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HKUST Greater Bay Area Youth Entrepreneurship Fund Application Guidelines

In the event of any discrepancy between the English and Chinese versions, the English version shall prevail in determining the meaning of the clause.

1. Background

Supported by the Funding Scheme For Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay Area under the Youth Development Fund (YDF) of the Youth Development Commission (YDC) and Home Affairs Bureau, the HKUST Greater Bay Area (GBA) Youth Entrepreneurship Fund (“Fund”) aims at driving, promoting and supporting dedicated and qualified young members of the HKUST community, including students, faculty members, alumni and staff, to develop and realize their innovations and entrepreneurial success in Hong Kong SAR and other cities of the Greater Bay Area.

This Fund Program is administered by the HKUST Entrepreneurship Center (EC).

2. Eligibility and Requirements

2.1 Applications are open to start-up teams of at least two members who either:

- a. plan to operate a start-up business in Hong Kong and in Mainland GBA cities; or
- b. have an existing start-up project/ business that has not been in operation or has been operating for not more than 3 years at the time of application.

2.2 All members of the start-up team must meet the following criteria:

- a. aged between 18 to 40;
- b. are permanent residents of Hong Kong with valid HKIDs;
- c. are HKUST members (full-time or part-time postgraduates or undergraduates, alumni or staff);
- d. not bankrupt or subject to bankruptcy proceedings at the time of application; and
- e. have never been funded by the Entrepreneurship Matching Fund of the Youth Development Fund (YDF).

2.3 The proposed project/ business can be in any industry but must meet the following criteria:

- a. must not be unlawful, illegal or involve tobacco, advocacy of gambling, obscenity, etc.;
- b. must not be recipients of any other public or Government funding sources during the proposed project/business period unless with prior written approval from the Government;
- c. must not be recipients of funding sources and entrepreneurial support and incubation from other NGOs under the YDF’s sponsoring; and
- d. unless with prior written approval from the Government, funded start-up teams shall not assign, transfer, sub-contract or dispose any of their interests, rights, benefits or obligations under their business during the Regulatory Period¹. If any new core member(s), partner(s) or shareholder(s) is/are added to a funded start-up team/ project/ business, such core member(s), new partner(s) or shareholder(s) shall also meet the criteria of eligible members stated above in 2.2.

¹The Regulatory Period starts from the commencement date of the agreement signed between HKUST and the funded start-up team concerned and runs up to one year after the latest achievement date of the final-phase indicators or one year after the disbursement of the final-phase funding to the funded start-up team concerned, whichever is later.

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2.4 While the start-up project/ business is not required to hold a valid business registration certificate at the time of application, successful applicants must complete the business registration process within the timeframe designated under the Business Registration Ordinance.

3. Criteria

- **Business Viability (25%)**
 - business model, sustainability of business
 - value proposition, go-to-market strategy, competitive advantage
- **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
- **Innovation & Disruption to Industry (20%)**
 - how disruptive is the proposed solution/ product/ service to the industry?
 - technology involved
- **Traction and Development Plan (20%)**
 - business scalability
 - short and long-term objectives and milestones, forecast and roadmap in HK and Mainland GBA city/ cities
- **Social Value and Impact (15%)**
 - contribution to society at local and regional levels

4. Funding Amount

With contributions from the Funding Scheme for Youth Entrepreneurship in the Guangdong-Hong Kong-Macao Greater Bay and HKUST at a matching fund ratio of 4 to 1, this Fund grants each successful funded start-up team up to HKD \$600,000. The funding amount granted is subject to the final funding budget plan approved by the vetting panel.

5. Funding Scope

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

- Business registration in Hong Kong and/or Mainland GBA cities;
- Essential hardware, software, furniture, 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 start-up business;
- Product/ service development;
- Marketing including justifiable promotional materials; or
- Research and development including prototyping.

