

## **Application and Reimbursement Guidelines for**

### **PolyVentures Angel Fund 2024-25**

**(Partially Funded by TSSSU-O & TSSSU+)**

**Important Note: These Guidelines are subject to further refinements and amendments from time to time without prior notice.**

## **Remarks to Applicant:**

Please read these guidelines carefully before submitting your application.

### **Submission of Application:**

Applications should be submitted through online application system before the application deadline stipulated below.

### **Application Deadline:**

**HK\$1M Fund:** 1pm, 7 November 2023 (Tuesday)

**HK\$3M Fund:** 1pm, 7 November, 2023 (Tuesday)

### **Enquiry:**

**HK\$1M Fund (partially funded by TSSSU-O)**

Tel: 3400 2624 / 2769

Email: [tsssu.o@polyu.edu.hk](mailto:tsssu.o@polyu.edu.hk)

**HK\$3M Fund (partially funded by TSSSU+)**

Tel: 3400 2678 / 2651

Email: [tsssu.plus@polyu.edu.hk](mailto:tsssu.plus@polyu.edu.hk)

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## **SECTION A: Background and Objectives**

In 2014-15, The Hong Kong Polytechnic University (“PolyU” or “University”) set up Tech Launchpad Fund (“TLF”) with the annual funding support of HK\$8 million<sup>i</sup> from the Technology Start-up Support Scheme for Universities (“TSSSU”), under the Innovation and Technology Fund (“ITF”) by the Innovation and Technology Commission (“ITC”) to support PolyU start-up companies in starting technology businesses and commercialising their research and development (“R&D”) results.

Starting from 2023-24, TSSSU comprises the original component (“TSSSU-O”) and the enhancement component (“TSSSU+”), which provides a dollar-to-dollar matching fund to those start-up companies which have demonstrated good growth potential through securing investment from the private sector.

Leveraging TSSSU-O and TSSSU+, the University set up this PolyVentures Angel Fund (“Angel Fund”) with two tiers to bridge the financial gaps for tech start-up companies at different development stages, with optional top-up investment from PolyU Entrepreneurship Investment Fund (“EIF”).

	<b><u>\$1M Fund</u></b> (partially funded by TSSSU-O)	<b><u>\$3M Fund</u></b> (partially funded by TSSSU+)
(a) Years of establishment	Registered for not more than <b>two years</b> <sup>ii</sup> as of 1 Feb 2024.	Registered for not more than <b>seven years</b> <sup>iii</sup> as of 1 Feb 2024.
(b) Secured private investment	Not required	Required
(c) Annual funding ceiling for each start-up company	\$0.5 million grant by TSSSU-O + \$0.5 million optional top-up investment by EIF	\$1.5 million dollar-to-dollar matching grant by TSSSU+ + \$1.5 million private investment <sup>iv</sup> to be secured by the start-up company
(d) Maximum number of funding years for each	3 consecutive years <sup>v</sup> , provided that the respective start-up	3 consecutive years <sup>iv</sup> , irrespective of whether and, if

<sup>i</sup> The annual ceiling was first set at HK\$4 million when TSSSU was introduced and was then doubled to HK\$8 million from 2019-20.

<sup>ii</sup> The two-year eligibility requirement does not apply to a start-up company which is recommended for TSSSU funding for the second or the third year.

<sup>iii</sup> The seven-year eligibility requirement does not apply to a start-up company which is recommended for TSSSU+ funding for the second or the third year.

<sup>iv</sup> Private investment should come from independent third parties including venture capitalists, angel funds, private companies or qualified individuals in the form of cash contribution received during the recognised matching period in return of shareholding in the start-up companies. Please refer to the TSSSU FAQ for further details on the eligibility and calculation of private investment.

<sup>v</sup> If a funded start-up company has made reasonable progress in its R&D and/or business performance, the associated university may recommend such start-up company for continued funding for the second or the third year. The three-year period should count consecutively from the first year that a start-up company is approved for TSSSU-O or TSSSU+ funding. If a start-up company is first approved for funding in 2023-24 (Year One) and only applies for continued funding in 2025-26 (Year Three), it will not be eligible for seeking further funding in 2026-27 (Year Four).

	<b><u>\$1M Fund</u></b> (partially funded by TSSSU-O)	<b><u>\$3M Fund</u></b> (partially funded by TSSSU+)
start-up company	company has not been funded under TSSSU+.	so, the number of years the respective start-up company has been funded under TSSSU-O.
(e) Estimated number of start-up companies to be supported	Max. up to 16 start-up companies	Around 6 to 8 start-up companies

TLF will be ceased, and all TLF-funded start-up companies are regarded as funded under TSSSU-O.

