

Hong Kong Baptist University

Guidelines for Technology Start-up Support Scheme for Universities (TSSSU)

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Introduction

1. The Innovation and Technology Commission (ITC) set up, under the Innovation and Technology Fund (ITF), the Technology Start-up Support Scheme for Universities (TSSSU) in the 2014-15 Government financial year. By means of providing annual funding to six designated local universities¹, this scheme aims to encourage their students and professors to start technology businesses and commercialise their R&D results.
2. To further strengthen the support for technology start-ups, in addition to the original component of the Scheme (which will be termed “TSSSU-O” hereunder and in related documents), an enhancement measure has been introduced with effect from 2023-24 to provide dollar-to-dollar matching funds to those start-ups which have demonstrated good growth potential through securing investment from private sector (which will be termed “TSSSU+” hereunder and in related documents). In other words, TSSSU is comprised of TSSSU-O and TSSSU+ starting from 2023-24. At present, an annual funding of up to \$16 million (i.e. \$8 million each for TSSSU-O and TSSSU+) is provided to Hong Kong Baptist University (HKBU) to fund its technology spin-off companies.

Objectives

3. HKBU TSSSU aims to bring R&D results from campus to real world, by encouraging more entrepreneurial activities at HKBU and facilitating more commercial development of HKBU’s intellectual property rights (IPRs) and technology developed at HKBU.
4. The objective of the HKBU TSSSU is to encourage more technology start-ups that will add fresh impetus to the innovation ecosystem. Even though the survival rate of start-ups is not high generally, participating staff, students and eligible alumni would be able to benefit from their entrepreneurial experience, while staff can also build up their expertise on advising technology companies on their research direction and technology development.
5. The application and approval process will be operated in an open and transparent way at HKBU, via the Knowledge Transfer Office (KTO), to ensure all members of HKBU will have a chance to apply for this opportunity. Applications are invited from all eligible applicants at HKBU. Application needs to be submitted with a HKBU TSSSU Application Form. This form is available from the KTO website at (<http://kto.hkbu.edu.hk>) under “Downloads”.
6. HKBU TSSSU is a “company start up” scheme designed to encourage spin-off companies to commercialise the IPR and technologies developed at HKBU. The current University policies governing the usage of government funding, research outcomes and academic works, IPR ownership, recovery of direct IPR protection and development cost and revenue sharing, consultancy and outside practices, and all other relevant HKBU policies, will apply. In case there is any disparity between the ITC TSSSU Application and Reimbursement Guidelines and this Guidelines, the former should prevail.

¹ Including Hong Kong Baptist University.

Focus Areas

7. HKBU TSSSU will focus on funding spin-off companies that are commercialising technologies developed as part of work, research or studies at HKBU. Special priorities will be given to technologies of which the IPR belongs to HKBU. The following technologies are the focus areas:
 - (a) technology IPR owned by HKBU or jointly with HKBU. Proper agreement to license such technologies from HKBU must be obtained in advance and presented in the application;
 - (b) technology that is developed from research at HKBU, or collaborative research with HKBU. Proper agreement to license such technologies from HKBU must be obtained in advance and presented in the application;
 - (c) technology that is developed from final year projects or student projects at HKBU. The application team must have the right to commercialise the said technology; and
 - (d) technology that is developed by eligible applicants. The application team must have the right to commercialise the said technology.
8. HKBU TSSSU will also focus on funding spin-off companies that are basing their business on a significant use of the technologies in focus areas as listed under Clause 7. For clarity, simply using the Internet or having a web page or use of off the shelf technologies does not qualify as a fundable spin-off company under HKBU TSSSU.

Funding Support and Period

9. Each funded start-up (awardee) may receive funding for no more than three (3) consecutive years² under TSSSU-O and TSSSU+ respectively. Funding for each awardee is limited to HK\$1.5 million per year. The funding is subject to the strict condition that for each year it is awarded based on an open and transparent competitive application to HKBU TSSSU. For clarity, the successful completion and delivery of all milestones in the past year of HKBU TSSSU award will be a pre-condition of any new funding application lodged by a past awardee. Each awardee can receive a maximum cash funding of HK\$1.5 million subject to a final funding budget (“the Funded Budget”) agreed upon by the Vetting Panel. The decision of the Vetting Panel will be the final and conclusive recommendation made by HKBU to ITC for consideration and agreement.
10. For TSSSU+ application, the dollar-to-dollar matching fund will be provided to start-ups which have received at least the same amount of private investment during the recognised matching period³. Private investment should come from independent third parties including venture capitalists, angel funds, private companies or individuals in the form of cash contribution received in return of shareholding in the start-ups. Please refer to the

² The three-year period should count consecutively from the first year that a start-up is approved for TSSSU funding. For example, if a start-up was first approved for funding in 2024-25 (Year one) and only applied for continued funding in 2026-27 (Year three), it will not be eligible for seeking further funding in 2027-28 (Year four).

