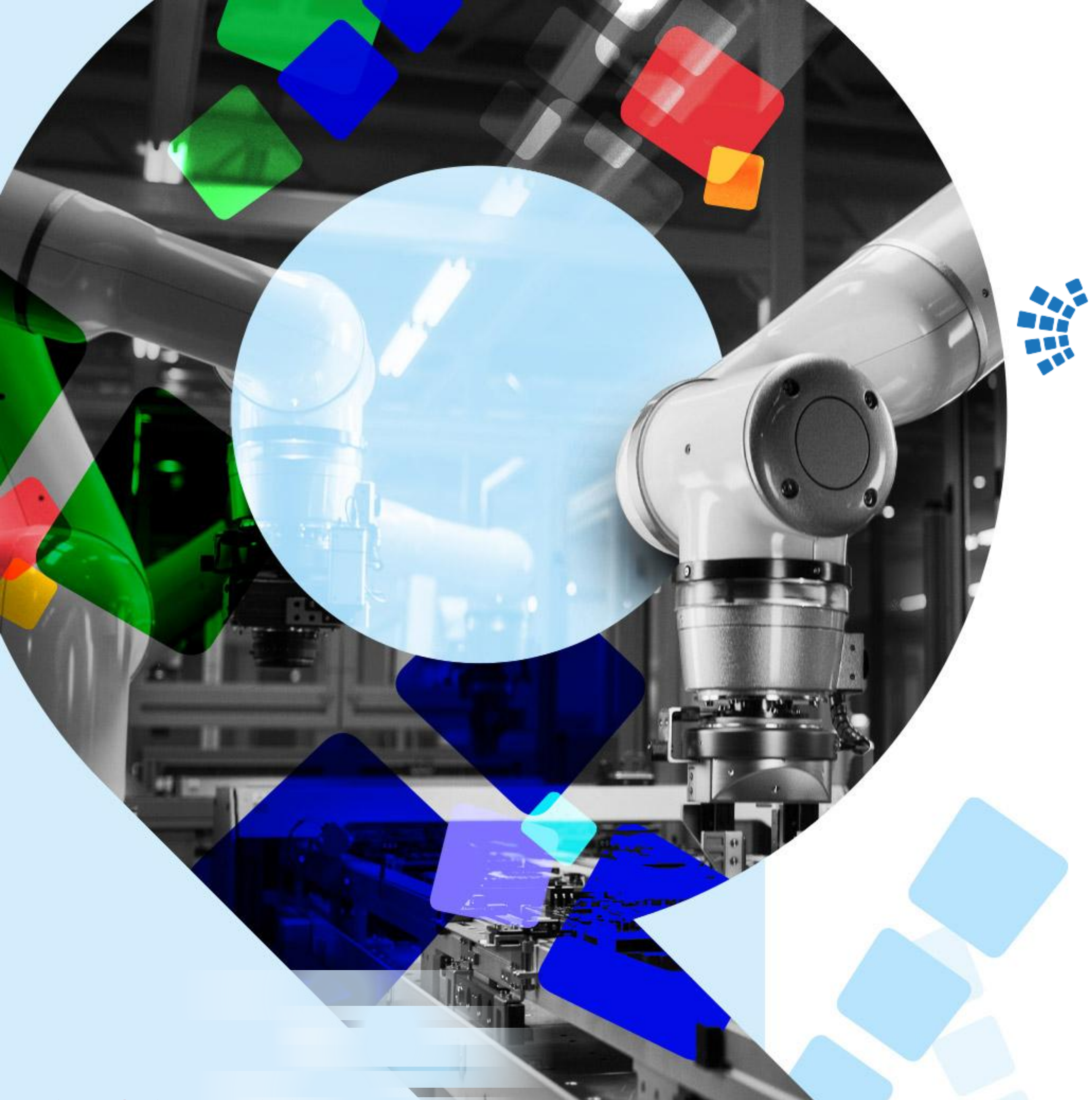
FOR REFERENCE ONLY



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BUD 發展品牌、升級轉型及拓展內銷市場的專項基金
Dedicated Fund on Branding, Upgrading and Domestic Sales