## **SECTION B: Application Eligibility**

The Applicant should meet the following conditions to apply for the PolyVentures Angel Fund:

1. The Applicant must be a start-up company or a team comprising at least two members, in which there shall be at least one PolyU Member in any mix of the following:
  - Undergraduates, postgraduates<sup>vi</sup> or alumni; and/or
  - Professor(s)<sup>vii</sup> or other faculty members to serve as consultant(s), providing technical expertise and direction of the research and development<sup>viii</sup> (R&D) work.
2. One PolyU Member must be appointed as the Person-in-charge (“PIC”). The PIC is required to hold a senior position<sup>ix</sup> in the start-up company and can be reached by PolyU during normal business hours, 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 Angel Fund.

For the avoidance of doubt, the appointed PIC cannot join other concurrently active teams funded by TSSSU administered by ITC of the Hong Kong Special Administrative Region (“HKSAR”) Government, namely this Angel Fund, or any other TSSSU funding scheme hosted by another university.

Any current staff member of PolyU who wishes to take equity/ a senior position of the start-up company should seek the University’s approval, subject to pertinent policies and regulations governing knowledge transfer and outside activities.

3. If the Applicant has already established a start-up company, the start-up company must be incorporated in HKSAR under the Companies Ordinance for

<sup>vi</sup> Current research postgraduate student should check with Graduate School (+852 3400-3635) if any approval is necessary prior to application

<sup>vii</sup> “Professor” refers to academic staff that bear the title of Professor, Associate Professor, Assistant Professor, Visiting Professor etc.

<sup>viii</sup> R&D activities refer to creative work undertaken on a systematic basis so as to increase the stock of knowledge for devising new and improved products/ processes/ applications and improve existing products/ processes/ applications. They usually carry an appreciable element of novelty or innovation and can be conducted in such areas as natural sciences, engineering and technology, medical and health sciences, social sciences and humanities.

(Consensus and Statistics Department, the Government of HKSAR, 2014, <http://www.censtatd.gov.hk/hkstat/sub/sc120.jsp>)

<sup>ix</sup> 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 or she is a full-time current student or professor or other faculty members of PolyU; or (c) inventor of PolyU technology.

- (a) not more than two years for the application of HK\$1M Fund (partially funded by TSSSU-O)
  - (b) not more than seven years for the application of HK\$3M Fund (partially funded by TSSSU+)
- as of 1 February 2024.

However, the two-year or seven-year eligibility requirement does not apply to a start-up company which was funded by TSSSU-O or TSSSU+ within the last two Government Financial Years.

4. The applying start-up company must be technology-oriented, which means that it must have a considerable amount of technology content, preferably with PolyU technologies/ patents/ intellectual properties. Nevertheless, tech-enabled businesses, such as those using platform technologies (e.g. Radio Frequency Identification and Bluetooth Low Energy for Internet of Things applications), are also welcome.
5. The applying start-up company or team must:
  - a. be currently in, or have graduated from one of the qualified pre-incubation / incubation / acceleration programmes<sup>x</sup>; OR
  - b. be commercialising PolyU research technologies<sup>xi</sup> and at least one of the inventors shall be a team member or a shareholder of the applying start-up company.
6. For the HK\$3M Fund (partially funded by TSSSU+), the applying start-up company must have already secured at least one million Hong Kong dollars (HK\$1,000,000) investment from a private investor upon the application deadline.

The private investment should come from independent third-parties that are not connected with the start-up company or any team members of it. If the private investor is an individual, he/she should not be a family member or relative of the start-up company's team members. If the private investor is a company, its directors, chief executives or substantial shareholders should not overlap with or have control over the start-up company or be family members or relatives of the start-up company's team members.

Only cash contribution for investment in shares of the start-up is accepted as qualified private investment. Other forms of investment including convertible bonds, shares, loans, etc. in exchange for products/services will not be counted.

For any agreement that provides rights to the investor for future equity in the start-up, it can be counted as a qualified private investment provided that the investor makes cash contribution and the arrangement is not in the nature of a loan, does not require the start-up to pay any interest, and does not require the start-up to repay the principal in cash to the investor subject to any conditions.