³ The recognised matching period refers to the Government financial year immediately before the TSSSU+ reimbursable period. For example, for start-up which would like to have its expenses in 2025-26 be funded under TSSSU+, the recognised matching period for receiving private investment should be the 2024-25 Government financial year (i.e., 1 April 2024 to 31 March 2025). Start-ups and investors should avoid arranging injections of the private investments at the last minute of the required timeframe, so as to allow greater flexibility and manoeuvrability in the event of unforeseen circumstances.

“TSSSU FAQ” for further details on the eligibility and calculation of private investment. If the amount of private investment eventually received is less than that as pledged at the time of application, the reimbursable amount for that start-up will be adjusted downward to an amount not more than the private investment received or the approved amount, whichever is lower.

11. Details of the funding scope and eligibility under TSSSU-O and TSSSU+ are as follows:

	TSSSU-O	TSSSU+
Requirement of focus areas	Priority will be accorded to IPR developed and protected at HKBU. For all applications, focus areas of Clauses <i>7a</i> to <i>7d</i> will be considered.	
Annual funding ceiling for each start-up	up to HK\$ 1.5 million	up to HK\$ 1.5 million [A dollar-to-dollar matching fund will be provided to start-ups which have received at least the same amount of private investment during the recognised matching period]
Provision of funding mechanism	<p>The Grant component of the TSSSU funding shall be disbursed to awardee by three instalments in the following manner:</p> <p>(a) a sum equal to 50% of the approved TSSSU funding will be disbursed in advance;</p> <p>(b) subsequent funding - a sum equal to 30% of the approved TSSSU funding - beyond the upfront disbursement shall be made, i.e., the disbursements will be paid to the awardee only with the condition that the awardee’s submission of an interim progress report and KTO’s approval of the report with the confirmation of the completion on the relevant milestones;</p> <p>(c) the final instalment (Reimbursement) will be made after the examination of the reimbursement documents (please refer to Clauses 63 to 68).</p>	
Funding restrictions	<p>(a) The maximum number of funding years for each start-up is 3 consecutive years⁴, provided that the respective start-up has not been funded under TSSSU+.</p> <p>(b) Higher priority will be</p>	The maximum number of funding years for each start-up is 3 consecutive years ⁴ , irrespective of whether and, if so, the number of years the respective start-up has been funded under TSSSU-O.

⁴ If an awardee has made reasonable progress in R&D and/or business performance, HKBU may recommend such awardee for continued funding for the second or the third year. The three-year period should count consecutively from the first year that an awardee is approved for TSSSU-O or TSSSU+ funding. If an awardee is first approved for funding in 2025-26 (Year One) and only applies for continued funding in 2027-28 (Year Three), it will not be eligible for seeking further funding in 2028-29 (Year Four).

	accorded to more needy and younger start-ups. More mature start-ups and prospective research teams that are able to attract investment from the private sector are advised to apply for other funding sources (e.g. TSSSU+ and the Research, Academic and Industry Sectors One-plus (RAISE+) Scheme).	
Years of establishment	<p>Registered for not more than two years as of the date of the application deadline stipulated by ITC i.e. 15 January of the first tax calendar year of the year of the application.</p> <p>The two-year eligibility requirement does not apply to a start-up which is recommended for TSSSU-O funding for the second or the third year.</p>	<p>Registered for not more than seven years as of the date of the application deadline stipulated by ITC i.e. 15 January of the first tax calendar year of the year of the application.</p> <p>The seven-year eligibility requirement does not apply to a start-up which is recommended for TSSSU+ funding for the second or the third year.</p>
Secured private investment	Not required	Start-ups should submit document proofs (e.g. agreement/letter of undertaking issued by the private investor, etc.) together with the applications.

