

HKUST Entrepreneurship Center
The Lo Kwee Seong Technopreneurship (Tech-Ship) Fund
Funding Guidelines

1. Objective

The Lo Kwee Seong Tech-Ship Fund (the Fund) is administered by the HKUST Entrepreneurship Center (EC) with the collaboration of Technology Transfer Center (TTC) to support HKUST members (faculty, students and alumni) who want to set up a startup company with HKUST's Intellectual Properties (IP).

The Fund will facilitate HKUST IP creators to showcase the technology and invention to HKUST members and develop them further in partnership with those who are passionate to set up new startup companies and commercialize them.

2. Eligibility and Requirements

2.1 Startup companies* (Startups) :

- (1) founded or co-founded by HKUST members (students, alumni, faculty members);
- (2) registered in HKSAR, or other places recognized by HKUST, for less than one year at the time of application; and
- (3) at least 51% owned by HKUST members (the majority of ownership by HKUST members must be retained during the period of the funding.)

2.2 Applying startups must sign the license agreement with HKUST R&D Corporation Limited (RDC) on HKUST IP(s) registered by TTC by the time of acceptance of the Fund.

**Startups must be registered businesses at the time of acceptance of the Fund.*

3. Assessment Criteria

- **Value Proposition of Product/Service (20%)**
 - Key problems and unmet needs
 - How the proposed Product/Service to solve the problem
- **Market Potential and Social Impact (20%)**
 - Size of addressable Market
 - Social impact that will be created by the Product/Service
- **Technology and IP Strength (20%)**
 - Does the startup secure the Freedom to Operate for Product/Service?
 - Superiority of the Technology and IP(s)
- **Business Development Plan (20%)**
 - Business Plan, Product development, Customer engagement, and Scalability
 - Key milestones and Investment plan, product roadmap.
- **Team Composition & Strengths (20%)**
 - Capability and expertise of team in managing the business and implementing the proposed plan, execution ability and commitment
 - Individual qualifications and roles of core members

4. Funding Amount and Funding Period: Up to HKD 200,000 per Proposal for 12 months

5. Funding Scope

5.1 The approved funding can cover expenses in the following areas:

- The Cost of the Development project was conducted by the HKUST research team.
- Essential hardware, software, equipment and services (e.g. legal and accounting, e-commerce services, corporate secretarial services, cloud services, rental of necessary equipment/ space, etc.) for operating the startup business;
- The cost for Proof of concept and Product/service development
- Marketing including justifiable promotional materials; and

5.2 The funding does **NOT** cover expenses in the following areas:

- Any unjustifiable expenses in 5.1 or expenses irrelevant to the startup operation;
- Salary, honorarium/ remuneration;
- Recoverable rental deposit;
- Investment of any kind;
- Repayment of any loan (including but not limited to student or tuition loan) taken out by the startup and/or its members and employees and/or any member of the startup team;
- Trips and participation in activities that are unnecessary or irrelevant to the startup operation;
- Participant in business exhibitions, conferences, workshops, student activities; or
- Any events or activities are inconsistent with the laws or regulations of Hong Kong or other applicable jurisdictions.

6. Disbursement Conditions

6.1 The funding will be disbursed to the funded Startup's company bank account by installments upon achievement of pre-agreed milestones and satisfactory completion and submission of the following:

Installment* (% of Approved Funding)	Condition and Submission Requirement
First (40%)	<ol style="list-style-type: none">1. Acceptance of the offer and upon approval by the Selection Committee2. Complete business registration
Second (30%)	<ol style="list-style-type: none">1. Financial summary and records for expenses stated in the budget plan since the commencement date of the project/ business2. Achieve the 6-month milestones as set in (7) and submit one progress report
Final (30%)	<ol style="list-style-type: none">1. Successful development of the startup as planned and complete all remaining milestones2. Achieve any remaining milestones included the launch of the commercialized tech-ship product in the market3. Report to the Selection Committee on the development outcomes and achievement through a Final Presentation and a written Completion Report4. Submit a financial summary and records for expenses stated in the budget plan since the last reporting date

**The approved fund can be disbursed in full as one installment with successful launch of the commercialized tech-ship product.*

Once the above submissions are endorsed by the HKUST, the funding installments will be paid to the funded Startup within six to eight weeks (or within feasible and reasonable period).

6.2 The funded Startups are expected to communicate with HKUST EC on a monthly basis, to allow HKUST EC to understand their development progress and provide the necessary support to facilitate their business development.

7. Expected Achievement and Milestones

The funded Startups are expected to incorporate the following milestones in their Milestone Plan and achieve these throughout the proposed project/ business period:

Latest Completion Date (from the date of offer acceptance)	Achievement
Within 3 months	Commence product development and definition of Product/Service
Within 6 months	1. 1 st working sample of Product/Service 2. Potential customer's feedback
Within 12 months	1. Operational Product/Service 2. Secure further funding (investment, government grant etc.)

8. Change Management

8.1 Any significant modification to the proposal of the project/ business and startup itself, including but not limited to the shareholders of the startup team/ project/ business, business scope, business nature, expenditure items in the approved budget, etc. will require prior approval from the EC management. Otherwise, HKUST reserves the right to recover any funds disbursed to the funded Startup, reduce the amount of funding granted, or even cease disbursement of the funding to the funded Startup.

8.2 If the funded Startup ceases its business or operation during the funding period, the funded Startup must report to the HKUST EC in writing and submit any relevant reports. HKUST will stop disbursement of any unpaid installments of the approved funding, recover any unspent funds from the funded Startup, and/or requests the startup to return any spent funds to HKUST. HKUST also reserves the right to recover any usable items purchased by the funded Startup using this Fund.

9. Selection Committee

The Selection Committee is composed of the following representatives:

- Chairman: Director or designate of the HKUST Entrepreneurship Center (EC)
- Members: Representative of
 - Technology Transfer Center (TTC)
 - Industry partner in the entrepreneurial ecosystem
 - Faculty member from HKUST
 - Lo Kwee Seong Foundation (two representatives)

10. Intellectual Property

10.1 If the funded Startups have developed new IP during the project/ business period, and:

- If the IP is solely developed by HKUST employees or HKUST Research Postgraduates (RPGs) supervised by HKUST employees, whether working alone or with others, the ownership of the IP shall belong to HKUST;
- If the IP is jointly developed by the Startup employee(s) with HKUST employees or RPGs supervised by HKUST employees and HKUST, the ownership of the IP shall be based on inventive contribution between the Startup and HKUST; or
- If the IP is solely developed by the Startup employee(s) (except RPGs supervised by HKUST employees), the ownership of the IP shall belong to the Startup.

10.2 For details of the HKUST Intellectual Property Policy, please visit the [website of the HKUST Technology Transfer Center](#).