## **SECTION C: Application Submission**

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<sup>x</sup> Qualified programmes include but not limited to PolyVentures Micro Fund ("MF") Scheme, Cyberport Creative Micro Fund ("CCMF") Scheme, Youth Business Hong Kong ("YBHK"), TIF Scheme, STEFG-PolyU China Entrepreneurship Fund ("CEF") Scheme, PolyU Lean Launchpad Programme ("LLP"), PolyU Maker Fund, ideation and incubation programmes provided by HKSTP and Cyberport, etc. Pre-incubation / incubation / acceleration programmes offered by universities, public institutions, reputable NGOs or private companies are acceptable.

<sup>xi</sup> The technology shall be an output / outcome of a research project in which the intellectual property (IP) of the technology is owned / co-owned by PolyU.

1. Each application must be submitted through the online application system along with the following supporting documents:
  - (a) an Investment Pitch Deck (please refer to Appendix 1 for Investment Pitch Deck Writing Guidelines) describing proposed business idea/proposition.;
  - (b) a 3-min Pitching Video on YouTube ;
  - (c) CVs of all team members, which state their academic qualifications (college/ institution attended and period thereof) and detailed working experience (position held, responsibility and period thereof) (ITC’s Annex A(i));  
  
Business Plan in word format<sup>xii</sup> (please refer to Appendix 2 for Business Plan Writing Guidelines);
  - (d) Proof document(s) of relationship between the PIC and PolyU;
  
2. Upon the online application, the Applicant should provide the following supporting documents if applicable:
  - (a) Hong Kong Business Registration Certificate (“BR”);
  - (b) Certificate of Incorporation (“CI”);
  - (c) Supporting documentation illustrating the Applicant has graduated from or is currently in one of the qualified pre-incubation/ incubation programmes pursuant to Section A (5);
  - (d) Supporting documentation illustrating that the Applicant is commercialising PolyU technologies;
  - (e) Copy of certificate(s) of filing/ grant of patent(s);
  - (f) 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;
  - (g) Investment Document proofs (i.e. investment agreement / termsheet) issued by the private investor(s) of the secured private investment;
  - (h) Proofs of cash injection to the funded start-up company bank account within the recognised matching period from 1 April 2023 to 31 March 2024;
  - (i) Shareholding proofs from Company Registry showing the latest shareholding position of the start-up company (i.e. NNC1/NAR1);
  - (j) Introduction of the investor(s) of the secured investment;
  
3. Before submission deadline as specified by PolyU before the Final Assessment, the shortlisted applicants should also provide the following documents:
  - (k) Declaration and Disclosure Form (ITC’s Annex A)

## **SECTION D: Assessment Criteria**

The Angel Fund assessment panels will consider and assess applications with the following qualitative criteria to make the recommendations:

- Innovation and technology content of the business<sup>xiii</sup>;

<sup>xii</sup> Including a summary of solid progress made in the previous TSSSU+ cohort for start-up companies applying for continued funding for the second and third year.

<sup>xiii</sup> For previously awarded teams, it is beneficial to provide a comprehensive update on the progress made by the business since receiving the grant in the previous year. Furthermore, presenting a well-defined plan for utilizing the grant in the current year will be viewed favorably and considered as an additional merit.

- Commercial viability of the business;
- Capability of the start-up company and its team to undertake the R&D proposed and manage the company;
- Social and/or community impact of the business and R&D work;
- Current Operational/ Financial Status; and
- External Support / Sponsorship / Investment

Note: Priorities will be given to applications using PolyU’s research technologies.

## **SECTION E: Assessment Procedure**

### **1. Application**

- 1.1 All applications are free of charge.
- 1.2 All applications will be processed in strict confidence.
- 1.3 The Applicant must meet the eligibility conditions stipulated in Section B before further assessment.

### **2. Assessments**

- 2.1 The University will conduct eligibility check after receiving the applications.
- 2.2 The assessment flow and process is attached in Appendix 3.
- 2.2 Shortlisted applicants must undergo a declaration and disclosure exercise to the satisfaction of PolyU before they are invited to the presentation to the Final Assessment.
- 2.3 Chaired by PolyU senior management, the Final Assessment Panels of following composition will make funding recommendations as below:

	<b><u>\$1M Fund</u></b> (partially funded by TSSSU-O)	<b><u>\$3M Fund</u></b> (partially funded by TSSSU+)
(a) Composition of the final assessment panel	<ul style="list-style-type: none"> <li>• One representative of the University senior management</li> <li>• At least four domain experts, including but not limited to investors, industrialists, and legal/financial professionals</li> </ul>	<ul style="list-style-type: none"> <li>• One representative of the University senior management</li> <li>• At least three investment network representatives or investment experts</li> </ul>
(b) Recommendation by the final assessment panel on TSSSU grants	To recommend which shortlisted applicants to be supported with HK\$0.5 million grant	To recommend which shortlisted applicants to be supported and the amount of the dollar-to-dollar matching grant up to HK\$1.5 million