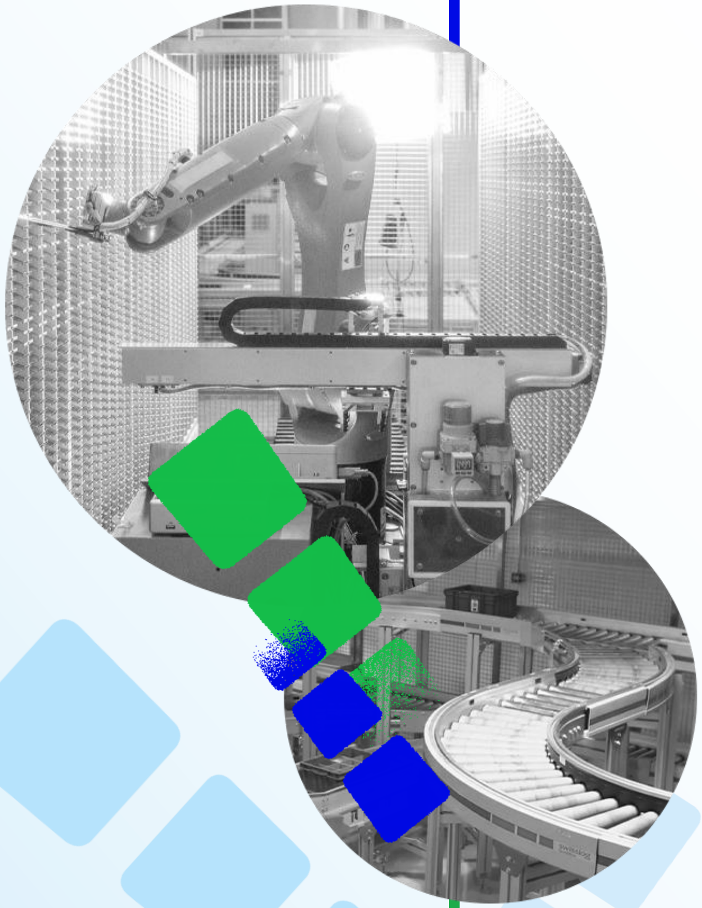
"Project Monitoring" Seminar – Implementation Tips and Reminders

(Extract)

Disclaimer

Please note:

- The following content is an excerpt from the "Project Monitoring" Seminar – Key Tips and Reminders, for reference by enterprises only.
- If there is any conflict or inconsistency between the Implementation Tips and any document, requirement or directive prescribed by the Government, HKPC or the Programme Management Committee, including but not limited to the funding agreement, the Guide to Application and the Guidance Notes for Applications on Easy BUD, the directives or instructions issued by the Government or HKPC given specifically to the Grantee shall prevail.



“Project Monitoring – Importance of Project Commencement Date and Submitting Reports”

Project Period and Project Commencement Date

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(FTA and IPPA Programme)

III. Project Overview／Implementation Plan	
Objectives for business development (may choose more than one):	■ To develop/re-design the image of the company ■ To uplift the recognition of the company/brand in the FTA and/or IPPA market(s) ■ To develop new products/upgrade manufacturing technology ■ To enhance competition of the product(s)/service(s) in the FTA and/or IPPA market(s) ■ To establish more channels for sales ■ To safeguard the intellectual property rights of own brand name and product(s) in the FTA and/or IPPA market(s) ■ To enable product(s) saleable in the FTA and/or IPPA market(s) ■ To transform business model (from OEM/ODM to OBM) ☐ Others (Please specify) : __
Project Period:	Total Duration: 12 Months Commencement and Completion Dates: 01/01/2024 - 31/12/2024 (DD/MM/YYYY - DD/MM/YYYY)

Commencement Date	means the commencement date of the Project being 1 January 2024 or such other date as the Government may approve in writing.

- Once the project Funding Agreement is signed, the project commencement date cannot be changed.
- All measures under the project must be carried out on or after the project commencement date. Therefore, all relevant employment contracts, procurement contracts, and any related expenses must be signed and incurred on or after the project commencement date. Measures that have been initiated, and expenses that have already been incurred before the project commencement date, will not be recognised for reimbursement or approval.

