Term Sheet in relation to a proposed investment in
[Company Name]
by way of a Simple Agreement for Future Equity ("SAFE")
("Proposed Investment")

This term sheet (the "Term Sheet") summarizes the principal terms of the proposed investment by Hong Kong University of Science and Technology R and D Corporation Limited in [Company Name], collectively the "Parties" and each a "Party", by way of a SAFE. This Term Sheet is for discussion purposes only and is subject to satisfactory due diligence and execution of final transaction documents.

Date	[Date]
Company	[Company Name] ("the Company"), a company incorporated under the laws of [Hong Kong], having its registered office at [address].
Founders	[Names of Founders]
Investor and Investment Amount	Hong Kong University of Science and Technology R and D Corporation Limited (the "Investor") — up to HK$[] (the "Investment Amount", subject to final investment approval and execution of the SAFE.
Interest Rate / Maturity Date	0% interest. No maturity date or repayment date.
Redemption	No redemption right, put right or guaranteed return, except for the Investor's entitlement to payment on a Liquidity Event or Dissolution Event under the SAFE.
Use of Proceeds	The Investment Amount shall be used solely for: (i) product and technology development; (ii) staff recruitment; (iii) funding the growth and expansion of the Company; and (iv) such other purposes as may be approved by the Investor.
Discount Rate	20%
Conversion	Automatic conversion: If the Company completes an equity financing under which it raises not less than HK$ 5,000,000 (excluding indebtedness and other convertible securities then existing) ("Qualified Equity Financing"), the Proceeds will automatically convert into the highest class of preference shares issued at the Qualified Equity Financing. The conversion price shall be the price per share issued at the Qualified Equity Financing less the Discount Rate. Optional conversion: If the Company completes a Non-Qualified Equity Financing, the Investor may elect to convert the Proceeds into the highest class of preference shares issued in that financing, using the same Discount Rate mechanics. The Company shall give the Investor at least 30 days' written notice of the material terms of a relevant equity financing.
Liquidity Event	"Liquidity Event" includes a Change of Control or an Initial Public Offering.

	If a Liquidity Event occurs before conversion, the Company shall pay the Investor a portion of the proceeds from the Liquidity Event equal to the Investment Amount immediately prior to or concurrently with completion of the Liquidity Event.
Dissolution Event	If a Dissolution Event occurs before conversion, the Company shall pay the Investor a portion of the proceeds from the Dissolution Event equal to the Investment Amount immediately prior to completion of the Dissolution Event.
Priority	Payments to the Investor on a Liquidity Event or Dissolution Event rank senior to payments to holders of Ordinary Shares and pari passu with payments to holders of Preference Shares and other general creditors.
Information Rights	The Company shall provide the Investor with information relating to its business, financial condition, properties, operations and prospects upon at least 10 days' written request, subject to trade-secret and confidentiality protections.
Investor's Name and Reputation	The Company shall not use the name, logo, trademark or identity of HKUST or any member of the University Group in fundraising documents, publications, press releases, promotional materials or other publicity without HKUST's prior written consent, and shall not take any action likely to harm or disparage the reputation or goodwill of the University Group.
Conflict of Interest	The Company shall promptly notify the Investor of any actual or potential conflict of interest involving a director, officer or Founder and the University Group.
Compliance	The Company and Founder shall comply with applicable laws, anti-corruption and anti-bribery laws, anti-money laundering laws and sanctions laws; maintain appropriate compliance policies and controls; and ensure that no Sanctioned Person has an interest in funds paid in connection with the SAFE.
Confidentiality	Each Party shall keep the contents of this Term Sheet and all related information, discussions and negotiations confidential, subject to customary exceptions, including disclosure to professional advisers, auditors or where required by law.
Indemnity	The Company shall indemnify the Investor against certain costs, losses and liabilities arising from the Company's breach of the SAFE or misleading or deceptive information produced or approved by the Company.
Transfer Restrictions	Neither Party may assign or transfer its rights under the SAFE without the other Party's prior written consent, except that the Investor may assign to an affiliate or a venture fund under common control without the Company's consent.
SAFE Agreement	The Investor and the Company shall enter into a SAFE reflecting the relevant terms of this Term Sheet, including appropriate representations, warranties, indemnities and other customary terms.
Due Diligence	The Company shall provide the Investor and its representatives with reasonable access to its books, accounts, records, data and other information necessary to evaluate the Proposed Investment and complete due diligence.

Expenses	Each Party shall bear its own costs and expenses incurred in connection with the negotiation, preparation and execution of this Term Sheet and the Proposed Investment.
Binding / Non-Binding Effect	Except for the provisions headed "Investor's Name and Reputation", "Compliance", "Confidentiality", "Expenses" and "Governing Law", this Term Sheet is non-binding and does not create legally enforceable obligations. Completion is subject to satisfactory due diligence and execution of final agreements.
Governing Law	This Term Sheet shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region. Any dispute shall first be subject to 30 days' amicable settlement discussions and, if unresolved, referred to a single-arbitrator HKIAC arbitration in Hong Kong conducted in English.

Signed for and on behalf of [Company Name]

By: _____

Name: _____

Title: _____

Date: _____

Signed for and on behalf of HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY R AND D CORPORATION LIMITED

By: _____

Name: _____

Title: _____

Date: _____