	<b><u>\$1M Fund</u></b> (partially funded by TSSSU-O)	<b><u>\$3M Fund</u></b> (partially funded by TSSSU+)
(c) Optional top-up investment by EIF	The domain-based assessment panels will also recommend which recommended start-up companies shall be considered for a top-up investment of HK\$0.5 million by EIF subject to the eligibility and the final decision of Entrepreneurship Investment Fund Sub-Committee (“EIFSC”)	

### 3. Funding Confirmation

3.1 The Recommended Start-up Companies shall then complete the necessary TSSSU documentation before the submission deadline specified by the University, including but not limited to:

- (a) Signed acceptance of the terms and conditions;
- (b) Mutually agreed milestones to be achieved by the start-up company during the reimbursement period;
- (c) Expenditure budget for the recommended funding amount;
- (d) Other documents deemed necessary by the University or ITC.

3.2 Upon the examination and approval by ITC, the University will officially confirm the TSSSU grant (“Grant”) in writing.

3.3 The optional EIF top-up investment (“Investment”) for \$1M Fund will be confirmed by an investment agreement between the start-up company and the investment arm of the University. The result of the EIF support will not affect the TSSSU funding support to the recommended start-up companies.

## **SECTION F: Scope of Funding**

1. The funded start-up company shall use the Angel Fund in a reasonable, proportionate and proper manner in the following areas for achieving the stipulated objective:
  - (a) essential items for setting up and operating the funded start-up companies (e.g. furniture and equipment, legal and accounting services, rental of necessary and suitable premises, manpower etc.);
  - (b) expenditure on R&D projects (e.g. manpower, equipment, licensing fees or royalties due to the associated University, other direct costs, etc.); and
  - (c) promotion activities and marketing of their R&D deliverables, products or services.
2. For the avoidance of doubt, the majority of the Angel Fund shall be used for commercialisation / application development of the proposed technology.
3. Any expenditure item or part thereof which is already funded by the Government, a Government subvented body / institution, PolyU or third parties will however not be funded

under the Angel Fund, i.e. no double payment is allowed for the same part of an expenditure item.

4. The use of the Investment component of the Angel Fund, if any, is subject to the stipulation of the investment agreement.

5. The use of the Grant component of the Angel Fund, is subject to the following restrictions:

5.1 The following expense items will not be supported by the Grant component of the Angel Fund:

- (a) rental expenses that are irrelevant to the operations of the funded start-up companies;
- (b) manpower expenditure on bonus, contract gratuities, annual salary increment as well as general fringe benefits and allowances such as expenses on housing (including nominal rental for quarters), education, training, passage and travelling, food, medical, dental, insurance, severance pay, overtime and untaken leave, etc.;
- (c) expenses on mass production activities;
- (d) expenses on offering gifts (e.g. cash coupons) for marketing and/or promotion purposes;
- (e) expenses incurred as matching fund for other schemes of the Innovation and Technology Fund;
- (f) costs of forming associations;
- (g) investment of any kind except for deposit of funds in the bank accounts of the funded start-up companies;
- (h) repayment of any loan (including but not limited to student loan) taken out by the funded start-up companies and their members and employees;
- (i) any trip that is unnecessary or irrelevant to the operations of the funded start-up companies;
- (j) entertainment expenses that are unnecessary or irrelevant to the operations of the funded start-up companies;
- (k) fees charged to the funded start-ups arising from general services (e.g. office administrative services, etc.) provided by the universities;
- (l) any expenditure item that is unnecessary or irrelevant to the operations of the funded start-up companies; and
- (m) any events or activities that are inconsistent with the laws or regulations of Hong Kong or other applicable jurisdictions.

The above examples are not exhaustive. The funded start-ups should consult PolyU if they have any doubt on whether an item could be charged under the Grant.

5.2 Activities of the funded start-up should primarily be conducted within the territory of HKSAR. Notwithstanding the foregoing, up to 50% of the Grant can be incurred outside Hong Kong.

5.3 While the Angel Fund can be used to support manpower expenses, restrictions are set on the maximum manpower remuneration that can be reimbursed under the Grant as follows:

- Eleven thousand Hong Kong dollars (HK\$11,000) per calendar month for a part-time or student internship for a student studying in one of the tertiary educational institutions in HKSAR;
- Twenty thousand Hong Kong dollars (HK\$20,000) per calendar month for a staff member graduated with a Bachelor's degree or below; and

- Twenty-three thousand Hong Kong dollars (HK\$23,000) per calendar month for a staff member graduated with a Master’s degree or above.

