

## PRESS RELEASE

30 December 2009

### **SEVEN TECHNOLOGY INCUBATORS PROVIDING MENTORSHIP AND NETWORKING TO BE SET UP TO BOOST THE GROWTH OF HIGH TECH START-UPS IN SINGAPORE**

- *Seven Technology Incubator Managers selected by NRF to provide systematic management guidance, mentorship and networking to high tech start-ups at their most vulnerable seed stage*
- *NRF's Technology Incubation Scheme seeks to build up a pool of start-ups with greater chances of success in turning innovative ideas into commercial businesses*

1 The National Research Foundation (NRF), on the recommendation of an evaluation panel (see **Annex A**), announced today the selection of seven Incubator Managers under its Technology Incubation Scheme (TIS) to nurture early stage high tech start-up companies in Singapore. A budget of S\$50 million has been set aside for this purpose.

2 The TIS is an initiative under the \$360 million National Framework for Innovation and Enterprise<sup>1</sup> (NFIE) programme announced by the Prime Minister in March 2008. Under this scheme which is similar to the successful Israeli model, NRF will provide up to 85% co-investment in each start-up company identified by the selected Incubator Managers, up to a maximum of S\$500,000 per company. The Incubator Manager will be required to invest at least the balance of 15% in the start-up. As an incentive, the Incubator Manager will be given an option upfront to buy out NRF's share in the invested start-ups within 3 years of investment (see **Annex B**) by repaying the capital plus interest. In this way, the government will share the downside risks of the investments, while giving the Incubator Managers the potential upside in successful investments, in return for their efforts in nurturing the start-ups. This would align the interests of all parties towards the success of the start-up companies.

3 A call for proposal for the TIS was launched on 25 August 2009. It received very good response, with 32 proposals submitted from both local and

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<sup>1</sup> For more information on the National Framework for Innovation and Enterprise, refer to: [http://www.nrf.gov.sg/nrf/uploadedFiles/News\\_and\\_Events/RIEC%20Press%20Release%20%20\(FINAL\).pdf](http://www.nrf.gov.sg/nrf/uploadedFiles/News_and_Events/RIEC%20Press%20Release%20%20(FINAL).pdf)

foreign incubator managers, operating across various areas of science and technology. Seven incubators were eventually selected by the Evaluation Panel based on the strength of their proposals.

4 The seven selected technology incubators are:

- Clearbridge Accelerator;
- I2G Tech Accelerator;
- Neoteny Labs;
- Plug & Play;
- Social Slingshot;
- Small World Group; and
- Stream Global.

(see **Annex C** for a brief write-up of each technology incubator)

5 Mr Teo Ming Kian, Permanent Secretary (National Research & Development) and Chairman of the TIS evaluation panel said: “We are encouraged by the very enthusiastic response to our TIS call for proposal and are pleased with the quality of proposals received. An important criterion for the selection of these Incubator Managers is their passion and commitment to provide mentorship to promising startups in Singapore. Also important is the extensiveness of their networks, and their ability to link start-up companies with customers and investors for subsequent funding. Under the guidance of these Incubator Managers, these start ups would greatly improve their chances of turning their ideas into viable businesses for the global market.”

6 Agreeing with this, panel member and entrepreneur Mr Eddie Chau, Founder and CEO of Brandtology Pte Ltd, a Singapore-based startup said: “The process of starting a high tech company is fraught with challenges. Systematic guidance from experienced entrepreneurs makes a great difference in helping companies at this early stage start on the right footing and maximizes their chances of success. The Incubator Managers selected under the TIS were those with wide experience in the high tech business and strong links with angels, venture capital and technology businesses in Singapore and beyond.”

7 Mr Joichi Ito, an established angel investor and serial technopreneur in Silicon Valley, whose submission under Neoteny Labs was one of the 7 proposals selected, said: “We are excited by this tremendous opportunity to operate in Singapore under the NRF’s Technology Incubation Scheme. We see many interesting ideas from entrepreneurs in Singapore that are comparable to those in innovative hotspots elsewhere in the world. My team and I look forward to working with the many aspiring entrepreneurs here and becoming a part of the entrepreneurial eco-system that is being built up in Singapore.”