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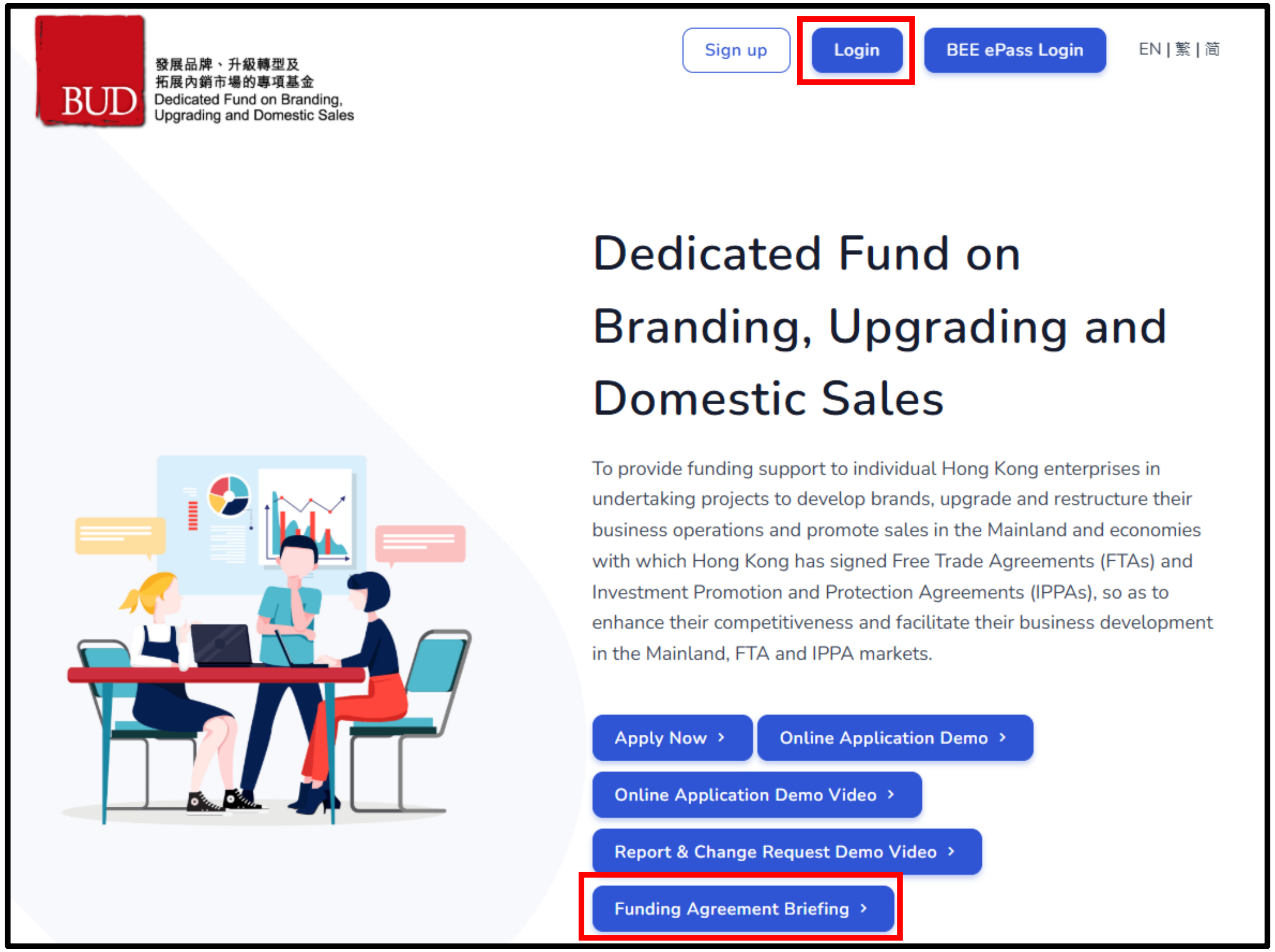
Points to Note when Submitting Reports



Project Duration	Submission of Progress Report and Annual Audited Accounts	Submission of Final Report and Final Audited Accounts
18 months or below	Not required	Within two months upon project completion
More than 18 months and up to 24 months	Progress report and annual audited accounts for the first 12 months, to be submitted within one month after the relevant 12-month period	Within two months upon project completion

- Please submit and complete the reports on time (through the online system) and respond promptly to any inquiries from the BUD Fund Implementer, providing the necessary supporting documents in a timely manner.
- The "Notes for Auditors" can be downloaded from the BUD website.

本內容只供參考，有關資料以官方最新公布為準。如內容有所修訂，恕不另行通知。
The above information is for reference only while subject to change without further notice. Kindly refer to the latest official announcement for updated information.

Importance of Submitting Reports

The grantee is required to submit the final report and final audited account upon the completion of project; and depending on the implementation period of the approved project, the grantee may be required to submit progress report and annual audited account.