## **SECTION G: Funding Mechanism**

1. The Private Investment component of the Angel Fund should be injected to the funded start-up company bank account<sup>xiv</sup> within the recognised matching period from 1 April 2023 to 31 March 2024, subject to the stipulation of the investment agreement.
2. The Grant component of the Angel Fund shall be disbursed to a funded start-up company by three instalments in the following manner:
  - (a) A sum equal to 25% of the Fund will be disbursed upfront;
  - (b) Subsequent funding beyond the upfront disbursement shall be made half-yearly on a reimbursement basis, i.e. the disbursements will be paid to the funded start-up companies only (1) with the support of appropriate and relevant receipts, invoices and spending proof for any allowable expenses (2) in the sole opinion of PolyU, if the funded start-up company has made reasonable progress in commercialising their technologies as evidenced in the half-yearly and annual reports submitted by the funded start-up company as stipulated in Section H below; and
  - (c) the dollar-for-dollar matching Grant under the HK\$3M Fund shall only be disbursed, after the funded start-up company has submitted all proofs demonstrating the receipt of the investment from the private investor(s), and where applicable, return(s) to Company Registry on its latest capital status, etc.).
3. The expenses should be accounted for on an accrual basis, i.e. the Fund will be provided if the expenses have been incurred within the Reimbursable Period when the related activities have been conducted or the related services and goods have been delivered, regardless of whether payment has already been made by the funded start-up company.
4. The Reimbursable Period refers to the period from the date of ITC’s funding approval (which will be subsequently notified to the funded start-up company via PolyU) to the end of the relevant Government financial year (31 March of the next calendar year).
5. Each funded start-up company shall engage a practising auditor / an auditing firm to prepare the Auditor’s Report and Statement of Expenditure in accordance with the “Notes for Auditors” as specified in ITC’s Annex C and C(i) within one month after the end of the Reimbursable Period.
6. Each funded start-up company should properly handle the keeping of books and records for their expenditures utilising the Fund to facilitate auditors to conduct the reasonable assurance engagement in accordance with the requirements stipulated in ITC’s Annex C and C(i). ITC and any authorised person acting on behalf of the Government may conduct random checks of the documents, records, etc. of the funded start-up company to ensure its compliance with these Guidelines and any guidelines and requirements from ITC relevant to the funding support.
7. Each funded start-up company shall complete a reimbursement request (please refer to the template in ITC Annex B) for the expenditures incurred during the Reimbursable Period within one month after the end of the Reimbursable Period.
8. PolyU reserves its right to suspend further disbursement of the Grant and request the funded start-up company to return any unspent balance should PolyU consider in its sole discretion

<sup>xiv</sup> The bank account should be opened with a bank in Hong Kong with the name of the account holder identical to that of the name of the start-up company.

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that the funded start-up company will no longer be able to sustain and continue the business unless a modification of the Business Plan is agreed in writing between the funded start-up company and PolyU and ITC accepts the such modification.

9. PolyU reserves its right to recover any amount of the Grant disbursed to the funded start-up company and seek compensation from the funded start-up company for any loss or expenses incurred by PolyU due to the funded start-up company's breaching of these Guidelines.
10. PolyU reserves its right to recover any unspent balance of the disbursed Grant, or any amount of the disbursed Grant without appropriate proof documents or such proof was considered not admissible by the auditor or ITC, or upon the termination of the funding entitlement of the funded start-up company for whatever reasons, including but not limited to:
  - (a) expiry of the Reimbursable Period;
  - (b) withdrawal of a member of the funded start-up company and such withdrawal renders the funded start-up company no longer eligible for the Angel Fund;
  - (c) withdrawal of the investment from the private investor;
  - (d) breach of conditions stipulated in these Guidelines.
11. If the Funded Start-up Company had been supported by the PolyU Tech Launchpad Fund Scheme ("TLF Scheme") before, it will be counted as TSSSU-O. The combined duration of funding support under the previous TLF Scheme and HK\$1M Fund (partially funded by TSSSU-O) shall not exceed three consecutive years, due to the restriction under TSSSU guidelines that each technology start-up company should not be funded for more than three consecutive years.
12. The maximum number of funding years for each funded start-up company under HK\$3M Fund (partially funded by TSSSU+) should be three consecutive years, irrespective of whether and, if so, the number of years the funded start-up company supported by TSSSU-O.