8 Added Mr Johnson Chen, a Singaporean Venture Capitalist and Managing Partner for Clearbridge Accelerator, whose submission was also selected, "Mentoring and providing the right resources is very important for high-tech start-ups to succeed in today's competitive environment. We look forward to building impactful, highly innovative and sustainable companies for Singapore."

9 The TIS Scheme attracted the interest of several incubator managers from the US, including the successful Plug and Play from Silicon Valley and internet entrepreneur and founder of well-known social networking company MySpace, Brad Greenspan, with his proposed Social Slingshot. He said, "I am honoured to be selected by the NRF to launch an Incubator in Singapore with some of my business colleagues, to co-invest in promising startup opportunities. I look forward to working with and investing behind the many talented entrepreneurs, technologists, scientists, and visionaries in Singapore in 2010 and beyond, and I am excited to discover the next great technology or product through our newly launched Social SlingShot Incubator."

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### **The National Research Foundation (NRF)**

The National Research Foundation (NRF), set up on 1 January 2006, is a department within the Prime Minister's Office.

The NRF sets the national direction for research and development (R&D) by developing policies, plans and strategies for research, innovation and enterprise, funds strategic initiatives, builds up R&D capabilities and capacities through nurturing our own and attracting foreign talent, and coordinates the research agenda of different agencies to transform Singapore into a knowledge-intensive, innovative and entrepreneurial economy. It provides secretariat support to the Research, Innovation and Enterprise Council (RIEC), chaired by the Prime Minister. A five-year budget of S\$5 billion has been allocated to the NRF in 2006 to achieve this mission.

The NRF aims to:

- Transform Singapore into a vibrant R&D hub that contributes towards a knowledge-intensive, innovative and entrepreneurial economy; and
- Make Singapore a talent magnet for scientific and innovation excellence.

For more information, please visit [www.nrf.gov.sg](http://www.nrf.gov.sg).

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## Annex A

### Technology Incubation Scheme Evaluation Panel

Name	Designation
Mr Teo Ming Kian	Permanent Secretary (National Research & Development) & Chairman of the panel
Dr Francis Yeoh	Chief Executive Officer, NRF
Mr Inderjit Singh	Chief Executive Officer, Infiniti Solutions Ltd
Mr Ong Peng Tsin	Chairman, Infocomm Investments Pte Ltd
Ms Chew Mok Lee	Group Director, Entrepreneurship & Innovation, SPRING Singapore
Mr Eddie Chau	Founder & Chief Executive Officer Brandtology

## Annex B

### Terms of the Technology Incubation Scheme

<b>Co-Investment Terms</b>	
<b>Funding Quantum</b>	Co-funding of up to 85% of total investment into each company, up to a maximum of \$500,000 per investment. The incubator manager provides the remaining 15% of investment
<b>Eligible Investee Companies</b>	High-tech, start-up companies based in Singapore
<b>Equity Stake</b>	NRF and the incubator manager will take equity in the company corresponding to their investments. NRF's equity will be in the form of a convertible bond
<b>Maximum Share of Investee Company<sup>2</sup></b>	As a general rule, the investment in the investee company should not dilute the founders' share of the company to less than 50%
<b>Buyout Option</b>	NRF will offer an option for its share in the investee company to be bought out, at a price of 1.1 times capital in the first 2 years, and 1.15 times capital in the third year
<b>Requirements of Incubators</b>	
<b>Incubator Manager</b>	There should be at least one full-time incubator manager to provide active mentoring to investee companies
<b>Link to Institutes of Higher Learning (IHL)</b>	Incubators need to demonstrate some linkage to the IHLs (e.g. located in an IHL, informal collaboration ties with 1 or more IHLs or their TTOs, etc)

<sup>2</sup> This is to ensure that the founders remain committed to the success of the investee company. As this is likely to be the venture investment into the investee company, it would not be advisable to dilute the company founders' share excessively. Doing so may result in dis-incentivising the founders as they would see their share in the company (and conversely their share of the potential upside from the company's success) reduced rapidly.

