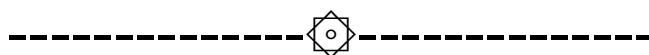
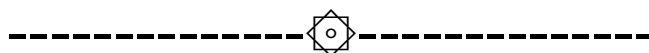




CLP ECO BUILDING FUND



Guide to Application



(Latest Version on 18 August 2026)

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IMPORTANT NOTICE

This Guide to Application comprises two parts:

(a) Part A – Sections 1 to 4, which provides general information and guidance on the CLP Eco Building Fund, including eligibility, application procedures and assessment criteria; and

(b) Part B – Section 5, which set out the General Terms and Conditions, obligations and requirements applicable to Applicants in relation to the CLP Eco Building Fund.

Part A is intended to provide an overview of the Fund, application procedures, funding arrangements and administrative requirements. It is provided for general guidance only and does not create any contractual right or obligation. In the event of any inconsistency between Part A and Part B of this Guide, Part B shall prevail.

Part B contains provisions that are intended to be legally binding. By submitting an application and/or accepting any Funding under the CLP Eco Building Fund, the Applicant agrees to be bound by the applicable provisions of Part B and the relevant Approval Letter.

In the event of any inconsistency between this Guide and the Approval Letter, the terms of the Approval Letter shall prevail.

CLP reserves the right to amend this Guide from time to time. CLP will, in accordance with this Guide, use reasonable endeavours to notify Applicants of any material changes.

PART A

1. INTRODUCTION

Promoting energy efficiency and conservation is one of the effective ways to combat climate change and pursue sustainability. Improving the energy efficiency of buildings can reduce energy costs and contribute to a more sustainable city.

CLP Power Hong Kong Limited (**CLP**) is fully committed to the promotion of energy efficiency and conservation and have established the CLP Eco Building Fund (**the Fund**) since 2014 to provide financial assistance to eligible residential buildings and their nearby ancillary facilities (e.g. clubhouse, podium, property management office) to implement energy efficiency improvement works for communal areas. From 1 October 2018 onwards, the scope of the Fund has been extended to cover eligible commercial buildings, industrial buildings and composite buildings and their nearby ancillary facilities.

1.1. Purpose of this Guide

This Guide aims to:

- (a) explains in detail how qualified parties can apply for Funding of energy efficiency enhancement projects (**Projects**) involving a building under their care;
- (b) provide an overview of the CLP Eco Building Fund and the types of projects eligible for Funding;
- (c) set out the eligibility criteria, application procedures and assessment process for Funding applications; and
- (d) outline the general terms and conditions governing the use of funds and the obligations of Applicants under the CLP Eco Building Fund.

Applicants are advised to read both Part A and Part B of this Guide carefully. In particular, Part B contains provisions which are intended to be legally binding together with the **Approval Letter** upon approval of Funding.

Upon Funding approval of a particular Project by CLP or by the CLP Eco Building Fund Vetting Committee (**Vetting Committee**), CLP will issue an Approval Letter to the Applicant setting out the terms and conditions of the Funding. By accepting and/or using the allocated Funding, the Applicant shall be deemed to have accepted and agreed to comply with the terms and conditions specified in the Approval Letter.

1.2. Scope of Funding

The Fund aims to subsidise residential buildings, commercial buildings, industrial buildings and composite buildings and their nearby ancillary facilities by carrying out retrofitting projects for improving energy efficiency in communal areas.

The energy efficiency improvement retrofitting projects may include any of the following building services installations designated for communal use in the building:

- Lighting
- Air-conditioning
- Lift and escalator
- Electrical (e.g. water pump and etc.)

Despite retrofitting projects, the following energy efficiency improvement projects will also be supported by the Fund:

- Retro-commissioning
- Implementation of smart / IT technologies

2. APPLICATION PROCESS

2.1. Eligibility

- 2.1.1. The buildings with multi-ownership and the following entities are eligible to apply for the Fund:
 - Owners' Corporations registered under the Building Management Ordinance (Cap. 344)
 - Owners' organisations (e.g. Owners' Committee)
- 2.1.2. For the commercial buildings, industrial buildings or composite buildings without Owners' Corporation or other Owners' organisations as specified in paragraph 2.1.1, the owner may also apply for the Fund.
- 2.1.3. Under special circumstances, the Applicant can be non-building owner, e.g. property management company, provided that written consent from the building owner(s) or proof of authorisation to handle the building related matters can be provided.
- 2.1.4. Multiple applications from the same Applicant are allowable. Different applications shall cover different types of project or different parts of the buildings.
- 2.1.5. The following buildings are NOT eligible to apply for Funding:
 - Buildings located outside CLP's supply area
 - Buildings directly owned and operated by the Government (e.g. Government offices)
- 2.1.6. The Applicant shall ensure that it possesses all necessary authorisations, consents and approvals required to submit the Application and implement the Project. CLP may require documentary evidence of such authorisations, consents and approvals at any time.