5.2 The funding does not cover expenses in the following areas:

- Any unjustifiable expenses in 4.1 or expenses irrelevant to the start-up operation;
- Salary, honorarium/ remuneration;
- Recoverable rental deposit;
- Investment of any kind;

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- Repayment of any loan (including but not limited to student or tuition loan) taken out by the start-up and/or its members and employees and/or any member of the start-up team;
- Trips and participation in activities that are unnecessary or irrelevant to the start-up operation; or
- Any events or activities 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 start-up's company bank 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%) | Acceptance of offer and agreement |
| Second (30%) | 1. Financial summary and records for expenses stated in the budget plan since the commencement date of the project/ business 2. Achieve the 12-month milestones as set in (7) and submit two Milestone Achievement Reports during this period |
| Final (30%) | 1. Successful development of the start-up as planned and complete all remaining milestones 2. Submission of the completion report and financial summary and records for the rest of the project/ business period by April 2024. |

All milestones must be achieved and the documents for the final installment must be submitted by April 2024 at the latest. Once the above submissions are endorsed by the HKUST, the funding installments will be paid to the funded start-up within six to eight weeks (or within feasible and reasonable period).

6.2 Audited financial documents and complete financial supporting documents will be required for submission upon request.

6.3 The funded start-ups are expected to communicate with HKUST EC on a monthly or bi-monthly basis, so as to allow HKUST EC to understand their development progress and provide necessary support to facilitate their business development.

7. Expected Achievement and Milestones

The funded start-ups 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 agreement signed) | Achievement |
|---|--|
| Within 3 months | Commence product development and complete related marketing materials |
| Within 6 months | 1. Collect detailed user testing and market feedback 2. Complete product prototype |
| Within 12 months | 1. Complete business registration in Hong Kong 2. Complete business registration in Mainland GBA city 3. Settle in Mainland GBA city |
| Within 31 months (by April 2024) | 1. Launch product in the market 2. Start and sustain business operations |

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8. Changes to Business in Approved Project/ Business Period

8.1 Any significant modification to the proposal of the project/ business and start-up itself, including but not limited to the team members/ co-founders/ shareholders of the start-up team/ project/ business, business scope, business nature, expenditure items in approved budget, etc. will require prior approval from the vetting panel. Otherwise, HKUST reserves the right to recover any grants disbursed to the funded start-up, reduce the amount of funding granted, or even cease disbursement of the funding to the funded start-up and agreement.

8.2 If the funded start-up terminates its business during the project business period stated in the proposal and agreement, the funded start-up must report to the HKUST EC in writing and submit any relevant reports. HKUST will cease disbursement of any unpaid installments of the approved funding, recover any unspent grants from the funded start-up and/or requests the start-up to return any spent grants to the Government via HKUST. HKUST also reserves the right to recover any usable items purchased by the funded start-up using this grant.

9. Vetting Panel

Applications will be assessed by core representatives from the HKUST and external entrepreneurs, experts or industry leaders.

10. Intellectual Property

10.1 Funded start-ups who plan to adopt existing HKUST IP should contact the HKUST Technology Transfer Center for the procedures to obtain a proper license before using the HKUST IP. For non-HKUST IP, funded start-ups must obtain proper licenses from the relevant external parties before use.

10.2 If the funded start-ups have developed new IP during the project/ business period, and:

- If the IP is 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 developed by the start-up team with HKUST employees or RPGs supervised by HKUST employees and HKUST, the ownership of the IP shall be subject to negotiation between the start-up and HKUST; or
- If the IP is solely developed by HKUST students (except RPGs supervised by HKUST employees) and/or alumni, the ownership of the IP shall belong to the students and/or alumni.

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

11. Application Schedule

| Date | Item |
|-------------------------------------|---|
| 20 Jul 2021 (Tue), 12:30pm – 1:30pm | Fund briefing |
| 18 Aug 2021 (Wed) | Application deadline |
| 25 Aug 2021 (Wed) | Confirmation of shortlisted applicants |
| 3 Sep 2021 (Fri) | Interview/ presentation |
| 6 Sep 2021 (Mon) | Result announcement |
| 8-15 Sep 2021 | Meeting with funded start-ups and collection of agreement |