

PolyVentures Angel Fund Scheme 2024-25 Frequently Asked Questions

Eligibility

1. Is a PolyU staff member eligible to apply for this Fund?

Yes.

According to the Technology Start-up Support Scheme for Universities (“TSSSU”) Application and Reimbursement Guidelines (“TSSSU Guidelines”) from Innovation and Technology Commission (“ITC”), **professor(s) or other faculty members** serving as consultant(s) providing technical expertise and direction of the R&D are eligible to apply as Person-in-charge. (“PIC”)

Nevertheless, academic/research staff members (PolyU staff members) who wish to establish a start-up company, he or she should submit a declaration form to Knowledge Transfer and Entrepreneurship Office (“KTEO”) before being involved in any activities of the start-up company. The guidelines and form can be downloaded at <https://polyu.hk/vgPRG>. For more details on the approval procedure, you may contact KTEO at kteo.support@polyu.edu.hk.

2. Is an ex-staff member or retired professor eligible to apply for this Fund?

No, **ONLY current** professor(s) or other faculty members are eligible to apply as PIC.

3. Can teaching or clinical staff (tutor, instructor, teaching fellow, clinical associate etc.) apply for this Fund?

As mentioned, TSSSU Guidelines stipulate that professor(s) and other faculty members can apply as PIC.

4. Can research postgraduate students apply for this Fund?

Yes, research postgraduate students can apply but need to check with Graduate School (3400-3635, gs.matters@polyu.edu.hk) for any necessary approval before submitting applications.

5. Who can be the Person-in-Charge (“PIC”)?

The PIC must be a PolyU undergraduate, postgraduate (full time or part-time), an alumna/ alumnus, a professor or a faculty member. However, the PIC is required

to hold a **senior position** in the applying start-up company and can be reached by PolyU during normal business hours, to be responsible for:

- (a) overseeing the operations of the start-up company; and
- (b) liaising with PolyU on matters relating to the funding support under the Scheme.

In the sole opinion of PolyU, senior position usually should be evidenced by:

- (a) **20% or more ownership**, in the form of equity shares or share options, of the applying start-up company;
- (b) **working on a full-time basis** in the applying start-up company unless he/she is a current full-time student, professor or faculty member of the University; or
- (c) an **inventor** of PolyU technology.

6. Can a full-time student be the Person-in-Charge (PIC)?

A full-time student can be the PIC if he/ she fulfils the requirements as mentioned in Question 5 above and plays a key role in the applying start-up company and contributes a considerable amount of his/ her time to the applying start-up company.

7. Can a student/ alumnus of a sub-degree programme (e.g. Association Degree, Higher Diploma) offered by PolyU be the Person-in-Charge (PIC)?

No, a student taking sub-degree programmes, or an alumnus of such programmes, is not eligible to be PIC under TSSSU. The student is however free to join an applicant team as a team member.

8. Can a student/ alumnus/ professor of the Hong Kong Community College (HKCC) or the School of Professional Education and Executive Development (SPEED) under PolyU be the Person-in-Charge (PIC)?

No, a student/ alumnus/ professor of the HKCC / SPEED is not eligible to be PIC under TSSSU. The student/ alumnus/ professor is however free to join an applicant team as a team member.

9. Is there any restriction on the shareholding structure of the applying start-up company?

Although there is no specific restriction on the shareholding structure of the applying start-up company, it is expected that the PIC has to own 20% or more equity shares, or work on a full-time basis in the start-up company unless he/she is a current full-time student, professor or faculty member of the University as mentioned in Question 5 above.

10. Can a team member of a TSSSU-funded start-up company join another start-up company and apply for further TSSSU funding?

TSSSU funding aims to bring new blood, new ideas and new ventures to the innovation and technology sector. A team member of a TSSSU-funded start-up company may join another start-up company and apply for further TSSSU funding subject to its meeting of the criteria and requirements of TSSSU prescribed by ITC and PolyU as appropriate.

To enable PolyU to make well-informed assessment of the TSSSU applications received, the applicant start-up companies should make a full disclosure of (a) the identity of their shareholders, (b) the amount of their respective shares holding, and (c) their involvements in related projects in the past five years that have been supported by TSSSU, if any, to PolyU and ITC.

The general rule is that should there be corporate shareholders, they should not be mature companies in the same industry involving in the research and development (R&D) of the same or similar deliverables, products or services. For TSSSU+, such restriction is waived if the corporate shareholders are the private investors that provide cash contribution to the start-up company during the TSSSU+ funding period.