## **SECTION H: Review and Reporting Mechanism**

1. Each funded start-up company should submit to PolyU a half-yearly report and a final report on the progress of its business on or before 31 October and 30 April of each respective Government financial year, with report format to be given by PolyU. The funded start-up company shall also duly complete the relevant sections of the Assessment Report to ITC as specified in ITC Annex D(ii).
2. Review meeting(s) will be arranged to review the business progress of the funded start-up company before approval for the next disbursement. The PIC of the funded start-up company must attend the review meeting(s) after the submission of the half-yearly report or the final report.
3. During the Reimbursable Period, any material modification to the Business Proposal 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 on any broad category of the budget, addition of new budget items, etc.) shall require prior approval from PolyU (ITC Annex E(i) & Annex E(ii)).
4. No new expenditure item or cumulative overspending that exceeds 30% of the budgeted amount in the latest business proposal agreed or HK\$50,000, whichever is higher, is allowed for a broad category (i.e. Manpower, Equipment, or Other Direct Costs), unless prior approval has been granted by PolyU for the relevant Request for Material Modifications to the TSSSU Budget (ITC Annex E(ii)).

## **SECTION I: Intellectual Property Rights**

1. Applicants must declare that all the technology, innovations or inventions (“IPs”) to be developed/ commercialised in their business are free of infringement of any third party’s rights.
2. Should the IPs described in an application to be developed/commercialised by an applicant belong to any other third party (including but not limited to PolyU), the Applicant must secure written consent/endorsement/agreement from inventor(s) or owner(s) of the IPs prior to the use of such IPs.
3. Subject to (2) of this Section, all the IPs and the rights attached thereto generated / to be generated by the Applicant shall be vested in the Applicant. Neither ITC nor PolyU shall claim any ownership rights of such IPs.

## **SECTION J: Publicity and Acknowledgement**

1. PolyU has the right to make use of the materials submitted by the funded start-up company that are considered non-confidential (including but not limited to information not pertinent to the execution of the Business Proposal, financial plans and budget, and personal information) in the sole discretion of PolyU for the purpose of marketing and promotion of the Angel Fund.
2. Acknowledgement of the Innovation and Technology Fund (ITF) support should appear on all equipment, facilities, publications, and publicity and media events related to the funded start-up company under the Angel Fund.
3. The following disclaimer should also be included in any publications and media events related to the funded start-up company:

*“Any opinions, findings, conclusions or recommendations expressed in this material/ publication (or by members of this company) do not reflect the views of the Government of the Hong Kong Special Administrative Region or the Innovation and Technology Commission.”*

## **SECTION K: Others**

1. All funded start-up company must comply with the terms and conditions in these Guidelines and the agreement to be signed with PolyU throughout the application and funding period.
2. Neither ITC nor PolyU will take any equity shares from the funded start-up company or claim under the TSSSU grant. Notwithstanding the forgoing, the University may take less than 20% of the shares through the Investment component of the Angel Fund.
3. Where the Applicant is asked to submit any information, content or material to PolyU (“Content”) for the purposes of enabling PolyU to assess the Applicant and its suitability as a funded start-up company, or for inclusion on PolyU website, the Applicant 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 must ensure that all Content submitted to PolyU does not infringe copyright, design, privacy, publicity, data protection, trademark or any other rights of any third party, and is not obscene, abusive, threatening, libellous or defamatory of any person. It shall conform in all respects with all

legislation (including the Laws of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region), regulations and by-laws of the Hong Kong Special Administrative Region.

4. The Applicant shall have sole responsibility for the Content which it submits to PolyU and the Applicant shall indemnify and shall keep PolyU 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 PolyU and arising directly or indirectly from the Content submitted by the Applicant to PolyU being in breach of these terms and conditions. Where PolyU has relied upon, published or used the Content then the losses to be indemnified by the Applicant shall include all sums claimed from PolyU by third parties having relied upon the Content and all sums expended by PolyU on the Applicant in connection with the Angel Fund (including but not limited to any financial benefits and sponsorship that the Applicant has received).
5. The Applicant shall be aware that the Content in the application will be vetted by PolyU staff, the private investor(s) and external assessors and will be subsequently examined and approved by ITC. PolyU and/or ITC will not sign Non-Disclosure Agreement or any document of a similar nature. In submitting the application/report, the Applicant is regarded to have agreed that the Government shall have the right to disclose Discloseable Information<sup>xv</sup> to other third parties whenever it considers appropriate.
6. The funding source of the Grant component of the Angel Fund is from ITC, which issues the TSSSU Application and Reimbursement Guidelines and FAQ for the Scheme. In case there is any discrepancy between the ITC TSSSU Application and Reimbursement Guidelines and FAQ and this document regarding the Grant, the former should prevail.