<b>Physical Space</b>	The incubator should provide suitable physical space to house the investee companies
<b>Operating Expenses</b>	Operating expenses will not be funded by the scheme

### **Selection Process**

NRF will select the incubators that will qualify for co-funding under the TIS scheme based on the quality of proposals submitted as assessed by a panel of experts.

### **About the Technology Incubators**

#### **1. *Clearbridge Accelerator***

Clearbridge Accelerator is the new Singapore incubation arm of Clearbridge Partners, a Hong Kong based venture capital firm. All our team members are Singaporean technopreneurs and young scientists who share the desire to build inspiring and impactful companies in Singapore.

Our objective is to translate core technologies from the laboratory into commercial products that will result in sustainable and lasting enterprises. We focus on key emerging and disruptive technologies that will make a dramatic impact in tomorrow's world, and our incubator will provide the necessary funding, mentorship, operational and execution discipline to deliver determined and accelerated results.

Our initiatives and investment focus areas are in biomedical devices, nanotechnology, advanced material sciences/ceramics and computational algorithms.

#### **Incubator Managers**

- Johnson Chen
- Chong Chee Wah
- Prof Lim Chwee Teck
- A/P Yang Chang Huei

For enquiries, please contact [johnson@clearbridgeaccelerator.com](mailto:johnson@clearbridgeaccelerator.com)

For more information, please visit: [www.clearbridgeaccelerator.com](http://www.clearbridgeaccelerator.com)

## **2. I2G Tech Accelerator**

I2G Tech Accelerator focuses on the “business to business” areas of Clean Energy, Wireless, IT, Industrial and Medical Technologies. Our core beliefs are that all start-ups need three attributes to be successful: first they must be global from day one; second they need capabilities, capital and connections to succeed and third, they must have a lifecycle of funding.

We operate alongside our incubatee companies by providing 50 years of combined hands-on experience in creating, growing and monetizing technology companies. We bring our global connections with senior industry leaders in companies to get business deals done. With our own funding and through our partnerships with Silicon Valley venture capital firms, we provide necessary funding requirements to enable growth to successful exit.

### Incubator Managers

- Ali Hussain
- Mike Holt

For enquiries, please contact [ali@conics.com.sg](mailto:ali@conics.com.sg) or [mholt@get2volume.com](mailto:mholt@get2volume.com)

### **3. *Neoteny Labs***

Neoteny Labs is an early-stage technology incubator founded by entrepreneur and venture capitalist Joichi Ito that focuses on incubating and investing in early-stage startups across Asia, primarily in market segments such as Consumer Internet, Mobile Applications and Consumer Hardware and Electronics Design. It is currently in the process of raising Neoteny Seed Fund 1, an early-stage pan-Asian venture fund, and expects the Fund to commence operations in Q1 2010.

The recent successes of ubiquitous platforms such as Facebook, Twitter, Apple iPhone and Google Android, coupled with the advent of the Internet, open standards and advanced software development methodologies such as Agile, have significantly lowered the cost of product development while accelerating the pace of innovation. Entrepreneurs innovating upon the Internet are now able to bootstrap with less and get further along than before.

Neoteny Labs intends to harness these trends in the course of incubating and investing in early-stage startups across Asia, and has selected Singapore to set up its first incubator.

#### Incubator Managers

- Joichi Ito
- Reid Hoffman
- James Chan

For enquiries, please contact [joichi@ito.com](mailto:joichi@ito.com) or [james@motochan.com](mailto:james@motochan.com)

#### **4. *Plug and Play***

Plug and Play Tech Center was established in 2006 with a goal of accelerating entrepreneurial companies, increasing their access to the dynamic resources of Silicon Valley and increasing the chances of commercial success. Through active investments into these high tech startups, Plug and Play seeks to support and participate in their success.