Guide to Application 4.3.4

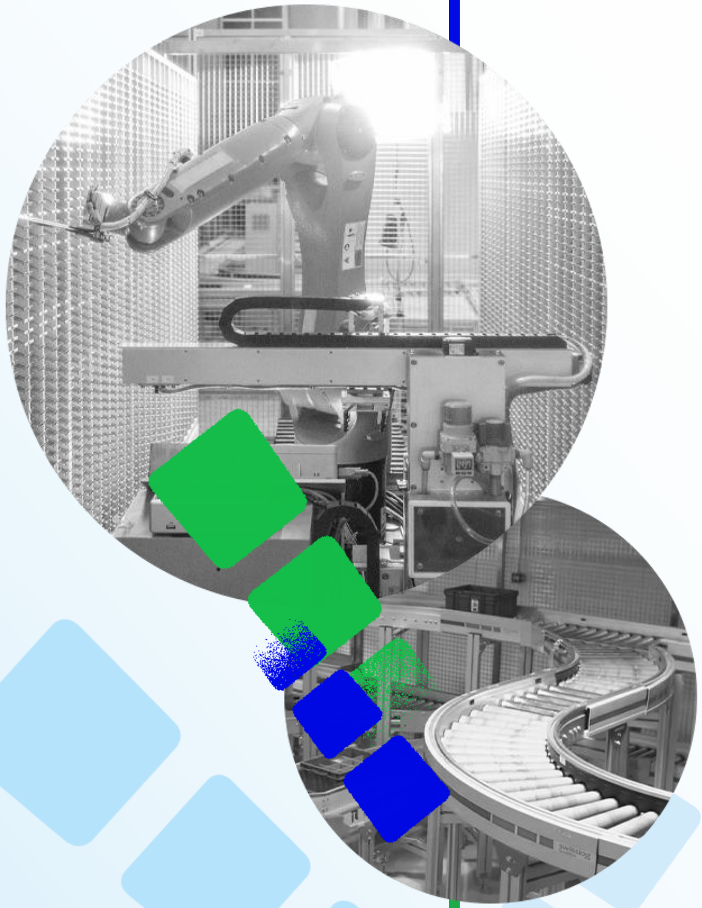
If the applicant has another completed BUD Fund project for which the progress/final report and audited accounts have not been submitted to HKPC by the due date, or the required supporting documents/clarifications in respect of its progress/final reports have not been submitted in full, the new application will not be accepted, or it will not be processed and will be considered as withdrawn if the outstanding documents/clarifications for the completed project are not submitted within 14 calendar days or by the deadline specified by HKPC.

Guide to Application 7.4

The Government reserves the right to suspend or terminate, after consultation with the IDC and the PMC, funding support for an approved project. Circumstances which warrant suspension or termination of funding support may include but not limited to a lack of satisfactory progress or a slim chance of completion of a project, failure to submit progress/final reports or audited accounts within the stipulated deadlines or produce documentary evidence to the satisfaction of HKPC showing such payment, non-acceptance of those reports/accounts by the PMC, a breach of the terms and conditions of the funding agreement, the applicant has engaged or is engaging 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, the continued provision of funding support for an approved project is contrary to the interest of national security, or if the PMC and the Government sees fit to terminate the project in public interest. The applicant may have to return all/part of the Government funding disbursed in respect of these projects together with all administrative, legal and other related costs and payments (regardless of whether the applicant has already spent the funds or not).

Once a project is suspended or terminated, the applicant will not be entitled to the receipt of Government funding under the Programme and any cost incurred in the project after suspension and termination of Government funding will be solely borne by the applicant himself.

- **Once a project is suspended or terminated, the Grantee will not be entitled to the receipt of Government funding under the Programme. The Grantee must repay the disbursed grant to the Government.**



“Project Monitoring – Procurement Procedure”

