

Fact Sheet

About the Technology Voucher Programme (“TVP”)

The TVP was launched under the Innovation and Technology Fund to subsidise local enterprises in using technological services and solutions to improve productivity, upgrade or transform their business processes. The Innovation and Technology Commission (“ITC”) was responsible for administering the TVP. In June 2021, ITC appointed the Hong Kong Productivity Council (“HKPC”) as the Secretariat of the TVP.

The TVP was open for applications between 21 November 2016 and 31 December 2024. Under the TVP¹, government funding was provided on a matching basis for up to three-quarters of the project cost, with a cumulative ceiling of HK\$600,000 for a maximum of six approved projects per enterprise.

For procurement of goods or services exceeding HK\$50,000 but does not exceed HK\$300,000, TVP applicants are required to obtain price quotations from at least three suppliers. According to the Guidance Notes issued by ITC for TVP applications, the supplier providing the lowest conforming price quotation should be selected unless otherwise justified.

All the TVP applications involved in this case sought funding within the procurement value range of HK\$50,000 to HK\$300,000, thus requiring the applicants to obtain price quotations from at least three suppliers.

Investigation

In October 2020, ITC referred a TVP application to the Commission which might involve anti-competitive conduct. The Commission subsequently requested ITC and HKPC to provide the dataset and information on other TVP applications involving various service providers, including Hazedawn Limited (“Hazedawn”), Awehaze Limited (“Awehaze”), Fovea Studio Limited (“Fovea”), and Jedar Limited (“Jedar”).

After thoroughly reviewing the data, the Commission discovered various suspicious features in the bidding documents. For example, a large number of the quotations provided by Hazedawn/Awehaze, Jedar and/or Fovea were dated the same date for the same TVP applications, and the quotations revealed identical product specifications and pricing patterns which were inconsistent with genuine competition.

¹ Upon the TVP’s launch in 2016, it provided funding for up to two-thirds of the project cost, with a cumulative ceiling of HK\$200,000 for a maximum of three projects per enterprise; in February 2019, the ceiling was increased to HK\$400,000 and the maximum number of projects to four, while the proportion of funding remained unchanged; and the scheme was further updated in April 2020 to the final terms specified in the main text.

As the Commission was satisfied that there is “reasonable cause to suspect” that a contravention of a competition rule has taken place, it escalated the case to the investigation phase and exercised its compulsory investigatory powers under the Competition Ordinance (“Ordinance”) to obtain documents and information, and conduct interviews with relevant parties.

Summary of Findings

Each of Fovea and Jedar provided their respective company credentials (such as quotation templates, electronic signatures, copies of company chops and access to email accounts) to Hazedawn/Awehaze, which either directly prepared or had control over the final pricing of Jedar’s and/or Fovea’s quotations. These quotations predominantly served as cover bids to enhance the chance of Hazedawn/Awehaze being selected as the service provider in the TVP applications.

The Commission has reasonable cause to believe that such conduct amounts to serious anti-competitive conduct in the form of price-fixing, market-sharing, bid-rigging, and/or sharing of competitively sensitive information, in contravention of the First Conduct Rule under the Ordinance.

380 TVP applications were involved, with the approved funding amounting to around HK\$60 million.

Maximum penalties of contravention of Competition Ordinance

Maximum penalties of a contravention of the Ordinance for an undertaking include a pecuniary penalty of up to 10% of the undertaking’s annual Hong Kong turnover per contravention for a maximum period of 3 years.

The Tribunal may also issue orders requiring individuals to pay a pecuniary penalty or disqualifying them from serving as a director of a company for a period of up to 5 years.
