

S\$40m for four big firms to mentor tech start-ups



Participants at the Smart Nation Innovations event on May 17, 2016. Photo: Tan Weizhen/TODAY

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SINGAPORE — The National Research Foundation (NRF) will be injecting another S\$40 million into the technology start-up scene, in the third instalment of its Early Stage Venture Fund.

Unlike previous rounds where it chose venture capital firms, this is the first time the foundation has picked large Singapore enterprises to take part in the funding scheme, where the money will be disbursed to them to, in turn, invest in start-ups.

The four companies selected this time are property giant CapitalLand, information technology infrastructure firm DeClout, agribusiness company Wilmar International, and supply chain company YCH

Group.

They will mentor the start-ups and give them access to their resources.

The fund, started in 2008, is to help grow small, high-tech companies in Singapore with early-stage co-financing from the Government and private-sector firms.

NRF is giving S\$10 million to each of the four enterprises this round, and each has to match the amount for the co-funding. In the earlier two rounds, it gave S\$50 million a round, also on a matching basis.

Addressing the large enterprises at the start of the Smart Nation Innovations Week on Tuesday (May 17), Dr Vivian Balakrishnan, the minister in charge of the national Smart Nation initiative, said: "We want you to go and scan the horizon, identify small start-ups which may have potentially transformative ideas in your industry. Test it out, and if it works, you gain. The key message is, we are trying to encourage our own local big boys to partner our local start-ups."

CapitaLand is looking for start-ups with design and construction innovations, for example, while DeClout wants those in the digital economy, good in big data analytics and smart logistics. Wilmar is on the hunt for start-ups with technologies related to agriculture and food, while YCH wants those in robotics and deployment of financial technology for the supply chain and product distribution industry.

To ensure accountability, NRF has put in place legal documents that clearly define the use of the funds, its spokesperson told TODAY. "In addition, the four (enterprises) will have to submit regular progress reports to NRF for the monitoring of investment progress and outcomes."

Some of the start-ups that have benefited from this funding scheme include food review portal Hungry-GoWhere, later acquired by Singtel for S\$12 million, and indoor GPS company YFind, which was bought by American firm Ruckus Wireless. Some other start-ups attracted more funding in their later-stage development, including logistics company Ninja Van, which received US\$30 million (S\$41 million), and Aslan Pharmaceuticals, which got US\$22 million.

Dr Balakrishnan voiced his wish to see 100 million "smart objects" as part of the Smart Nation roll-out: "I have told IDA (Infocomm Development Authority) that in the next five years, I want them to create a national operating system for 100 million smart objects. What constitutes these 100 million smart objects? There are five million - human beings, almost everyone (has) a smartphone, leaking data, acquiring data ... Every traffic light and lamp-post is another smart object. (Let's have) every sensor, camera and surface acquiring data, and - ultimately, analysing the data to create actionable insights and applications."