12. Each awardee will receive funding for the one (1) tax calendar year for the year of its application. For clarity, grant awarded in a tax calendar year can only be spent within said tax calendar year and no unspent amount is allowed to be carried over to the next tax calendar year. This grant would only be considered as incurred within the Government financial year when the related activities have been conducted or the related services and goods have been delivered.
13. The awarded cash funding will be transferred to the awardee's company bank account in tranches upon successful achievement of agreed milestones and compliance with the Funded Budget.
14. The TSSSU funding can only be spent on expenses approved under HKBU TSSSU scheme and agreed upon by the Vetting Panel. Items to be included in the Funded Budget should be reasonable and proportionate and used in a proper manner in the following areas:

- (a) essential items for setting up and operating the start-up (e.g. furniture and equipment, legal and accounting services (but not including company business registration expenses), rental of necessary and suitable premises, manpower etc.);
- (b) R&D expenditure (e.g. manpower (subject to cap on allowed manpower remuneration and applicable labour and immigration laws of Hong Kong), equipment, licensing fee or royalties due to HKBU, other direct costs, etc.); and
- (c) promotion of the start-up and marketing of their R&D deliverables, products and services.

15. HKBU TSSSU funding will **not** cover:

- (a) any expenses not related to the execution of the funded project of the awardee;
- (b) any expenditure item that is unnecessary or irrelevant to the operation of the project;
- (c) rental expenses that are irrelevant to the operation of the project;
- (d) 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 pay and untaken leave pay, etc.;
- (e) expenses on mass production activities (i.e. TSSSU funding can be used to cover expenses for small-scale production of samples/prototypes required for functional verification, but not for selling purposes and/or mass production activities. The quantity produced should match with the purpose for production taking into account the specific circumstances of each case);
- (f) expenses on offering gifts (e.g. cash coupons) for marketing and/or promotion purposes;
- (g) expenses on depreciation/amortization or provisions not presenting actual expenses incurred;
- (h) expenses incurred as matching fund for other schemes of the Innovation and Technology Fund;
- (i) costs of maintaining existing equipment unless the existing equipment is essential in the execution of the funded project;
- (j) costs of forming associations or membership subscriptions;
- (k) investment of any kind except for normal deposit of funds in the bank accounts of the awardee;
- (l) repayment of any loan (including but not limited to student loan) taken out by the applicant(s);
- (m) any trip that is unnecessary or irrelevant to the execution of the project;
- (n) entertainment expenses that are unnecessary or irrelevant to the execution of the project;
- (o) fees charged to start-ups arising from general services (e.g. office administrative services, etc.) provided by HKBU;
- (p) any security, lien, loan, pledge or guarantee with HKBU TSSSU award fund;
- (q) gambling or betting;
- (r) any events or activities inconsistent with the laws or regulations of Hong Kong or other applicable jurisdictions; and
- (s) to avoid conflict of interest, any shareholder and team member of the awardee should not be a supplier/vendor of any equipment or consumables which will be claimed under TSSSU.

* Note: The minimum mandatory insurance cover for employees in accordance with the labour laws of Hong Kong is fundable under TSSSU and should be claimed in the broad category of ‘Other Direct Costs’.

The above list is not exhaustive. Applicant should consult KTO for any doubt on which item(s) can be funded under HKBU TSSSU. Any Funded Budget virement should receive prior written approval from KTO. KTO and ITC reserve the right not to reimburse the expenses incurred if KTO and ITC are not fully satisfied with the explanations for the start-up’s failure in providing the required documents.

16. Activities of the awardees funded under HKBU TSSSU should primarily be conducted within the territory of Hong Kong. However, given the objective of HKBU TSSSU to support awardees, up to 50% of the TSSSU funding provided to each awardee in each Government financial year can be incurred outside Hong Kong. Excessive and non-spending funding is required to be returned to HKBU.
 17. The Funded Budget is an itemised budget proposed by the awardee, which has been further finalised and agreed upon (after revisions, if any) by the Vetting Panel. This Funded Budget will form one of the agreed deliverable milestones for the release of funding tranches by KTO, HKBU to the awardee.
 18. For clarity, as the awardee can only be a Hong Kong registered company, the cost and expenses related to the company business registration of said company cannot be borne by HKBU TSSSU award fund. To facilitate the application process of HKBU TSSSU, applications can be submitted by eligible teams and only upon successful grant of HKBU TSSSU award fund, a company needs to be registered in Hong Kong to receive the funding as an awardee (i.e. awardee must be registered before the submission to ITC for consideration and approval). For further clarity, the awardee must be registered on or before the date stipulated by HKBU.
 19. To ensure good distribution of the limited resources awarded from HKBU TSSSU, a cap is set on the allowable manpower remuneration, which can be paid from monies of HKBU TSSSU award fund. The maximum allowed manpower remuneration expenses which can be drawn from HKBU TSSSU awarded fund for manpower is:
 - HK\$21,730 per calendar month per staff of the awarded project for employing graduates with a Bachelor’s degree, and
 - HK\$26,990 per calendar month per staff of the awarded project for employing graduates with a Master’s or higher degree.
- For clarity, the awardee may top up the costs incurred in excess of the above ceiling on manpower remuneration expenses with funds other than that of HKBU TSSSU awarded monies.
20. Any expenditure item or part thereof which is already funded by the Government, a Government subvented body/institution, HKBU or third parties will however not be covered under any HKBU TSSSU awarded fund.