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Procurement Procedure

Machinery/ Equipment Procure 1 unit of Injection Machine Procure 1 unit of Five-axis servo robotic arm Procure 1 unit of new product mold	01/01/2024 - 31/12/2024	*(Total should not exceed 70% of the total budgeted expenditure for the project.)* Details of the expenses for procuring/leasing additional machinery/equipment (including molds for new product manufacturing, dedicated and special computer hardware and software) Name of Machine/Equipment/Computer hardware/Computer software#: Injection Machine (Procure/~~Lease~~#) Place of Use: ~~HK~~ / ~~FTA~~ / IPPA market(s)(Please specify:) / ~~Mainland~~# Quantity: 1 x Cost per unit: HK$250,000.00/unit Total cost: **HK$250,000.00** Name of Machine/Equipment/Computer hardware/Computer software#: Five-axis servo robotic arm (Procure/~~Lease~~#) Place of Use: ~~HK~~ / ~~FTA~~ / IPPA market(s)(Please specify:) / ~~Mainland~~# Quantity: 1 x Cost per unit: HK$150,000.00/unit Total cost: **HK$150,000.00** Name of Molds for New Products to develop: New Product Mold (Procure/~~Lease~~#) Place of Use: ~~HK~~ / ~~FTA~~ / IPPA market(s) (Please specify:) / ~~Mainland~~# (Please tick the appropriate box below) ☐ own existing production facility or office ■ non-own production facility Quantity: 1 x Cost per unit: HK$ 30,000.00 /unit Total cost: **HK$30,000.00** Total expenses: **HK$430,000.00**	0.00%

Maximum Aggregate Value for Procurement / Leasing of Items (HKD)	Procurement Procedures
$2,000 (for applications lodged before 16 June 2023 and project references starting with 51 or before) Or $5,000 (for applications lodged on or after 16 June 2023 and project references starting with 52 or after)	Not required to provide written quotation, but the selection of supplier/service provider should be endorsed by the Project Coordinator in writing.
$50,000	Shall invite at least two suppliers / service providers for written quotations and accept the lowest bid.
$300,000	Shall invite at least three suppliers / service providers for written quotations and accept the lowest bid.
$1,400,000	Shall invite at least five suppliers / service providers for written quotations and accept the lowest bid.
Exceeding $1,400,000	Open tender.

- Please note that the "Maximum Aggregate Value for Procurement/Lease" is calculated based on the total expenditure of the "Project Category" as stated in the approved application form, not based on the unit price of individual measures under the "Project Category".
- For "Open Tendering", the tender notice must be published on relevant third-party public channels (e.g.: newspapers).
- In this example, the Grantee should submit five (5) quotation invitations.

- *Please refer to (but not limited to) the Funding Agreement Briefing, Section 5.6 of the Guide to Application, and any other relevant documents issued by the BUD Fund Implementer.*

本內容只供參考，有關資料以官方最新公布為準。如內容有所修訂，恕不另行通知。
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Procurement Procedure - Anti Bid-rigging Confirmation

