

Funding Guideline (“Guideline”) to the “Hong Kong Game Enhancement and Promotion Scheme” (“GEPS”)

1. Background

- To nurture Hong Kong gaming start-ups and to help them sustain their operation and growth, Hong Kong Digital Entertainment Association (HKDEA) will organize the first “Hong Kong Game Enhancement and Promotion Scheme” (hereafter the GEPS) to support Hong Kong gaming start-ups with sponsorship from Create Hong Kong (“CreateHK”) office of the Hong Kong Special Administrative Region Government.
- The GEPS will provide mentoring, training, technical resources, and marketing subsidy for them to develop different marketing plans and to enhance the quality and profitability of the game.

2. Objectives

- To provide training, mentoring, subsidy, overseas trade show support to Hong Kong gaming start-ups to enhance their marketing effectiveness for promoting produced games.
- To provide training, internship resources, and mentoring on monetization skills to help new talents and gaming start-ups improve game profitability.
- To assist promoting newly created games of Hong Kong game companies in local and overseas markets.

3. Funding amount, coverage and procurement procedure

- Each selected company must implement the Marketing plan approved by the Committee (with a promotional budget of at least HKD 500,000) to promote

the new game. The selected companies under the GEPS are hereafter referred to as “Fund Recipients”. A maximum of HKD 500,000 of the said funding could be used by the Fund Recipients to cover the cost for the expenses of Marketing plan only. Fund Recipients shall ensure that under no circumstances is the funding used to cover the purchase of any hardware/equipment, or any other non-allowable cost items (please refer to Chapter XI of CreateSmart Initiative Guide at http://www.createhk.gov.hk/en/services/files/CSI_Guide_e.pdf for the unallowable costs).

- Subsidies shall be provided on **reimbursement basis**. All expenses of Marketing plan must be documented and submitted as a proof by the Fund Recipients at three progress meetings and auditing.
- The Fund Recipients should follow the procurement procedures as stated below:

For expenses more than \$5,000 and less than \$10,000, at least two quotations in writing should be obtained for the purpose of selecting the vendor. For expenses more than \$10,000 and less than \$100,000, at least three quotations in writing are needed. All quotations and invoices for all expenses must be submitted at project completion for auditing and kept by the Fund Recipients for two years for auditing by the representative(s) of the 7th ASP and/or CreateHK. HKDEA reserves the right to refuse the claim for reimbursement of other expenses without proper record of quotations and invoices.
- In the event that the actual amount for disbursement of funding is less than the amount of funding already received by Fund Recipients concerned, the Fund Recipients are obliged to return the unused amount to HKDEA.

4. Who Are Eligible to Apply

A company will be eligible to apply if:

- It is a gaming start-up with less than 8 years of establishment and less than 20 employees;
- It is a local business holding valid Hong Kong business registration certificate;
- It has a newly developed game (expect to be around 90% completed and in beta version), which can be fine-tuned and tested in final production stage and ready for commercial launch in market from September 2019.

5. Implementation agent

- The GEPS is organized by HKDEA with funding from CreateHK's CreateSmart Initiative (hereafter referred to as "CSI"). HKDEA has appointed a Project Director to run the Secretariat Office to be responsible for the overall administration of the GEPS.
- The Secretariat Office will process all applications submitted by local gaming start-ups monitor the progress of each approved application, and arrange funding release to Fund Recipients in three instalments upon the satisfactory completion of each milestone as stated below and acceptance of the appropriate documentary proof of the expenses

6. Application form and deadline

- The application form can be downloaded from the project website at <https://www.geps.hk/> as from 1 April 2019. All sections of the application form have to be completed with supporting documents wherever required. Before filling in an application form, please read this Guideline carefully.
- The Applicant must complete, sign and stamp this application form. Thereafter,

the application form must be submitted online in Word or PDF format on or before the application deadline. Applications submitted through other methods will not be considered.