Eligibility

21. An *eligible applicant member* must be from one of the following:

- (a) teaching or research staff of HKBU;
 - (b) full-time or part-time student of HKBU (except sub-degree programmes);
 - (c) alumni of HKBU who have graduated for no more than 10 calendar years from the date stipulated by HKBU (this refers to the Close of Application Date of HKBU TSSSU).
22. Application for HKBU TSSSU must be lodged on a **team** basis. (i.e. more than one person) comprising at least one eligible applicant member who is/was not taking sub-degree programme and must be “a significant team member”.
23. “A significant team member” entails such a person will play a major role in the decision and execution of the project by the team. For awardee with any intellectual property rights (IPRs) licensed from HKBU, the eligible team member(s) collectively shall hold at least 20% of the company shares. For awardee without the IPR(s) licensed from HKBU, the eligible team members collectively shall hold at least 50% of the company shares.
24. The team can have any mix of members of HKBU and may comprise:
- (a) undergraduates/ postgraduates;
 - (b) professor(s) or other faculty member(s) to serve as consultant, providing technical expertise and direction of the R&D work; and
 - (c) business savvy HKBU alumni, giving business and management advice, etc.
- Those members who initiate and complete the application should be regarded as team members.
25. The awardee shall appoint a person-in-charge (PIC) (whom must be associated with HKBU according to Clause 24 and is also an eligible applicant member) who should be engaged in the company’s business on a preferably full-time basis. The PIC is required to hold a senior position in the start-up and can be reached by HKBU during normal business hours. Said person shall be responsible for:
- (a) overseeing the implementation and operation of the company; and
 - (b) liaising with the Knowledge Transfer Office (KTO) at HKBU and ITC on matters relating to the company.
- If a full-time professor is appointed to be the PIC, he or she is required to assign a current HKBU undergraduate/ postgraduate student or a full-time HKBU staff, who is eligible to work in Hong Kong under employment and labour laws and Employment Ordinance, to assist in the above responsibilities.
26. The awardee must be a company registered under the Hong Kong Companies Ordinance, regardless of size. HKBU TSSSU award fund must be paid to the awardee’s Hong Kong bank account. For first-time applicants, please see Clause 11.
27. Applicants who re-submit the same project are required to make significant improvement and key differences in the business compared with that of last application. Otherwise, the application will not be considered.
28. For the avoidance of doubt, the appointed PIC cannot join other concurrently active teams funded by TSSSU.

29. If the PIC withdraws from the awarded team during funding period, the replacement must be an eligible PIC as stipulated in Clause 25.

Selection Mechanism and Review Process

30. Applicants with current IPR-protected inventions and technologies that are owned by HKBU that are ready for commercialisation are encouraged to apply for HKBU TSSSU to start up their own company to commercialise such technology. Applications without IPR protection will also be accepted, **subject to evidence that such technologies are in the focus areas** and approval of such applications will bring competitive advantages to the commercialisation of the technology via the start-up. Applicants may consider licensing the IPR protected by HKBU. For HKBU's patented IPs, please see KTO website: <http://kto.hkbu.edu.hk/eng/patent-record-search>. The applicants can license particular technology subject to the inventor's and HKBU's agreement. KTO would help to line up the inventors, HKBU and the applicants whenever necessary.
31. All HKBU TSSSU applications will be reviewed and approved by HKBU TSSSU Vetting Panel. This panel will evaluate each application based on, but not limited to, the following criteria:
 - (a) innovation and technology content of the business;
 - (b) commercial viability of the business;
 - (c) capability of the start-up and its team to undertake the R&D proposed and manage the company;
 - (d) social and/or community impact of the business and R&D work; and
 - (e) any other criteria that KTO sees fit.

