



都大研究發展及顧問有限公司
HKMU Research Development and
Consultancy Limited

HKMU Startup Fund

Application Guidelines

1. About the HKMU Startup Fund

Established by Hong Kong Metropolitan University (HKMU) via its wholly owned subsidiary, HKMU Research Development and Consultancy Limited (HKMURDC), the HKMU Startup Fund (hereafter the Startup Fund) aims to inspire and nurture its students, staff and alumni to start their own companies, turn their creative ideas into commercial products / solutions and spur them to a path to successful business, as well as to transfer HKMU's research outputs to practical applications that will benefit society and strengthen links with the business and industrial sectors. The Startup Fund provides an investment of up to HK\$1 million for each selected startup company to start or further enhance its business.

The primary goal of the Startup Fund is to support and grow the entrepreneurial spirit of the HKMU community. This underscores the University's commitment to creating a vibrant and exciting environment that encourages innovation, creativity and entrepreneurial growth.

2. Eligibility

The applicant must be a limited liability company incorporated under the HKSAR Companies Ordinance for not more than five years as of the date of application.

The management team of the applicant must consist of a Person-in-Charge (PIC) who is associated with HKMU in the following capacity at the time of application:

- full-time or part-time HKMU student¹,
- full-time or part-time HKMU academic staff, or
- HKMU alumna/alumnus who has graduated normally within five years as of the date of application.

The PIC shall represent the applicant in liaising with HKMURDC in respect of the Startup Fund application. The PIC must be a founder of the applicant, have been actively involved in the applicant's management, operations and development since its incorporation, and have maintained a significant ownership of the applicant such as holding not less than 20% of the total issued share capital of the applicant.

The PIC / and other core team member(s) of the applicant should not be associated (whether by way of share ownership, cooperation arrangement, management role, advisory role or otherwise) with other applicants, unless otherwise approved by the Board of Directors of HKMURDC. Full disclosure should be made in respect of the interest of any full-time or part-time HKMU staff in the applicant.

¹ In order to be eligible to apply for the Startup Fund as a PIC, student applicants are normally expected to have completed a minimum of 15 credits for their study programmes.

3. Funding Arrangements

Each selected startup company will receive an aggregate amount of funding from the Startup Fund of up to HK\$1 million. The initial funding amount for each selected startup company varies, depending on the funding needs of that startup company at different stages of its development. This initial funding can be converted into shares held by HKMURDC when the startup company raises further investment from other investors for its future growth. HKMURDC reserves the final decision of funding and support.

The startup company shall apply the Startup Fund investment for:

- operating expenses such as staffing, training, rental, management fees, legal services, accounting services, and other daily office expenses;
- expenditures directly related to the development, implementation, marketing, and commercialisation of the proposed products and/or services; and
- essential office equipment.

The Startup Fund investment must not be used to pay off any of the debts of the startup company. The startup company is required to submit periodic financial reports to HKMURDC for review.

HKMURDC will act as an early-stage equity investor, with intent to hold and maintain a minority shareholding in the selected startup company. Primary investment of HKMURDC would be made by subscribing to the newly issued common shares of the startup company. Secondary investment of HKMURDC could also be made by acquisition of newly issued shares, only if there exist compelling reasons to justify such secondary investment, such as the ability of the startup company in advancing HKMU's strategic goals, assisting the University in fostering technology transfer, and enhancing the University's reputation and connectivity in the market.

HKMURDC reserves the right to send representatives as independent advisors/observers to the board of directors of the startup company.

For as long as HKMURDC is a shareholder of the selected startup company, the PIC shall undertake to remain in the core management, operation and development team of the selected startup company, and shall maintain a significant ownership of the selected startup company.

HKMURDC shall exit from the startup company normally within five years from the date of investment in the company. This stipulation serves only as a guideline and does not constitute a binding obligation. HKMURDC reserves the right to exit from the startup company at a time that is considered appropriate. The exit price of HKMURDC in the startup company shall be the higher of the market prices or the latest net asset value of the startup company.

4. Application Procedures

Applicants should apply for the Startup Fund via HKMURDC and submit a completed application form together with the following supporting documents:

- a. Business proposal including, but not limited to, an executive summary, brief of the business, industry analysis, market analysis, marketing strategy, brief of the products and/or services, organisational structure, operational plan, contribution to society, five-year financial forecast, and five-year key milestones,
- b. Curricula vitae of PIC and team member(s),
- c. Certificate of Incorporation,
- d. Hong Kong Business Registration Certificate,
- e. A copy of student card (for current student) or graduation certificate (for alumni) of PIC for proof of association with HKMU,
- f. Company's latest audited financial statements (if any),
- g. Latest annual return submitted to the Companies Registry (if any),
- h. Documents related to funding support from the government and/or other third-party investors (if any), and
- i. Agreement between the applicant and the collaborating organisation(s) (if any).

5. Evaluation and Selection

All applications will go through an eligibility screening process to be conducted by HKMURDC. The Board of Directors of HKMURDC will constitute a Selection Committee, with members comprising HKMU's senior staff and qualified people with relevant expertise and experience, to assess the applications and make recommendations to the Board of Directors for consideration. HKMURDC reserves the right to request additional information and supporting documents from time to time to be submitted by any applicant at such time and in such form and contents as specified by HKMURDC.

Shortlisted applicants will be invited to a series of interview(s) by the Selection Committee, which will evaluate the proposals using the following criteria:

- a. Innovation and creativity,
- b. Business model and commercial viability,
- c. Team composition and strengths,
- d. Stage of development (e.g. research and development, prototyping, and commercialisation stage),
- e. Potential impact on industry and society, and
- f. Presentation and interview performance.

Preferences will be given to applicants that offer products/services which are based on HKMU's intellectual property and/or aligned with HKMU's strategic goals.

The Selection Committee shall recommend a finalised list of applicants to the Board of Directors of HKMURDC, which will in its sole discretion make a funding decision.

6. Review and Support

Each invested startup company shall provide HKMURDC with its quarterly reports and an annual report on the progress of its business together with its audited financial statements.

HKMURDC will hold regular meetings with each invested startup company to assess the progress and provide essential guidance and support to the startup company.

7. Right of HKMURDC

HKMURDC reserves the right to make a final decision on the implementation of the Startup Fund. For any deviation from the application guidelines, approval must be obtained from the Board of Directors of HKMURDC.