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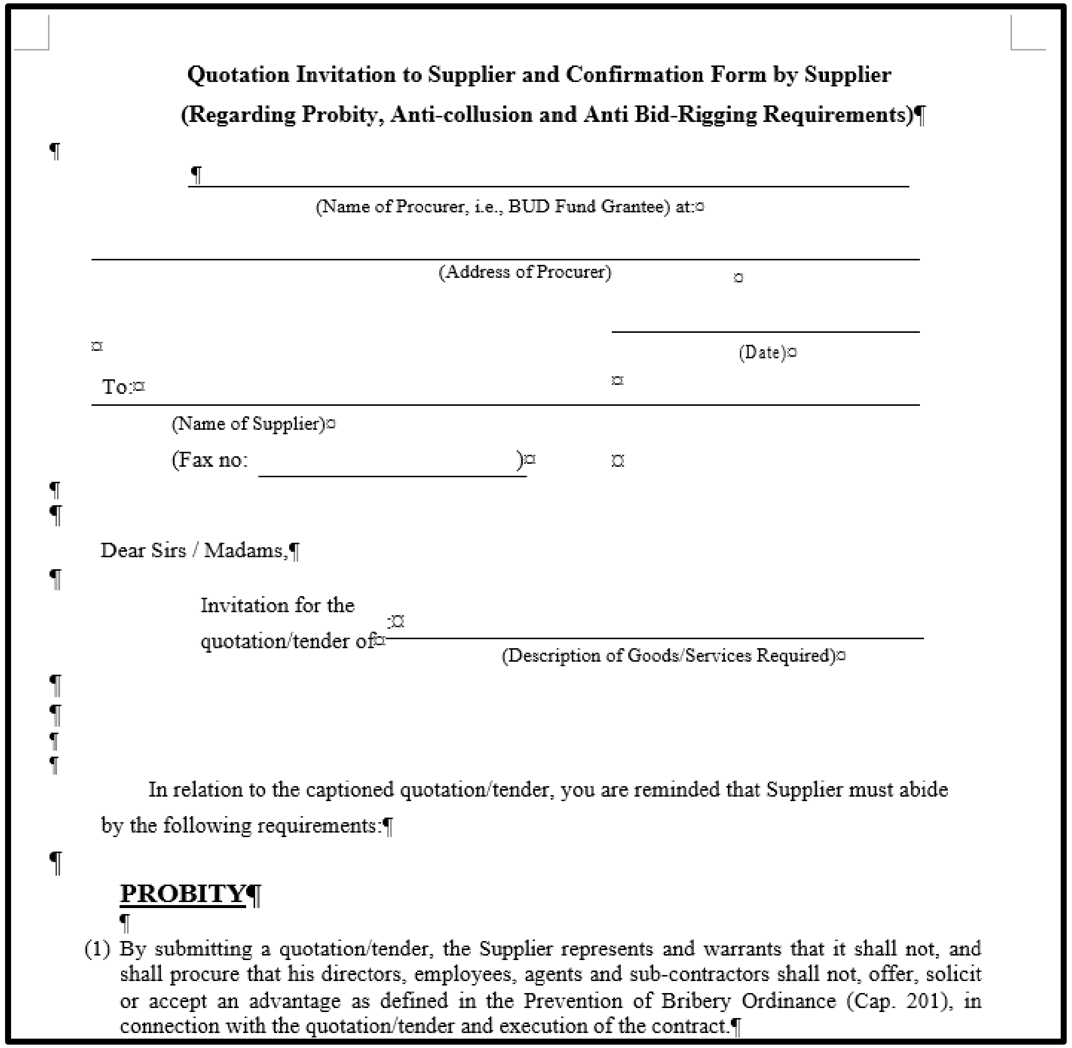
The Grantee is required to make reference to the Guidelines of Independent Commission Against Corruption and Competition Commission, to prepare quotation invitation / tender documents.

The Grantee shall observe the Prevention of Bribery Ordinance (Cap. 201) ("PBO") and shall procure that its project team, directors, employees, agents, consultants, contractors and other personnel who are in any way involved in the project shall not offer to or solicit or accept from any person any money, gifts or advantages (as defined in the PBO) in relation to the project.

When inviting quotations/tenders, the Grantee must provide the suppliers with, and require them to sign the Anti Bid-rigging Confirmation.

(This document can be downloaded from the BUD website.)



Quotation Invitation to Supplier and Confirmation Form by Supplier

(Regarding Probity, Anti-collusion and Anti Bid-Rigging Requirements)

(Name of Procurer, i.e., BUD Fund Grantee) at:

(Address of Procurer)

(Date)

To:

(Name of Supplier)

(Fax no:)

Dear Sirs / Madams,

Invitation for the quotation/tender of: (Description of Goods/Services Required)

In relation to the captioned quotation/tender, you are reminded that Supplier must abide by the following requirements:

PROBITY

(1) By submitting a quotation/tender, the Supplier represents and warrants that it shall not, and shall procure that his directors, employees, agents and sub-contractors shall not, offer, solicit or accept an advantage as defined in the Prevention of Bribery Ordinance (Cap. 201), in connection with the quotation/tender and execution of the contract.

Procurement Procedure - Conflict of Interest

- The Grantee should ensure that they should not engage a service provider / consultant / contractor, where the owners, shareholders, management or employees of which are the project team, owners, shareholders, management, employees or relatives of the applicant enterprise.
- The government reserves the right to terminate the project immediately if the Grantee violates the above provisions or any terms of the Funding Agreement.

- *Please refer to (but not limited to) the Funding Agreement Briefing, Section 5.7 of the "Guide to Application, the Funding Agreement, relevant documents issued by the BUD Fund Implementer, and the booklet of Strengthening Integrity and Accountability – Government Funding Schemes Grantee's Guidebook published by the Independent Commission Against Corruption (ICAC)*

"Project Monitoring – Important Notes for Submission of Supporting Documents"

創新 · 綠色 · 新質生產力
Innovation · Green · New Productive Forces

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Important Notes for Submission of Supporting Documents

IV. **Points to Note when submitting Reports**

1. The contents of the quotation documents must be consistent with the approved application. Unofficial verbal quotations or quotations in the form of text messages are not accepted.
2. Please ensure the clauses on probity, anti-collusion and anti bid-rigging are included in the quotation / tender invitation documents; and bidders / tenderers are required to sign a confirmation on compliance with the clauses on probity, anti-collusion and anti bid-rigging when submitting quotations / tenders (For details, please refer to Annex 6 of the "Guide to Application").
3. In case of insufficient quotations / supporting documents; change in project measures or budget without prior approval; or measures implemented by existing staff or internal resources, the relevant budget will be removed and the expenses **will not be recognised**.