11. What pre-incubation/ incubation programmes are regarded as Qualified Incubation Programmes?

Qualified Programmes include but are not limited to PolyVentures Micro Fund (“MF”) Scheme, Cyberport Creative Micro Fund (“CCMF”) Scheme, Youth Business Hong Kong (“YBHK”), HKSTP-PolyU Tech Incubation Fund (“TIF”) Scheme, STEFG-PolyU China Entrepreneurship Fund (“CEF”) Scheme, PolyU Lean Launchpad Programme (“LLP”), PolyU Maker Fund, GBA Starup Postdoc Programme, ideation and incubation programmes provided by HKSTP, Cyberport, etc.

Generally speaking, pre-incubation/ incubation/ acceleration programmes offered by universities, public institutions, reputable NGOs or private companies are acceptable. Please feel free to contact us if you have any query on a specific programme.

12. My start-up company is currently in an incubation programme. Do we have to quit the current incubation programme if we get funded under the Scheme?

No, you don’t have to quit the current incubation programme unless the terms and conditions of the programmes require you to do so.

However, please note that any expenditure item or part thereof which is already funded by the Hong Kong Special Administrative Region (HKSAR) Government, a Government subvented body/ institution, PolyU or third parties will however not be funded under the TLF Scheme to avoid double payment for the same part of an expenditure item of the same project/ business proposal.

13. Our team worked on a project supported by a pre-incubation programme (e.g. the Cyberport Creative Micro Fund (CCMF) Scheme), but we did not establish a start-up company for the project. If we set up a new start-up company recently to implement a new project, are we eligible to apply?

If you can prove that the applying start-up company is closely associated¹ to the core team and/ or the project supported by the pre-incubation programme, your start-up company is eligible to apply.

The condition of going through a pre-incubation/ incubation programme is to ensure the applying start-up company / team has met a certain level of qualification set by a credible incubator.

14. We are STEFG-PolyU China Entrepreneurship Fund (CEF) awarded team with a start-up company registered in Mainland China. We also registered a start-up company in Hong Kong for international expansion. Is our Hong Kong start-up company eligible?

In such case, your start-up company in Hong Kong may fulfil the condition that the applying start-up company has graduated from or currently is in one of the qualified pre-Incubation/ incubation programmes.

However, you still have to fulfil other conditions, for example, your start-up company in Hong Kong must be technology-oriented. If it is simply a trade office, then it is not eligible to apply.

15. What is the minimum or maximum number of members per team?

Each applicant team should comprise at least two members, one of them should be the PIC. There is no upper limit on the number of members per team.

16. I had been funded under the Scheme previously, can I also apply with the same project again?

Yes, as stipulated in the TSSSU Guidelines, in any case, a start-up company can only be funded for not more than three consecutive years under TSSSU-O and

¹ In the sole opinion of PolyU, the two companies are “closely associated” when (a) either one company has controlling ownership of the other company; or (b) the two companies have similar shareholding structure owned by the core team of the applicant.

TSSSU+ respectively (counting from the first year it receives the respective funding regardless of the associated universities).

17. I would like to commercialise PolyU research technologies, but my start-up company / team has not been in any qualified pre-incubation/incubation programme. Can I apply for the Scheme?

If any one of the inventors of the PolyU research technologies is a team member or a shareholder of the applying start-up company, your start-up company / team will be eligible even it has not been in any qualified pre-incubation/incubation programme.

However, please note that the intellectual property (IP) of the technology is owned / co-owned by PolyU and so your start-up company/ team should obtain authorisation and licensing agreement to use the IP.

Application and Assessment for HK\$1M Fund (partially funded by TSSSU-O)

18. Do we have to register a start-up company upon application?

No, you do not need to have registered a start-up company upon the initial online application system (deadline as of 3 November 2023). However, you should have a Hong Kong start-up company registered for not more than two years as of 1 Feb 2024 upon the official application deadline and provide the Hong Kong Business Registration Certificate (BR), the Certificate of Incorporation (CI), shareholding proof.

19. Should I provide a full set of business plan in submitting the application?

Yes, you have to submit a full set of business plan in word format (five pages with no more than 10-page attachments) in submitting the application with other required document, including a 15 slide Investment Pitch Deck, a 3 min Pitching Video on YouTube and other supporting documents. However, once shortlisted, you may revise the business plan before the presentation to the Domain-Based Panel.

20. How will my application be assessed?

An eligibility check will be conducted by PolyU staff upon receipt of the online application.

Shortlisted applicants will be invited to the declaration and disclosure exercise and present to the Domain-Based Panel for presentation.

The Domain-Based Panel will assess all the potential projects and decide on the preliminary recommendations for PolyU.