Application Procedure

32. Call for applications of HKBU TSSSU will be made through email, KTO website, and other online and offline communication channels of HKBU.
33. HKBU TSSSU scheme will open for application from the Call for Application Date and the last application submission must be made on or before the Close of Application Date. Late submission will not be considered.
34. Applicants should carefully read this "Guidelines for HKBU Technology Start-up Support Scheme for Universities" with explanatory notes therein, "TSSSU FAQ" and complete both the online and paper "HKBU TSSSU Application Form (Annex A)". Applicants are required to submit online application through HKBU's Integrated Research and Information Management System (IRIMS) (applicable to professors only), the paper HKBU TSSSU Application Form, the "TSSSU Checklist and Endorsement Form" and the license agreement or Memorandum of Understanding (MOU) (if applicable) to the KTO. All these documents are available from the KTO website (<http://kto.hkbu.edu.hk>) under "Downloads".
35. Applications using the paper HKBU TSSSU Application Form should be **completed and submitted electronically with all the accessible supporting documents** to KTO on or before the Close of Application Date. **One signed hard copy should also be sent to KTO** within one (1) calendar week after the Close of Application Date.

36. Concurrent involvement in two or more applications in the capacity of PIC and/or team member in the same Government financial year is discouraged. The KTO reserves the right to reject all related applications under such circumstances.
37. Applicants are required to complete all sections of the application form and submit the application form with all the supporting documents (including, but not limited to items below).
 - (a) an application form (Annex A) with duly signed signature by the PIC;
 - (b) TSSSU Checklist and Endorsement Form;
 - (c) CVs (Annex A(i)) of all team members stating their academic qualifications and working experience;
 - (d) Declaration Form for RAISe+ applicant (if applicable);
 - (e) documentary evidence of applicant's eligibility such as HKBU staff/student ID cards;
 - (f) IPR position/licensing agreements;
 - (g) existing commercial links and commitment of matching funding⁵ (if applicable);
38. Once the application is approved, the applicant will become an eligible recipient of HKBU TSSSU and is responsible for and subject to the following:
 - (a) form and register a Hong Kong company to execute the approved HKBU TSSSU project, and then submit the Certificate of Incorporation (CI) and the Business Registration (BR) Certificate to KTO no later than 14 January 2025 for onward transmission to ITC;
 - (b) oversee and report the progress of the project;
 - (c) adhere to the delivery of the agreed milestones where possible;
 - (d) ensure proper use of the approved project fund in accordance with this Guideline and to the Funded Budget;
 - (e) answer enquiries in a timely manner from HKBU and ITC;
 - (f) attend progress review meetings for the project with KTO;
 - (g) provide timely and complete reporting documentation to KTO, HKBU and ITC as requested;
 - (h) complete the reimbursement request for the expenditure incurred during the reimbursable period of the previous Government financial year within two months after the end of the previous Government financial year, i.e. 31 May such that the duly signed reimbursement request can be timely provided to ITC within four months after the end of the previous Government financial year, i.e. by 31 July. (ITC reserves the right to disregard any late submissions);
 - (i) for TSSSU+ applicants, submit investment agreement(s), bank statement⁶ (s) showing the cash injection during the recognised matching period, and where applicable, return(s) to Company Registry on its latest capital status and/or allotment of company shares, etc. to KTO no later than 29 April of the reimbursable period for onward transmission to ITC;
 - (j) arrange to conduct the reasonable assurance engagement in accordance with the requirements stipulated in Annex C, and engage an external auditor to conduct a

⁵ For TSSSU+ applications, priority will be given to start-ups that have confirmed and deposited the eligible matching fund within the recognised matching period provided that the matching fund is used for the same project and is not provided by the Government, a Government sub-vented body/institution or HKBU (Please refer to the "TSSSU FAQ" for further details on the eligibility of private investment.).

⁶ 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 awardee.

comprehensive examination of all transactions related to the TSSSU. The statement of expenditure, auditor's report and procedure report should be provided to HKBU within two months after the end of the previous Government financial year, i.e. by 31 May (please see Clause 64);

- (k) provide up-to-date Company's Profit and Loss Statement, Balance Sheet and Annual Return within two months after the end of the previous Government financial year, i.e. by 31 May; and
- (l) handle the keeping of books and records, etc. to facilitate auditors to conduct the reasonable assurance engagement.

For clarity, the reimbursable period refers to the period from the date of ITC's funding approval to the end of the relevant Government financial year (i.e. 31 March).

- 39. Applicant is required to submit a Budget proposal for the project, showing all expenditures and justifications for the Budget. All expenditures must be grouped under three categories only, namely: *Manpower*, *Equipment* and *Other Direct Costs*. Unspecified expenditures, such as miscellaneous, sundry and contingency will not be accepted. The eligible cost items are stipulated in Clause 14. For the cost items that will not be funded are stipulated in Clause 15.