When submitting reports, the Grantee is required to provide the following documents (but not limited to) for each procurement-related measure, as part of the reporting process:

1. A written quotation signed and stamped by the required number of suppliers, with the content of the quotation matching the approved application form
2. A signed and stamped "Anti Bid-rigging Confirmation" from all suppliers
3. A procurement contract signed and stamped by both parties
4. Invoices issued by the suppliers
5. Proof of payment and/or receipts
6. Value-added tax (VAT) invoices that comply with local regulatory requirements
7. Proof of project completion

- The above documents must clearly state the name of the Grantee (or the approved eligible local entity name listed in the approved application form) in the header in order to be accepted. Documents showing any other company names will be considered invalid.

Important Notes for Submission of Supporting Documents - Value-Added Tax (VAT) Invoice

V. Value-Added Tax (VAT) Invoice¶

¶

1. If there are rules or regulations pertaining to VAT invoices in the locations where the procurement relating to the project measures is carried out, the grantee should ensure that the invoices issued by the suppliers (i.e. the sellers) are valid VAT Ordinary Invoices / Special Invoices. Other documents not recognised under the applicable rules or regulations, such as receipts, transaction records, will not be accepted. ¶
2. To minimise the risk of receiving false VAT invoices, the grantee may verify the information on VAT invoices, including whether it is consistent with the supplier's (i.e. the seller's) business registration, tax registration, and delivery note, etc.¶
3. The Programme Secretariat recommends grantees to validate the VAT invoices through the verification platforms provided by the local taxation department or official authority of the relevant market, if there is any. ¶
4. The grantee is required to submit valid and verifiable VAT invoices to auditors for conducting audit of the project. ¶
5. If the proofs of expenditure submitted by the grantees could not be verified or contain false information, the project may be terminated and the case may be reported to the government law enforcement agencies. ¶

- If a Chinese Mainland supplier is used, even if the Grantee has no Chinese Mainland entity, a tax-recognized and identifiable value-added tax (VAT) invoice must be provided as valid proof of a legal and legitimate transaction in Chinese Mainland.

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Important Notes for Submission of Supporting Documents - Establishment of a New Business Entity

Category¤	Proofs of Deliverables ¶ *(including but not limited to the following supporting documents)*¤
Expenditure relating to setting up of a new business entity¤	- Official document proving the direct investment relationship between the grantee and the new business entity as stated in the approved application form (e.g. Business Registration / Business License / Constitution / Shareholder Registration issued by the local government)¶ - Rental contract¶ - Record of monthly rental expenses¶ - Photo of the business entity¤

1. Establishment of a New Business Entity

➢ Relevant documents must be provided to prove that the local entity is newly established/registered.

➢ Official documents must be submitted to demonstrate a direct investment relationship between the new business entity and the Grantee.

➢ The address stated in the lease agreement must match the address on the business license.

2. If the measure involves renovation costs and/or products/services provided by a third party, the Grantee must also ensure that the procurement procedure are conducted for the relevant measure, and the lowest compliant bid must be accepted.

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Important Notes for Submission of Supporting Documents - Recruiting Additional Manpower

- The staff recruitment must be conducted in accordance with the principles of fairness, openness, and competitiveness
- Public recruitment is mandatory (e.g., job advertisements must be published in newspapers and/or on third-party online recruitment platforms; the position title, job description, and application deadline must be consistent with the application form)
- The following supporting documents must be properly recorded:

1. Public recruitment advertisement (the job title must be the same as that in the approved application form, and the publication date must be included)
2. Resumes/CVs of applicants
3. Selection records
4. Employment contract / labor contract
5. Proof of monthly salary payments
6. Monthly mandatory provident fund / social security contribution records that comply with local labor laws

- *Please refer to (but are not limited to) the Funding Agreement Briefing, Section 5.9 ana Annex VII of the Guidelines to Application, and any other relevant documents issued by the BUD Fund Implementer.*

