

Asian Investment Series 2018: Hong Kong **Leveraging Chinese Healthcare Capital and Resources**

Delivered By:

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Australian China Technology Incubator Pty Ltd (“ACTI”)



What is the difference??

- ▶ **Technology Business Incubators (TBIs)** are often government-funded, charge rent for space and generally take no equity and have longer, sometimes ongoing mentoring programs.
- ▶ **Accelerators** are fixed-term, cohort-based programs, that include mentorship and educational components and culminate in a public pitch event or demo day. Accelerators often provide equity funding and so their intake process is generally highly competitive.

Australian Incubators

- ▶ Strong reputation within the international market
- ▶ Multicultural and diverse market & workforce
- ▶ A very strong focus on innovation
- ▶ R&D incentives and tax grants
- ▶ Accesses to Excellent infrastructure and well established resources
- ▶ Strong government support and backing

- ▶ But – few outcomes being achieved until very recent times in any overseas market, commercialisation pathways to Asia (particularly China) non-existent



Incubator Environment in China

- ▶ Five-fold growth in incubators in China over last 15 years - 7,500+
- ▶ 500+ life science focused;
- ▶ The average length of incubation in China is 3 times longer for start-ups to bring products to the market;
- ▶ A strong focus on later-stage incubation;
- ▶ But, criticized for being less innovative than Western counterparts particularly for early stage companies and for promoting a Sino-centric approach to commercialisation



What is Needed?

A flexible approach to incubation - including physical and virtual delivery models to cover all of Australia - not just major cities

A program which enables companies to go from strategy development into hands-on experience and execution in China

- ▶ No dead-end or cliff after the program as companies can establish an ongoing presence in China in the JIMC incubators once the program is finished
- ▶ Experienced management with in-depth China market knowledge to help prevent companies from making strategic mistakes
- ▶ Successful incubation experience and infrastructure in China
- ▶ Access to investment capital in China through a dedicated fund and large, proprietary network of investors
- ▶ Programs which can be scalable into other sectors as market demand dictates



Australian China Technology Incubator (ACTI)

- ▶ ACTI provides Australian companies with seamless pathway into China, the 2nd largest healthcare market
- ▶ The accelerator's focus will be on ensuring the best of Australian medtech, e-health & other life science start-ups become China and investor ready.
- ▶ Its *China Bootcamp Program* will develop executable market entry strategies to help 60+ Australian medtech and e-health start-ups overcome risks & maximise success factors of China market entry.
- ▶ The 3 month in-country *China Immersion Program* will help start-ups secure investment (up to \$100,000 per company); implement their business plans; & receive in-market mentoring & feedback from Chinese mentors & investors.
- ▶ \$1M+ in cash and in-kind support will be invested by ACTI & JIMC to support the development & execution of the program in Australia & China



Who We Are

The ACTI leverages 50 years of start-up acceleration & mentoring experience, local knowledge & networks in China & Australia. The team is led by:

- ▶ **Rob Scott** (ACTI Managing Director)- 15+ years (8 in China) experience advising & mentoring life science start-ups with EY & own China-based advisory firm. Assisted 200+ Australia healthtech start-ups to understand & succeed in China
- ▶ **Brendan Mason** – (ACTI Director) 10+ years China experience (GM China for Cochlear. Led SA Government SinoSA Accelerator assisting 27 SA healthtech and other start-ups succeed in China
- ▶ **Ann Nelson** – Advisor, former Deputy CEO of BioSA – South Australia’s premier life science incubator and accelerator
- ▶ **Cyndi Zhai** – Chinese Partner - Founder/GM of JIMC, leading Chinese healthcare accelerator & incubator. Helped accelerate 300+ local/international healthtech start-ups in China

Joyin Innovation and Manufacturing Center

- ▶ ACTThe accelerator's focus will be on ensuring the best of Victorian medtech, e-health & other life science start-ups become China and investor ready.
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- ▶ \$500,000 in cash and \$430,000 in in-kind support will be invested by ACTI & JIMC to support the development & execution of the program in Victoria & China



China BootCamp

- ▶ A 2-week familiarisation program – 1 week in Melbourne, 1 in Shanghai involving intensive seminars, workshops & other training conducted by the ACTI team, JIMC mentors & consultants
- ▶ Successful graduates of the BootCamp program will each receive -
 - ▶ Capital (up to \$100,000 cash*)
 - ▶ Dedicated and in-kind mentoring support both in Australia and China
 - ▶ An intense, in-market experience of being co-located in a JIMC incubator with up to 150 other local and healthcare start-ups to 'learn the ropes' of how to create and cement a successful business in China
 - ▶ Ongoing engagement with industry partners and the best of China's healthcare VC investment community as part of JIMC's broader industry networks within China's healthcare ecosystem

*Subject to meeting the investment requirements of the JIMC Angel Fund



China Immersion Program

The China Immersion Program will be targeted at Australian medtech and e-health companies which have developed a Minimum Viable Product and provides these start-up companies with -

- ▶ **Capital**
- ▶ **Upskilling**
- ▶ **In-market mentoring**
- ▶ **Market feedback**
- ▶ **Co-location**
- ▶ **Networks**



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