Together with our investment arm, Amidzad Partners, Plug and Play has invested in over 75 high tech startups including *Paypal (acquired by Ebay in 2002)*, *Danger and Powerset (acquired by Microsoft in 2008)*, *Sendori (acquired by Ask.com in 2009)* and many others. In 2008, we invested over US\$6 Million in 16 startups together with VC firms such as *Draper Fisher Jurvetson, Sequoia Capital, Norwest Venture Partners, ATA Ventures* and the like. Many startups that we have invested in have gone on to receive follow-on funding from VCs, such as *Melodis (raised over US\$12M)*, *Zoosk (raised over US\$10M)*, *Lending Club (raised over US\$34M)* and others.

Plug and Play Tech Center will setup its Singaporean operations with close affiliation to its current US operations, transferring management know-how and building a bridge between Plug and Play in Singapore and our existing entrepreneurial eco-system in Silicon Valley.

##### Incubator Manager

- Saeed Amidi
- Jupe Tan

For enquiries, please contact [saeed@plugandplaytechcenter.com](mailto:saeed@plugandplaytechcenter.com)

## **5. Social Slingshot**

Social Slingshot was founded by Brad Greenspan (founder of MySpace.com). Together with a management team comprising experienced entrepreneurs and operators, Social Slingshot will invest in, mentor and grow start-ups in the Social Media web, next generation mobile, and clean technology space.

The experience of the incubator team will allow Social Slingshot to provide strong guidance to entrepreneurs that have their start-ups housed in the incubator. Incubatees can also tap on the infrastructure of the incubator, thereby significantly reducing their operating costs and increasing their chances of success. Social Slingshot will also give its incubatees access to strong web marketing channels, allowing them to build up awareness of their companies and brands globally at little cost.

### Incubator Manager

- Brad Greenspan
- Justin Beckett
- Scott Walker

For enquiries, please contact [bspan@earthlink.net](mailto:bspan@earthlink.net)

## **6. *Small World Group***

With its unique approach and brand, Small World Group (SWG) will bring to Singapore, an incubator focused primarily on clean technology and optical systems. Start-ups in mid-infrared laser systems, solar thin film equipment, bio-machines for agriculture, and CO<sub>2</sub>-to-fuel processing are a few of the opportunities we expect to incubate.

These areas require hardware development, so SWG startup companies will partner with Singapore Institutions such as the National University of Singapore and the Singapore Institute of Manufacturing Technology to leverage their deep strengths and existing equipment to rapidly reach early milestones and efficiently use the funding they receive.

SWG's method starts companies by matching existing IP and functioning technology from the USA and Europe with a Singapore entrepreneur-in-residence (EIR). From this strong starting point, the EIR can develop and then together with their team execute a business plan that achieves very significant progress within one year of founding. A fast start often creates a positive, energetic culture that carries a new business rapidly through its formative stages.

### Incubator Manager

- Frank Levinson

For enquiries, please contact [flevinson@smallworldgroup.com](mailto:flevinson@smallworldgroup.com)

## **7. *Stream Global***

Stream Global is a premier Singapore-based Venture Catalyst which aims to nurture promising start-ups in the emerging information and communication technologies (ICT) and interactive digital media (IDM) space.

Our team members are capable individuals with extensive experience in diverse areas such as fund management, entrepreneurial ventures, technology and business management.

In emerging ICT, innovative software and tools will be the focus. Disruptive technologies and mobility applications are other areas of interests. In the IDM space, exploitation of Web 2.0 for social networking, animation, games development and Internet Protocol television (IPTV) solutions and applications will be the main area of interest.

### Incubator Managers

- Bill Liu
- Chak Kong Soon
- Neoh Kok Cheng
- Billy Shum

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