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<sup>xv</sup> “Discloseable Information” means any information provided by the start-ups and the universities to the Government in their applications and reports including without limitation, information in connection with, their applications under the TSSSU, the names and addresses of and other information on the start-ups including past applications, other ITF projects they are undertaking / proposes to or will undertake, details of the applications and the projects, the project costs and the TSSSU funding, and any other information provided by the start-ups and the universities to the Government.



## APPENDIX 1: Investment Pitch Deck Writing Guidelines

The Investment Pitch Deck (also known as a slide deck or pitch slide deck) is a communication tool to raise money with a potential investor. The content of the pitch deck can help the investor to determine whether or not to continue evaluating the business opportunity. The Investment Pitch Deck is expected to be precise and concise, **15 slides in PDF format**.

The table below, from Guy Kawasaki's The Art of the Start, summarises the key information that should be included in the pitch deck.

Slide	Content	Comments
<b>Title</b>	Include: - business's name - your name and title - contact information	The investor can read the slide - cut to the chase and summarise what you do (for example, we sell software, we protect the environment). Open simply with, "This is my company and this is what we do." You want to get investors thinking about the potential for your company and the size of the market.
<b>Problem</b>	- Explain your investors the pain that you're alleviating. - The goal is to get everyone nodding and buying in.	Avoid looking for a solution that is searching for a problem. Minimise or eliminate citations of consulting studies about the future size of the market.
<b>Solution</b>	- Describe how you alleviate this pain and the meaning that you make. - Ensure that the audience clearly understands what you sell and your value proposition.	This is not the place for an in-depth technical explanation. Provide just the gist of how you fix the pain.
<b>Business Model</b>	Explain how you make money: - who pays you - your channels of distribution - your gross margins	In general, a unique, untested business model is a scary proposition. If you truly have a revolutionary business model, explain it in terms of familiar ones. This is your opportunity to drop the names of organisations that are already using your product or service.
<b>Underlying Magic</b>	Describe the technology, secret sauce or magic behind your product or service.	Aim for less text and more diagrams, schematics and flowcharts on this slide. White papers and objective proofs of concepts are helpful here.
<b>Marketing and Sales</b>	Explain: - how you will reach your customer - your marketing leverage points	Convince the audience that you have an effective go-to-market strategy that will not break the bank.
<b>Competition</b>	Provide a complete view of the competitive landscape. Too much is better than too little.	Never dismiss your competition. Everyone - customers, investors and employees - wants to hear why you're good, not why the competition is bad.

<b>Management Team</b>	Describe the key players on: - your management team - board of directors - board of advisors - your major investors	Do not be afraid to show up with less than a perfect team. All start-up companies have holes in their team - what's truly important is whether you understand that there are holes and you are willing to fix them.
<b>Financial Projections and Key Metrics</b>	Provide a three- to five-year forecast containing not only dollars but also key metrics, such as number of customers and conversion rate.	Do a bottom-up forecast. Include long sales cycles and seasonality. Making people understand the underlying assumptions of your forecast is as important as the numbers you've fabricated.
<b>Current Status, Accomplishments to Date, Timeline and Use of Funds</b>	Explain the current status of your product or service, what the near future looks like and how you'll use the money you're trying to raise.	Share the details of your positive momentum and traction. Then use this slide to close with a bias toward action.

*References: Kawasaki, G. (2004). The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything. Toronto: Penguin Canada.*