- The Applicant can upload attachments to cloud platforms (e.g. Google Drive, Dropbox, Tencent Weiyun and Baidu Cloud) and share them via a URL so that all files can be downloaded by the secretariat.
- The Applicant must also upload a copy of its business registration certificate and related information to the cloud platform for the secretariat to download.
- Enquiries: Tel: 3594 6722, fax 3594 6720 and email dantelau@hkdea.org.

7. Vetting Mechanism

- The eligible applications will be submitted to a vetting committee (the “Committee”). The program has quota for 12 gaming start-ups, which will be selected by the Committee comprised of experts in the industry and academia in two rounds of vetting.
- First round of vetting to shortlist the finalists: Among all collected application forms, the Committee will select 20 companies to advance to the second round of vetting according to a series of objective criteria.
- Second round of vetting to select participating companies: The Committee will conduct interviews with finalists, which shall introduce and display the submitted new game on site and present a marketing plan for the game.
- Vetting criteria:

In evaluating an application, due consideration will be given to, inter alia, the following wherever applicable:
 - Market potential of the new game
 - Creativity of the new game

- Performance of the new game
- Quality of the new game
- Marketing plan of the new game and its expected outcome
- Marketing experience of the participating company
- Applicants may submit more than one application. However, with the aim to maximize the number of beneficiaries under the project, HKDEA will not provide more than one offer to each successful applicant. Applicants with common shareholders will be regarded as the same applicant.

8. Avoidance of conflict of interest

- To avoid conflict of interest, members of the Committee who are directly or closely related to an applicant will not have access to the application information on the applicant concerned and will be required to refrain from discussions of that application. This will apply to members who are management, advisory team member, shareholder, paid staff or consultant of the applicant, or close family member or close friend of any key personnel of the applicant.

9. Notification of result

- The Secretariat Office will notify successful applicants of the vetting result within two months from the deadline of application.

10. Formal agreement

- Applicants selected by the Committee to be Fund Recipients will be required to sign a formal agreement with the HKDEA to comply with all the terms and conditions laid down in the formal agreement, this Guideline and all

instructions and correspondences issued by the Secretariat Office from time to time in respect of the GEPS.

11. Funding Release Procedures

- To ensure proper use of funding, Fund Recipient and the Committee will have three progress review meetings to be conducted tentatively in October 2019, December 2019, and February 2020. Subsidies shall be provided on **reimbursement basis**. Fund Recipient will present their marketing and business results achieved against approved plan with incurred expenses document as proof.

Installment payment	Milestones
1st progress review meeting (Around October 2019)	Each company shall submit a report on the effectiveness and related expenses of the Marketing plan along with valid receipts of the expenses. If the committee find the company's performance satisfactory, the Association shall disburse subsidies accordingly. First phase of subsidy is capped at 40% of the HKD 500,000 maximum subsidy amount, i.e. HKD 200,000.
2nd progress review meeting (Around December 2020)	Each company shall submit a report on the effectiveness and related expenses of the Marketing plan along with valid receipts of the expenses. If the committee find the company's performance satisfactory, the Association shall disburse subsidies accordingly. Second phase of subsidy is capped at 30% of the HKD 500,000 maximum subsidy

	amount, i.e. HKD 150,000.
3rd progress (Around February 2020)	Each company shall submit a report on the effectiveness and related expenses of the Marketing plan along with valid receipts of the expenses. If the committee find the company's performance satisfactory, the Association shall disburse subsidies accordingly. Third phase of subsidy is capped at 30% of the HKD 500,000 maximum subsidy amount, i.e. HKD 150,000. 4 top-performing companies shall receive a subsidy of up to HKD 250,000.

12. Copyright of Produced Marketing Campaign Materials

HKDEA and CreateHK reserve the rights to use the marketing campaign materials produced by Fund Recipient for the new game for this project for free, for the sake of non-commercial purposes of publishing, exhibition and promotion relating to this Scheme.

13. Deadline of Funding Release

As the GEPS will expire on 31 March 2020, submission of reimbursement request from the Fund Recipient later than the above expiry date will NOT be processed, unless written consent is obtained from the Committee.