The funding decision will then be confirmed subject to the submission of other related documents, funding availability of the Government financial year, examination and approval of ITC and signing of the agreement with PolyU.

21. What is the additional Entrepreneurship Investment Fund (“EIF”) support?

The EIF is an early-stage equity investment fund to support further scale-up of start-up companies involving PolyU academic staff, researchers, students or alumni (“PolyU Members”) with promising innovative technologies and/or business models.

Base on the readiness, fundraising needs of the terms and assessment during the Domain-Based Panel, some of the shortlisted applicants will be invited to give a presentation to the EIF sub-committee members for a top-up HKD 0.5 million investment offer from PolyU.

22. Will EIF assessment affect the application and assessment for TSSSU-O?

No, invitation to the EIF presentation and the investment decision is solely made by PolyU and it will not revoke the assessment, application and the result of the TSSSU-O funding. Shortlist applicants who do not receive the investment recommendation from the EIF sub-committee or turn down the EIF offering will still be eligible to proceed with the TSSSU-O application. The funding decision will be confirmed subject to the submission of other related documents, funding availability of the Government financial year, examination and approval of ITC and signing of the agreement with PolyU.

Application and Assessment for HK\$3M Fund (partially funded by TSSSU+)

23. Do we have to register a start-up company upon application?

Yes, you should have a Hong Kong start-up company registered for not more than seven years as of 1 Feb 2024 upon the application deadline and submit the Hong Kong Business Registration Certificate (BR), the Certificate of Incorporation (CI), shareholding proof via the online application system.

24. Should I provide a full set of business plan in submitting the application?

Yes, you have to submit a full set of business plan in word format (five pages with no more than 10-page attachments) in submitting the application with other required document, including a 15 slide Investment Pitch Deck, a 3 min Pitching Video on YouTube and other supporting documents. However, once shortlisted, you may revise the business plan before the presentation to the Investment Panel.

25. How will my application be assessed?

An eligibility check will be conducted by PolyU staff upon receipt of the online application.

Applicants who secured and submitted a mutually investment agreement / term sheet and other related documents will be invited to the declaration and disclosure exercise and present to the Investment Panel for final presentation.

The Investment Panel will assess all the potential investments and decide on the preliminary recommendations for PolyU.

The funding decision will then be confirmed subject to signing of the investment agreement with the investor, submission of other related documents, funding availability of the Government financial year, examination and approval of ITC and signing of the agreement with PolyU.

26. What if I cannot accept the terms offered by the private investor(s)?

You should be responsible for negotiating with the investor(s). PolyU would not participate or intervene in any business negotiation or be involved in the process by any means.

The valuation of a start-up company is subjective, and the conditions can be complicated. You have every right to negotiate, accept or reject any investment offer made by the investors.

However, please note that under the HK\$3M Fund (partially funded by TSSSU+), the funding decisions are based on the availability of the private investment. If you

could not reach an agreement with the investor(s), your application will not be processed any further.

27. What if we secured more than one investment agreement (not a co-investment)?

A single signed investment agreement will suffice for fund matching purpose under the HK\$3M Fund (partially funded by TSSSU+). No change of private investment is allowed during the application stage and the reimbursable period unless approved by PolyU and ITC.

28. What if we cannot finalise the investment agreement and provide the necessary documents?

If you cannot finalise the investment agreement and cannot provide the returns to Company Registry showing the latest shareholding position of the start-up company and proofs of cash injection, you will not be entitled to the HK\$3M Fund (partially funded by TSSSU+).

29. When should I sign the investment agreement?

You have to directly submit the investment term sheet / agreement upon application deadline. The investment agreement should be signed between 1 April 2023 and the submission deadline specified by PolyU (i.e. around January 2024).

For the scope of the private investment and the reporting requirements, please refer to TSSSU FAQ#8-11 and 21 for details.

Funding Scope and Disbursement

30. If my start-up company could not fully claim the expenses within the Government financial year, will my entitlement of the Fund be extended to next year?

No. The Fund granted under the Scheme should only cover the expenses accrued **within the Reimbursable Period**. The Reimbursable Period refers to the period from the date of ITC's notification to PolyU of the funding support (which will be subsequently notified to the Funded Start-up Companies via PolyU) to the end of the relevant Government financial year (i.e. 31 March of the next calendar year).

31. Do I need to return to PolyU any unused fund granted under the Scheme?

Yes. The Fund granted under the Scheme should only cover the expenses **accrued** within the Reimbursable Period.

32. Do we have to provide audited financial reports of the start-up company for reimbursement?

You need to submit the **audited Statement of Expenditure ONLY** but not the audited financial reports of the start-up company for reimbursement of the Fund.