Review Procedures

- 40. Upon receipt of an application, KTO may seek further clarification or supplementary information from the applicant via its PIC.
- 41. All full applications will be pre-screened by KTO to shortlist eligible applications in accordance with the Guidelines for HKBU TSSSU.
- 42. The function of the pre-screening by KTO is to assess, review and assure that all the shortlisted applications will be in complete compliance with the Guidelines for HKBU TSSSU.
- 43. To avoid conflict of interest, KTO staff handling HKBU TSSSU are required to declare whether they are directly or indirectly related to an application and, if so, they will be refrained from participating in the pre-screening discussion of the relevant application.
- 44. All shortlisted HKBU TSSSU applications will subsequently be vetted by a Vetting Panel organized by HKBU. External advisors or partners may be engaged where appropriate.
- 45. The decision of the Vetting Panel is final. No appeal of the decision will be considered.
- 46. Applicants will be invited by the Vetting Panel members to deliver presentations in the vetting interview. The PIC is required to attend the interview.
- 47. KTO will act as the Secretariat for the Vetting Panel.
- 48. To ensure the confidentiality of the applications, HKBU staff handling HKBU TSSSU and the Vetting Panel members will enter into a Non-Disclosure Agreement with HKBU. However, the Commissioner for Innovation and Technology and any authorised person acting on behalf of the Government can look for compliance, examine and conduct

random checks on the applications submitted, as stipulated in Clause 38.

49. After the assessment and vetting process, HKBU will forward the results, together with relevant documents, to ITC for its examination and approval. KTO will subsequently report the final results to HKBU Knowledge Transfer Committee (KTC).

Notification of Results

50. All applicants will receive an email notification of result within six (6) months from the Close of Application Date. The email notification will also be carbon copied to the relevant departments for record-keeping purposes.
51. Awardee is required to confirm its acceptance of the offer via email within fourteen (14) calendar days. If the awardee does not respond within the said period, the application would be deemed as withdrawn.
52. Awardee may be requested to revise the relevant parts of the submitted application (e.g. application form, milestones, the Funded Budget, etc.) prior to the final approval. If requested, revised proposals or the Funded Budget must be submitted to KTO via email in the timeframe requested.
53. If an application is unsuccessful, the applicant can request written feedback explaining the reasons for the decision.
54. Awardee can submit a written request to KTO to withdraw its application at any time before accepting the award.
55. Awardee must comply with the terms and conditions in this Guidelines throughout the application and funding period.

Request for Re-allocation of Funds

56. In the event that any start-up withdraws from TSSSU subsequent to the approval of funding, or the approved funding amount to any start-up is adjusted downwards by ITC pursuant to Clause 78 below, or the investment agreement(s) of TSSSU+ awardees cannot be provided to KTO under the requested timeframe set by KTO, HKBU may recommend to ITC the proposed re-allocation of the released funding to other start-up(s) based on a fair, open and objective manner. The \$1.5 million annual funding cap for each start-up should still apply. For funding under TSSSU+, the other start-up(s) that is/are recommended to receive new or additional funding amount should have the corresponding private investment obtained during the recognised matching period. HKBU shall seek the endorsement by the Vetting Panel.

Intellectual Property Rights (IPR)

57. Applicants must declare that all the intellectual properties (IPs) of technology, inventions or innovations to be used/ developed in their project are free of infringement of any third party's rights in the application.
58. Priorities will be given to technologies of which the IPR belongs to HKBU. In doing so,

the company should contact KTO to obtain a proper license before using the HKBU IP to develop a product.

59. The awardee will own all IPR created/invented from HKBU TSSSU funded project, unless alternative arrangement is specified. When an IPR is developed with the participation of members of HKBU, the IPR ownership will be in accordance with the IPR policies at HKBU. In general, HKBU should not hold more than 20% of the shares of the awardee.
60. The awardee is required to report to KTO of any new IP(s) arise(s) from HKBU TSSSU funded project, as part of the awardee reporting obligations.

Disbursement of HKBU TSSSU

61. Unless otherwise stated, disbursement of the approved HKBU TSSSU will be made through the KTO after receipt of duly signed acceptance of the offer together with all required documents, including but not limited to the true copy of business registration of the awardee's company and the share-holding of all eligible applicants in said company.
62. The applicant shall be responsible for any project expenditures and commitments in excess of the approved amount.