Project Monitoring – Change Request Application and Other Matters to Note

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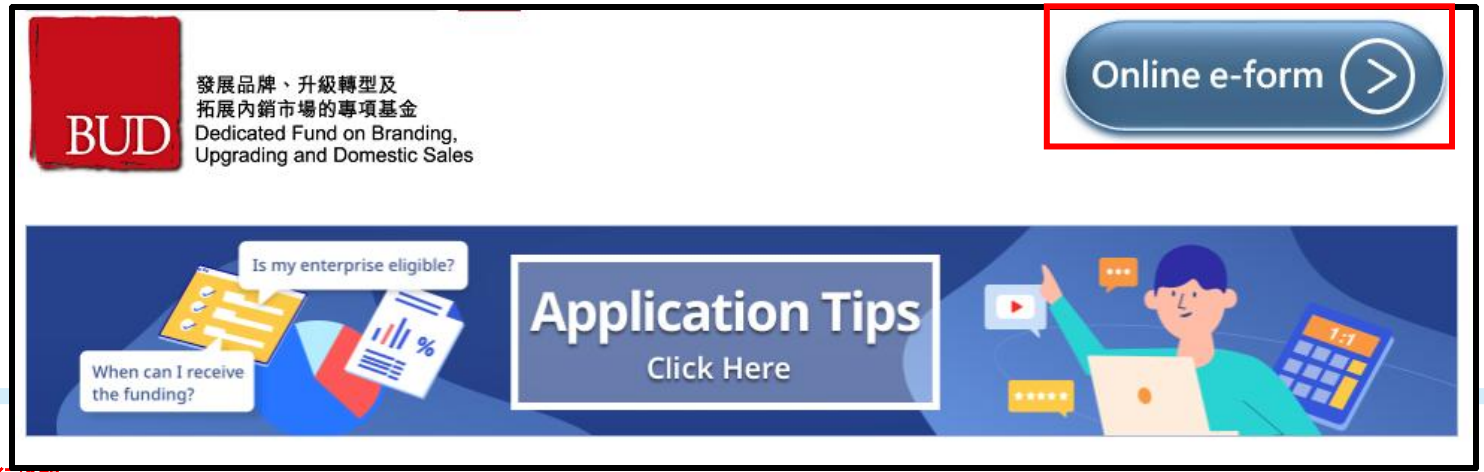
Change Request Application

7.3 Prior Approval Requirements

7.3.1 An approved project has to be carried out strictly in accordance with the funding agreement. Any modification, amendment or addition to the project or the funding agreement, including but not limited to change of project period, project scope, budget, implementation plan, deliverables or replacement of the project coordinator or deputy project coordinator, shall require prior written approval by HKPC or the PMC before implementation of the proposed change. Otherwise, the budget of the relevant project measures will be removed and the expenses will not be recognised.

7.3.2 Requests for the changes should be submitted through the e-form system on the designated website of the Programme. HKPC reserves the right to seek additional information or supporting documents from grantees on their submitted requests where deemed necessary. Under normal circumstances, the request would not be processed further and would be rejected if the additional information or supporting documents is not provided to HKPC within 14 calendar days.

- Requests for the changes should be submitted through the e-form system on the designated website of the Programme. HKPC reserves the right to seek additional information or supporting documents from grantees on their submitted requests where deemed necessary. Under normal circumstances, the request would not be processed further and would be rejected if the additional information or supporting documents is not provided to HKPC within 14 calendar days.



Other Matters to Note and Reference Documents

Please note (including but not limited to):

- If the full or part of the approved measures are not implemented, the relevant budget will be removed.
- Any amendments to the project, including but not limited to changes in the project period or project deliverables, without prior application and approval from the HKPC, will result in the deletion of the relevant budget.
- Project expenditures that do not follow the procurement and recruitment procedures stipulated in the Funding Agreement will not be recognised.

- 申請指引
Guide to Application
- BUD 項目執行錦囊
Implementation Tips for BUD Fund Projects
- 廉政公署: 防貪錦囊
ICAC: Best Practice Checklist
- 競爭事務委員會: 如何防止及辨識圍標
Competition Commission: How to Prevent and Detect Bid-rigging
- 核數師注意事項
Notes for Auditors

發展品牌、升級轉型及拓展內銷市場的專項基金
Dedicated Fund on Branding, Upgrading and Domestic Sales

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香港生產力促進局BUD專項基金