Please refer to TSSSU Annex C(i) for details.

33. What auditor should we engage to prepare and submit audited Statement of Expenditure?

You must engage an auditor with membership of The Hong Kong Institute of Certified Public Accountants or of similar status. You should provide him/ her the Notes for Auditors (TSSSU Annex C) and relevant documents to facilitate the audit exercise.

In addition, you should properly keep all the related documents, records, etc. as the ITC and any authorised person acting on behalf of the Government may conduct random checks of the documents of the Funded Start-up Companies to ensure their compliance with the TSSSU Guidelines and requirements relevant to the funding support. Inappropriate handling of the financial records or the auditor's reports may result in suspension or even cancellation of the funding support.

34. Can we use the Fund to pay our salary and/ or our technology advisor(s)?

Yes, you can use the Fund to pay manpower expenditures, which include the founding team's salaries and service fees to the advisor(s). However, you have to observe and comply with restrictions stipulated in PolyVentures Angel Fund

Guidelines, which are also applicable to the **regular service fee** to the technology advisor(s).

Notwithstanding this restriction, if the fees are paid to a third-party consultant/ company/ institution (non-founding team member) for **project-based consultancy services**, the upper limits of manpower expenses do not apply.

35. Are licensing fees/ royalties due to PolyU allowable expense under the PolyVentures Angel FundScheme?

Yes, licensing fees/ royalties due to PolyU are fundable items under the PolyVentures Angel Fund Scheme.

Monitoring and Reporting

36. How will my start-up company be monitored?

In your business plan, there will be a section setting out the milestones of your start-up company / project development for the relevant Government financial year. It will serve as a good basis to be further developed into the half-yearly milestones to be agreed upon between you and PolyU.

During the Reimbursement Period, you should provide PolyU a half-yearly report and an annual report on the progress of your business normally on or before 31 October and 30 April of each respective Government financial year. Then meetings will be arranged for PolyU to review the progress before approval for the next disbursement.

Both PolyU and the investor(s) will provide advice and assistance on your business. You are encouraged to frequently contact the investor(s) and PolyU to update the latest progress of and any difficulties encountered by your business.

37. What if we want to change our business plan/ milestones?

During the Reimbursable Period, any material modification to the Business Plan of a Funded Start-up Company (including but not limited to change of PIC and key team members of the start-up company, deliverables, cancellation of milestones, change of business scope, expected overspending exceeding HK\$50,000 or 30% (whichever is higher) of any broad category of the budget, addition of new budget items, etc.) will require prior approval from PolyU. Such modifications shall be in writing and supported by clear rationales and justifications.

Intellectual Property (IP) Rights

38. Who will be the owner of any intellectual property (IP) generated?

The IP generated from execution of the approved business plan shall be owned by the funded start-up company.

39. How do I know what PolyU's knowledge/ innovations/ technologies I can make use of in my application?

You can find the PolyU's knowledge/ innovations/ technologies available for use via <https://www.polyu.edu.hk/kteo/knowledge-transfer/innovations-and-technologies/technology-search/>.

40. When should I obtain the authorisation of using a third-party IP?

You should obtain the written consent from the inventor/ owner of the IP upon submission of your application.

You MUST secure the official authorisation from the inventor/ owner before the fund confirmation deadline should your application be preliminarily recommended.

41. What will be the arrangement if I need to use PolyU's knowledge/ innovations/ technologies (including but not limited to final year projects and class projects) to execute my proposed business?

You should first approach the inventors concerned and Knowledge Transfer and Entrepreneurship Office (KTEO) (3400-2622/2801/2736) to check for such possibility.

Once your application is approved, you should enter into a licensing agreement with PolyU before using such knowledge/ innovations/ technologies (including but not limited to final year projects and class projects). Your start-up company will then incur licensing and / or royalty costs.

Others

42. If a member of the start-up company (e.g. PIC) withdraws from the start-up company business and such a withdrawal may render the start-up company no longer eligible for the Scheme, what follow-up action should the start-up company take?

In such case, the start-up company should identify a replacement as soon as possible and seek approval from PolyU for such a change. Failing that, the funding entitlement to the start-up company will lapse and unused fund (including the fund disbursed/ used without appropriate proof documents) shall be returned to PolyU.

43. If I need to use PolyU's equipment/ facilities during the execution of my proposed business, would there be any special arrangement for me?

PolyU InnoHub offers some infrastructural facilities / office for PolyU supported start-up companies. More details will be provided once your application is awarded.

For other equipment/ facilities, we encourage awardees to approach and discuss with the respective department(s) or advisor(s) (if any) for the utilisation of PolyU's resources including laboratory facilities and equipment.