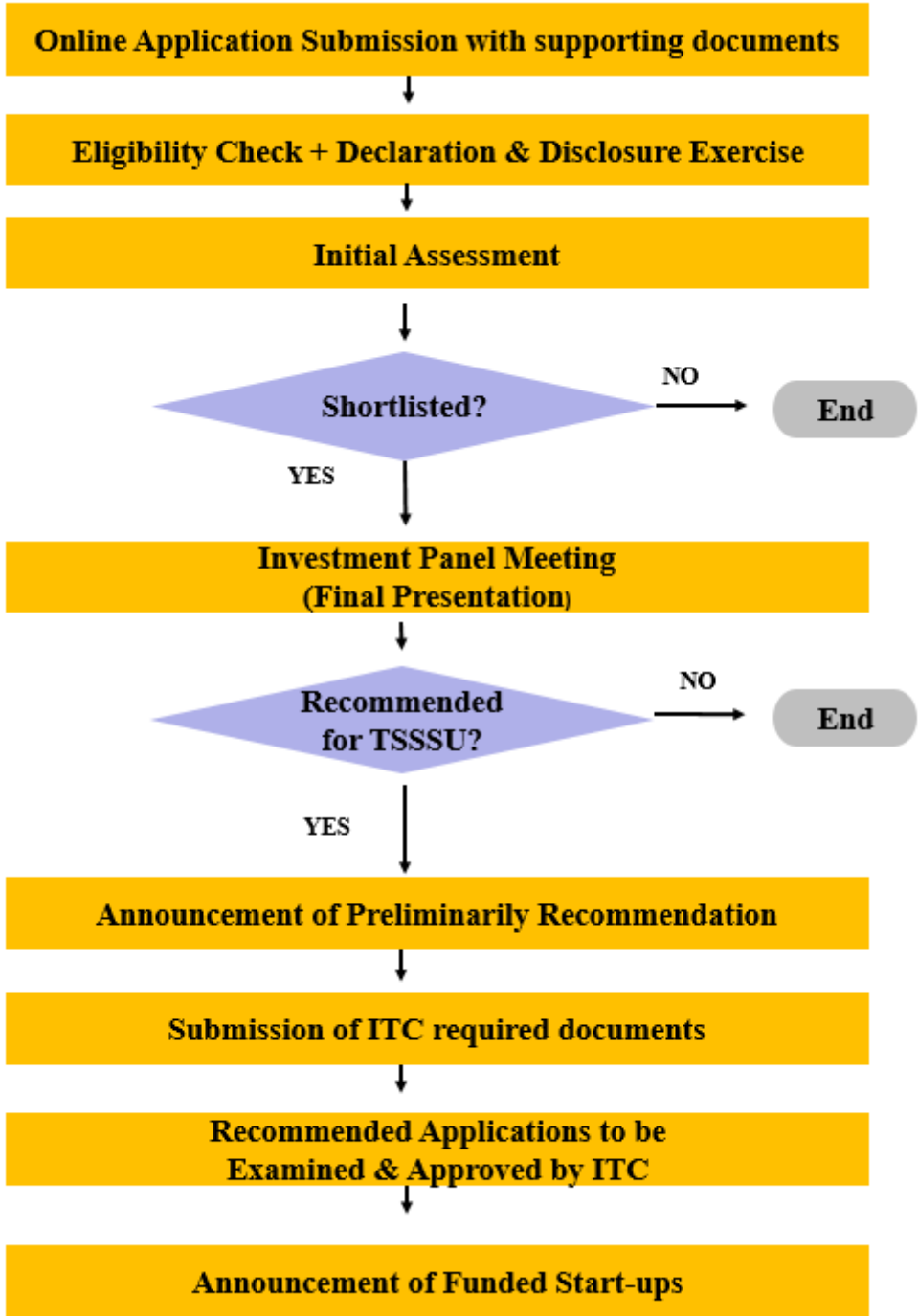


## **APPENDIX 2: Business Plan Template / Guidelines**

All Applicants **MUST** submit their Business Plans as the major tool for the Assessment Panel and ITC to understand the R&D plan, innovativeness, business viability, and many other aspects of their business. The Business Plan is expected to be precise and concise, **FIVE A4 pages in word format with no more than TEN-page attachments** and **MUST** include the following items.

1. Executive Summary
2. Products/ Services to be developed
  - Product concept, features and application
  - What it will do? What problem it will solve?
  - What is the technology employed and why it is better?
  - What make your product better than similar products in the market?
  - What is the technology niche and technical challenges?
  - Enclose pictures or diagrams for illustration if applicable
3. Research and Development Content and Plan
  - Current status of development
  - What have been done? What will be done?
  - R&D development schedule
  - The inventions or innovations involved in the R&D
4. Sales and Marketing Plan
  - Who are the target customers (those who will pay you) and end-users (those who will use the product)?
  - Estimated market size and target market share
  - What is the current sales status?
  - What are the similar products in the market and who are your competitors?
  - The competitors' analysis (comparison in breadth and depth)
  - Pricing and sales strategy
5. Finance
  - Cost and profit margin estimation
  - Sales forecast for the next three years
  - Cash flow summary
6. Management and R&D team
  - Organisation chart
  - Background of all key personnel
  - Future development in manpower
7. Proposed Key Milestones Summary
  - The milestones of your company / project development for the Government financial year, which will serve as a good basis to further develop the milestones to be agreed upon by the funded start-up company, the Authorised Collaborating Investor(s) and PolyU.

**APPENDIX 3A: HK\$3M Fund - Assessment Flow and Process**



## APPENDIX 3B: HK\$1M Fund - Assessment Flow and Process