14. Suspension or Termination of Funding Support

- HKDEA on the recommendation of the Committee may terminate any selected application or suspend the funding release at any time for reasons which include, in the sole opinion of the Committee, inter alia, lack of progress of the

proposed Marketing plan by the Fund Recipients concerned; change of the company or business status of the selected applicant concerned and the change is considered to have impact on the original proposal; failure of the Fund Recipients to remedy some faults or breach of the agreed terms and conditions; or any other circumstances which the Committee or the CSI sees fit to terminate the selected application in view of public interest.

- In such cases, HKDEA reserves the right to require Fund Recipients to return the subsidy, in whole or in part, to the CSI via HKDEA.
- There is no restriction on the nature of activities of the proposed marketing plan, but activities which are unlawful, illegal or in direct conflict with the policies of Government of the Hong Kong Special Administrative Region (for example, those involving tobacco, advocating of gambling and obscenity, etc.) will not be supported.
- The contents must comply with the overall general standards of publication and broadcasting in Hong Kong, including but not limited to such contents not being: hindering society benevolent customs; disturbing public order; political arguments; defamation; of indecent, obscene or disgusting taste; any material which may result in any person or group to be subjected to hatred, fear, denigration or insult due to ethnicity, nationality, race, gender, sexual orientation, religion, age, social status, physically or mentally unsoundness or any other reasons; harmful language or metaphor; sex and nudity; visual shots causing severe mental unease; creepy sound effects presaging or simulating death or heavy injury; supernatural or superstitious matters causing high anxiety or fear; abuse or brutalization of children or animals; any matter which may cause hysterical reaction, nightmares or emotional distress from children; use of foul language; etc.

- To avoid double funding, the Company must not apply for other subsidies from the HKSAR Government or other related organizations with the submitted new game during the period of the Scheme.

15. Modifications or amendments to the Marketing plan or change of company or business status

- The new game marketing plan should be carried out in accordance with its original proposal approved by the Committee. Any marketing plan modification or amendment must be approved by the Committee, otherwise it would be treated as a breach to the Agreement.
- The Fund Recipient must inform HKDEA, via the Secretariat Office of the Scheme, in writing for any change of Fund Recipient status, project team members, management structure, plan commencement or completion dates, etc. HKDEA reserves the right to terminate the project agreement with the Fund Recipients and to seek remedies from the Fund Recipients if, in the sole opinion of HKDEA, these changes are considered to have affected the eligibility of the Fund Recipients under the GEPS.

16. Participation in promotion of the GEPS

- HKDEA will promote the proposed game by Fund Recipients under the GEPS project website, newspapers and exhibitions, etc. By signing the project agreement, Fund Recipients agree to publicize their game under the GEPS at the discretion of HKDEA and shall assist HKDEA in the publicity activities that are related to the GEPS.

17. Acknowledgement of Support and Disclaimer

- Fund Recipients shall acknowledge that the “Hong Kong Game Enhancement and Promotion Scheme” is funded by CreateHK, in the game work produced under this GEPS, and in all related publicity / media events as well as publications. Fund Recipients are required to seek the approval of the Secretariat Office of the GEPS for the contents of the acknowledgement prior to its production.
- In addition to the acknowledgement, the following disclaimer should be included in all publicity / media events and publications of the Marketing plan concerned:

Disclaimer: The Government of the Hong Kong Special Administrative Region provides funding support to the “Hong Kong Game Enhancement and Promotion Scheme” only, and does not otherwise take part in the project. Any opinions, findings, conclusions or recommendations expressed in these materials / events (or by members of the project team) are those of the project organizers only and do not reflect the views of the Government of the Hong Kong Special Administrative Region, the Communication and Technology Branch of the Commerce and Economic Development Bureau, Create Hong Kong, the CreateSmart Initiative Secretariat or the CreateSmart Initiative Vetting Committee.

18. Project Evaluation

- For evaluation purpose, the Fund Recipient agrees to provide feedback on the effectiveness of this GEPS, including but not limited to the identity and statistics of the business contacts and deals made/ negotiated through the Program. Individual Fund Recipient information is collected purely for statistical purpose and will not be divulged in the evaluation exercise.

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