Briefing Session on Administration & Compliance of TSSSU@HKU for 2020/21 Awardees
TSSSU@HKU 2020/21

• Technology Startup Support Scheme for Universities at the University of Hong Kong

• Purpose – to encourage technology-based start-up, especially among young people

• Based on “ITC Guidelines on Technology Start-up Support Scheme for Universities”

• To allocate a total of HK$ 8M to high-quality technology startup companies @ HKU

• Priority of funding are given to HKU spinoffs which are Deep-Technology Startup companies commercializing technology inventions created at HKU after years of research and development
• 30 startup companies were awarded with total funding of HK$8M granted by ITC
# TSSSU @ HKU 2019/2020

- Startups with the reimbursable period from *19 May 2020* to *31 March 2021* inclusive

<table>
<thead>
<tr>
<th>1.</th>
<th>Datax Limited</th>
<th>TSSSU/HKU/18/03/3</th>
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<tbody>
<tr>
<td>2.</td>
<td>Brain Investing Limited</td>
<td>TSSSU/HKU/18/01/3</td>
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<td>3.</td>
<td>High Performance Solution Limited</td>
<td>TSSSU/HKU/18/04/3</td>
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<td>4.</td>
<td>Weavatools Limited</td>
<td>TSSSU/HKU/18/08/3</td>
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<td>5.</td>
<td>QuantumFabless Limited</td>
<td>TSSSU/HKU/18/07/3</td>
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<td>6.</td>
<td>InterLitho Technology Limited</td>
<td>TSSSU/HKU/19/10/2</td>
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<td>7.</td>
<td>Phrmasec Limited</td>
<td>TSSSU/HKU/19/06/2</td>
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<td>8.</td>
<td>AlCity Technology Holding Limited</td>
<td>TSSSU/HKU/19/07/2</td>
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<td>9.</td>
<td>Physight Limited</td>
<td>TSSSU/HKU/19/01/2</td>
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<td>10.</td>
<td>Serinno Holdings Limited</td>
<td>TSSSU/HKU/19/08/2</td>
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<td>11.</td>
<td>Ossfilia Technology Limited</td>
<td>TSSSU/HKU/19/04/2</td>
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<td>12.</td>
<td>DigiDent AI Limited</td>
<td>TSSSU/HKU/19/11/2</td>
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<td>13.</td>
<td>Next Insurtech Limited</td>
<td>TSSSU/HKU/19/15/2</td>
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<td>14.</td>
<td>Farmacy HK Limited</td>
<td>TSSSU/HKU/19/18/2</td>
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<td>15.</td>
<td>Swifthon Technology Consultancy Company Limited</td>
<td>TSSSU/HKU/19/05/2</td>
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<td>16.</td>
<td>Kin Technology Limited</td>
<td>TSSSU/HKU/19/12/2</td>
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<td>17.</td>
<td>EchoX Technology Limited</td>
<td>TSSSU/HKU/19/09/2</td>
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<td>18.</td>
<td>Momentus Robotics Limited</td>
<td>TSSSU/HKU/20/01/1</td>
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<td>19.</td>
<td>Jushan Bio Limited</td>
<td>TSSSU/HKU/20/02/1</td>
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<td>20.</td>
<td>Ubiquity Diagnostics Limited</td>
<td>TSSSU/HKU/20/03/1</td>
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<td>21.</td>
<td>HydroSoft Limited</td>
<td>TSSSU/HKU/20/04/1</td>
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<td>Levobio Limited</td>
<td>TSSSU/HKU/20/05/1</td>
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<tr>
<td>23.</td>
<td>Llewellyn and Partners Company Limited</td>
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<td>24.</td>
<td>Hestia Technology Limited</td>
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<td>25.</td>
<td>Soonlution Technology Limited</td>
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<td>26.</td>
<td>AI Academy Limited</td>
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<td>27.</td>
<td>Sherpa Careers Limited</td>
<td>TSSSU/HKU/20/10/1</td>
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<td>28.</td>
<td>Nanopath Technologies Limited</td>
<td>TSSSU/HKU/20/11/1</td>
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HKU Start up Community (~210 @ June 2020)

TTO TSSSU Companies: ~60 companies

iDendron seed program: ~80 companies

Incubation Partners: ~70 companies

Funding

TSSSU: $8m/yr
DreamCatchers 100K: $1m/yr

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### TSSSU@HKU statistics (Cont’d)

#### Pie Chart

- **VR/AR & Information Technology**: 20%
- **IoT & Smart Cities**: 3%
- **Biotech & Medical Devices**: 20%
- **Imaging**: 9%
- **Robotics**: 5%
- **Advanced Materials & Engineering**: 26%
- **AI, Blockchain and Fintech**: 17%

#### Key Figures

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tbody>
<tr>
<td>Period since FY2014/15</td>
<td>7 years</td>
</tr>
<tr>
<td>Total number of companies supported</td>
<td>60</td>
</tr>
<tr>
<td>Total TSSSU funding awarded</td>
<td>HK$ 36 million</td>
</tr>
<tr>
<td>Total private investment raised</td>
<td>&gt; HK$ 125 million</td>
</tr>
<tr>
<td>Average number of years supported</td>
<td>1.88 years</td>
</tr>
<tr>
<td>Largest cumulated amount awarded</td>
<td>HK$ 1.79 million</td>
</tr>
<tr>
<td>Smallest one-time award issued</td>
<td>HK$ 50,000</td>
</tr>
<tr>
<td>Biggest one-time award issued</td>
<td>HK$ 820,000</td>
</tr>
</tbody>
</table>
COMPLIANCE & ADMINISTRATION OF TSSSU PROGRAM
Arrangement of Cash Advancement

