li> <li>3. Annex 3 Part D Point 3 Table (a) is revised</li> </ol>
7	20/01/2021	Revisions: <ol style="list-style-type: none"> <li>1. Para. 2.1 (b) (ii) is deleted</li> <li>2. Minor changes made in new Para. 2.1 (b) (ii)</li> </ol>

<b>Revision</b>	<b>Revised Date (DD/MM/YYYY)</b>	<b>Change Details</b>
8	01/06/2021	Revisions:  1. Para. 2.1 (b) (i) is deleted 2. Table 2 under Para 6.5.1 is revised 3. Minor changes made in Part B and Part C of Annex 3
9	26/11/2021	Revisions:  1. Para. 6.2, 6.4, 6.5 and Annex 3 are revised (in regard to the new funding disbursement arrangement) 2. Section D of Annex 3 is deleted 3. Administrative changes are made