Submission of Progress and Final Reports

63. All projects are monitored by KTO, HKBU against their milestones throughout the project period. Upon request by KTO or as specified in the terms and conditions associated with the project, recipients shall provide timely progress reports together with the completed relevant sections in Annex B, Annex D(ii) and supporting documents (e.g. receipts, invoices, and any other spending proof of approved expenditure items, etc.). The decision on the release of HKBU TSSSU fund will be based on the agreed milestones throughout the project period and the sole opinion of HKBU as to whether the awardee has made reasonable progress in commercialising their technologies, which shall be evidenced in the half-yearly and annual reports to be submitted by the awardee.

Under the circumstances that the funds approved and released by HKBU to the start-up(s) are subsequently assessed by ITC to be ineligible for reimbursement, HKBU reserves the right to claw back the released amount from the corresponding start-up(s). Any unspent initial instalment shall be returned to HKBU at the end of the funding year.

64. Each awardee should properly handle the keeping of books and records and engage an external auditor to conduct a comprehensive examination of all transactions related to the TSSSU. Subsequently, a procedure report should be issued to present the factual results of the procedures conducted by the external auditor. KTO will be responsible for keeping this procedure report and all records and documents (including but limited to receipts, invoices, and any other spending proof of approved expenditure items) in relation to the TSSSU applications and reimbursements, and monitoring the R&D work and commercialisation of the awardees. HKBU may conduct random checks of the documents, records, etc. of the awardee to ensure its compliance with these Guidelines and any guidelines and requirements from ITC relevant to the funding support.

65. Typically, the submitted progress and final reports should include, but not limited to the following:
- (a) achievements of the project with respect to the objectives, milestones and deliverables, in the funded tax year;
 - (b) business and/or commercialisation success of the start-up and the funded project. This may include but not limited to further investment, M&A, successful sales and business deals in the funded tax year;
 - (c) IPR position as the result of the project in the funded tax year;
 - (d) actual Expenditure for the project, including if there are unspent funds for the project to be returned to HKBU;
 - (e) post-project plan;
 - (f) a two-page product/invention commercial/business introduction (e.g. a two-page teaser).
66. The awardee shall submit the final report together with the completed relevant sections in Annex B, Annex C(i), Annex D(ii) and final report to HKBU for the project within **two (2) months** from the project completion or early termination date.
67. The awardee will be invited to give a presentation in every six months upon request by KTO.
68. All report(s) will be reviewed by KTO and will be submitted to the KTC and/or ITC for further consideration and comments.

Termination

69. KTC and ITC may terminate a project or suspend the funding to an awardee at any time in special circumstances for reasons, including but not limited to:
- (a) evidence of mismanagement of funds;
 - (b) failure to meet the eligibility criteria under Clauses 21-29;
 - (c) significant departure from the original project proposal of the application form without approval;
 - (d) lack of progress of the project in a material way;
 - (e) unlikely completion of the project in accordance with the project proposal of the application form,
 - (f) involvement in illegal activities by the awardee;
 - (g) engagement in acts or activities that are likely to constitute or cause the occurrence of offences endangering national security or which would otherwise be contrary to the interest of national security;
 - (h) the continued provision of TSSSU funding to the start-up is contrary to the interest of national security;
 - (i) the Government's reasonable belief that any of the events mentioned in (g) or (h) above is about to occur; or
 - (j) any other reasons deemed inappropriate by HKBU or ITC at their consideration.
70. If the project is terminated, HKBU and ITC reserve the right to demand the awardee to return all unspent funds to HKBU within ten (10) working days. The awardee may also be required to return any disbursed and spent amounts to HKBU within twenty (20) working days.

Procurement Procedures

71. The applicant should ensure that all procurements for goods and services are carried out in an unbiased and fair manner and in compliance with the current laws of Hong Kong.

Support Services

72. HKBU may arrange relevant events, activities (including but not limited to mentoring activities), training and workshops for the awardees to enhance their business operation skills. Awardees shall use their best efforts to attend all such events, activities (including but not limited to mentoring activities), training and workshops. If an awardee, as represented by at least one of its members, fails to attend at least 70% of such events, activities (including but not limited to mentoring activities), training and workshops, HKBU reserves the right to withhold the final payment of HKBU TSSSU awarded fund to it.