• two trenches
• 1st half (50%) will be paid after signing of agreement (fully executed)
• 2nd half (remaining 50%) will be released subject to the satisfactory performance
Adherence to the approved milestones

• Otherwise, it will greatly affect the release of the 2nd half payment & the applications to ITC
Adherence to the approved budget

• Examples of allowable items
  - expenses for setting up and operating the start-ups (e.g. furniture and equipment, legal & accounting services, rental of premises, manpower (salary (subject to threshold for different qualification), MPF (minimum mandatory insurance cover for employees))
  - expenditure on R&D
  - promotion activities and marketing of their R&D deliverables, products or services.
Adherence to the approved budget (Cont’d)

• Examples of ineligible items
  - rental expenses that are irrelevant to the operations of the funded start-ups
  - manpower expenses on bonus, contract gratuities, annual salary adjustment, fringe benefits and allowances e.g. housing, training, passage and travelling, food, medical, dental, insurance, severance pay, overtime and untaken leave
Change request mechanism and timing

• All changes must seek approval in advance

• Fill in the Material Change Request form

• (attach with related documents)
  ❖ Change in Key Team Members
  ❖ Change in Milestones
  ❖ Change in Business Proposal
  ❖ Change in Approved Budget
  ❖ Other material change
Request for Material Modification to the Approved Budget (Annex E)

When you need to submit change request:
- a new expenditure item (regardless of its amount), or
- the total overspending for a Board Category (i.e. Manpower, Equipment, Other Direct Costs) exceed 30% of the budgeted amount in the approved application or $50,000, whichever is higher on the approved expense items; and
- the modification does NOT result in increase in the total approved funding amount.
Q19 Should a start-up be required to take any action if the cumulative overspending for a broad category (i.e. Manpower, Equipment, or Other Direct Costs) does not exceed $50,000 or 30% of the budgeted amount, whichever is higher, in the latest business proposal agreed?

A19 If the cumulative overspending for a broad category (i.e. Manpower, Equipment, or Other Direct Costs) of a start-up does not exceed $50,000 or 30% of the budgeted amount, whichever is higher, in the latest business proposal agreed, the start-up concerned should document such budget change(s) using the format of Section B in Annex E to the ITC Guidelines. Such records should be provided to the auditors appointed by the start-up concerned for preparing an audited statement of claim for reimbursement under TSSSU. ITC reserves the right to re-examine the case and not to reimburse certain items if ITC is not
Deadlines for Interim report, Final report, Audit report and Annual report

• Must adhere to the deadline

• Interim report
  ❖ Period cover: Date of ITC approval to 30 Sep 2020
  ❖ Submission deadline: 15 Oct 2020
  ❖ To Include: Status and achievements – particular MILESTONE, deliverables, commercialization success, funding e.g. angel investment, prizes, other relevant information)
Deadlines for Interim report, Final report, Audit report and Annual report

I. Annual report
   - Similar content to interim report

II. Assessment of Technology Start-up (i.e. Annex D(ii) Sections A, B & C)
   - Period cover: Date of ITC approval to 31 Mar 2021
   - Submission deadline: 31 May 2021

III. Reimbursement Request Form (Annex B)

IV. Auditors’ Report and Statement of Expenditure (Annex C(i))
   - Period cover: Date of ITC approval to 31 Mar 2021
   - Submission deadline: 30 Jun 2021

Note: Expenses should be accounted on an accrual basis, i.e. they are incurred during the approved period.
Forms and Reference material can be found at HKU TSSSU webpage

IF YOU WANT MORE SUPPORT APART FROM FUNDING...
iDendron Incubation Programme

• 6-month programme designed to help high potential HKU startups gain momentum through deep mentor engagement, investor relation building and gain exposure.

• July 2019 - Jan 2020 Cohort #1 (12 Teams)
• Mar 2020 - Dec 2020 Cohort #2 (9 Teams)
Programme Overview

- Mentorship
- Business Support
- Public Exposure
- Outreach Opportunity
- Workshops and Talks
- iDendron Workspace
Mentorship
Business Support

• Legal Services

• Free Cloud Services
Public Exposure

- Media Interviews
- Exhibitions
- Online event
Outreach Opportunity

Free tickets
• Conferences
• Startup Events
• Pitching Opportunities

Possible field trips
• Mainland and Bay Area
• Thailand
• Singapore
• Taiwan
• United States
Jan 2020 Trip to Bangkok
Workshops and Talks

- Entrepreneurs Sharing
- Legal Consultation
- Pitching Skills
- Growth Hacking
- Fundraising Strategy
- Investor Relations
Who can join?

1. High potential early-stage startups set up by HKU students (full-time / part-time), alumni and professoriate staff

2. Early-stage startups with a Proof-of-Concept/ Minimum Viable Product

• Please refer to https://idendron.hku.hk/about-the-idendron-incubation-program-ilp/

• Application for Cohort #3 opens in Nov 2020
Q & A
Thank you!