Important Notes

73. KTO reserves the right to require the recipient to recover funds where there is evidence that the project is failing to adhere to the project proposal, unless a change has been agreed in writing.
74. Any record of mishandling of funds or lack of discipline in financial management or non-compliance with the terms and conditions associated with the project is a factor in which the KTO will take into account in considering future applications from the same applicant or the same project team members.
75. HKBU has the right to make use of the materials submitted by the awardee that are considered non-confidential (including but not limited to information not pertinent to the execution of the Business Proposal, financial plans and the Funded Budget, and personal information) in the sole discretion of HKBU for the purpose of marketing and promotion of HKBU TSSSU.
76. Subject to the provisions below, information provided by the start-ups and the universities in their applications and reports will be kept by ITC in confidence and all personal data will be handled in accordance with the relevant provisions of the Personal Data (Privacy) Ordinance (Cap. 486). In this regard, the Government shall have the right to disclose, without further reference to the start-ups and the universities, whenever it considers appropriate, Discloseable Information⁷ to other Government bureaux/departments, statutory bodies or relevant third parties for the purposes as prescribed in the application forms/reporting templates or other related purposes. Relevant information will also be posted on the ITF website for public access. In submitting the application/report, the start-up and HKBU irrevocably and unconditionally authorise the Government to make and consent to the Government making any of the aforesaid disclosure.

⁷ “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.

77. By submitting the application/report, the start-up and HKBU are regarded to have agreed to, and to have obtained from the entities and each individual whose information (including personal data) is provided in the relevant document, their consent for the disclosure, use and further disclosure by the Government of the information (including personal data) for the purposes set out above.
78. The applicant is required to declare in the application whether the applicant has sought or is seeking funding support for the project from other funding sources. Double subvention from the Government, a Government subvented body or institution for the project will not be allowed. ITC also reserves the right to adjust downwards the funding amount approved to the awardee if any application for other funding schemes under the ITF lodged by it (or the related team) is subsequently recommended for approval before the end of the reimbursable period.
79. All applications that have dealings with ethical and safety issues have to obtain ethical and or safety approval from the Committee on the Use of Human & Animal Subjects in Teaching and Research (HASC) at HKBU and are conducted in accordance to the relevant policies at HKBU. Relevant applicants must provide all necessary supporting information to support this fact in their applications.
80. Acknowledgement of ITF support should appear on all equipment, facilities, publications, publicity and media events related to awardee. The following disclaimer should also be included in any publications and media events related to awardee –

‘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 or Hong Kong Baptist University.’

81. Awardee will fully and perpetually indemnify HKBU and ITC from all liabilities and shall always keep HKBU and ITC whole and harmless from all liabilities and all damages from all actions and activities of said company.
82. Awardee should seek prior approval from KTO within the reimbursable period (i.e. by 31 March of the Government financial year) regarding any material modification to the amount of TSSSU funding in the situation where –
 - (a) a new expenditure item is proposed regardless of its amount; or
 - (b) the cumulative overspending for a broad category (i.e. Manpower, Equipment, or Other Direct Costs) is more than \$50,000 and as well exceeds 30% of the budgeted amount in the latest business proposal agreed.

The modification should not result in any increase in the total amount of TSSSU funding approved for the awardee concerned.

83. Furthermore, any material modification to the shortlisted business proposal of an awardee (including but not limited to change of PIC, change of other team members of the awardee, cancellation of milestones, change of business scope, expected 30% of overspending on any broad category of the Funded Budget, etc.) will require prior approval from KTO within the reimbursable period. Annex E(i) and/or Annex E(ii) should be filled in for any

material modification when seeking the approval from KTO. No retrospective approval should be granted after the end of the Government financial year in which the application of the awardee was approved.

84. All information provided in the forms (e.g. Annexes A, A(i) and D(ii)) will be used for processing the application and for related purposes, e.g. project monitoring, statistical analysis, connecting with potential investors, etc. by ITC and HKBU. It may be disclosed to other Government departments or third parties, if such disclosure is necessary for the purposes of processing the application and for related purposes.
85. Awardee should recruit an accountant or an accounting firm to handle their cashflow and expenditures in order to ensure that the documents submitted to KTO must be in order. Otherwise, KTO can withhold the instalment without the need of explanations or even terminate the project. This is subject to KTO's final decision.
86. All applicants or awardee should ensure the accuracy and completeness of information and document(s) in their applications. ITC and HKBU reserve the right to disregard applications or terminate projects, which contain inaccurate or incomplete information and/or document(s).
87. The awardee 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.

Enquiries

88. The final funding requirements and related arrangements under TSSSU would be announced by ITC in due course. HKBU TSSSU is overseen by KTC and funded by the ITF via HKBU. Administration of HKBU TSSSU is performed by KTO and all inquiries on HKBU TSSSU should be directed to:

Knowledge Transfer Office, Hong Kong Baptist University

Address : Kowloon Tong, Kowloon, Hong Kong.
Tel : (852) 3411 8075
Fax : (852) 3411 8093
E-mail : kto_tsssu@hkbu.edu.hk
Website : <http://www.kto.hkbu.edu.hk>