2.2. Eligible Building

- Residential building
- Commercial building
- Industrial building
- Composite building

2.3. Priority

Priority will be given to buildings fulfilling the following criteria:

- a) To implement Projects with higher energy saving cost effectiveness;
- b) To implement retrofitting works in compliance with Buildings Energy Efficiency Ordinance (Cap. 610);
- c) Conducted an energy audit or similar assessment / applied for “Comprehensive Scheme or Energy Use Aspect of Selective Scheme” under BEAM Plus Scheme;
- d) Buildings with multi-ownership;
- e) Building age;
- f) Good history of previous applications;
- g) New technology demo project or showcase project which will allow public visits;
- h) New installations equipped with systems / technologies which can contribute significant additional energy saving, e.g. Variable Speed Drive (VSD), inverter, or equivalent technologies;
- i) In addition to item h) above, systems / technologies bundled with voltage dip ride-through or auto restart function.

(See paragraph 2.11. for more details)

2.4. Funding Mechanism

The Funding amount for each Project shall be determined in accordance with the applicable Funding rates, caps and calculation methodology as set out in Table 2.4. Project expenditure shall restrict to the cost of energy efficiency parts and, if Qualified Service Provider is appointed, its service charge. For the avoidance of doubt, the percentages and amounts specified in Table 2.4 are definitive, and the description in this section is for general reference only.

The amount of Funding for retro-commissioning and implementation of smart / IT technologies will depend on the amount of the energy saving and project duration of whole project completion. The amount of Funding granted will be based on the energy savings achieved and completion timeline of the project.

Under the circumstances that the information provided in the Application Form and the associated supporting documents submitted by the Applicant are insufficient for approval of the application, **Acceptance of Application** may be requested by the Applicant on a condition that essential information has been provided and site verification has been satisfied. **Approval Letter**

will be issued once the Applicant has submitted all required information to the satisfaction of CLP.

The whole Project must be completed no later than 24 months from the date of receiving Acceptance of Application or Approval Letter, whichever is earlier. If the whole Project could be completed within 12 months, higher amount of Funding can be granted. Please refer to Table 2.4 for details.

Upon completion of the Project, immediate written notification of Project completion shall be provided to CLP. The Project Completion Date is regarded as the date reported by the Applicant when notifying CLP of project completion, irrespective of the actual date on which the works may have been completed. All duly signed required documents, including but not limited to the “Number of Buildings Verification Sheet” and the “Energy Saving Project Verification Sheet”, shall be submitted concurrently with such notification and in any event within the same calendar year as the Project Completion Date. Failure to immediately notify CLP of Project completion, failure to submit all required duly signed documents concurrently, or failure to complete such submission within the same calendar year as the Project completion shall result in automatic cessation of the application. In such circumstances, CLP reserves the absolute right to cease processing the application, reject the application, and/or withhold, suspend, or withdraw any approved or committed Funding, without further notice or liability.

Funding will be disbursed on a reimbursement basis; that is to say, the Applicant must settle the payment on its own before seeking reimbursement from the Fund.

For the retrofitting project with expenditure of HK\$100,000 or below (excluding the cost of engaging Qualified Service Provider), full subsidy will be provided to the cost of engaging Qualified Service Provider for the project, subject to a ceiling of HK\$10,000 and approval from CLP / the Vetting Committee.

Notwithstanding any estimates or projections provided by the Applicant, the final Funding amount shall be determined by CLP and/or the Vetting Committee based on actual eligible costs incurred, verified project scope, and compliance with the requirements of this Guide.

Project Category	Sub-Category	Funding Rate or Percentage ⁽³⁾	Funding Ceiling ^{(4), (5), (6)}
Retro-commissioning or implementation of smart / IT technologies	Whole project duration ≤ 12 months	HK\$1.0/kWh Energy Saving (one year) or 100% Project Cost, whichever is lower ⁽¹⁾	HK\$300,000/building/year
	Whole project duration > 12 months and ≤ 24 months	HK\$0.8/kWh Energy Saving (one year) or 100% Project Cost, whichever is lower ⁽¹⁾	
Retrofitting Project with Higher Energy Efficiency	Whole project duration ≤ 12 months	50% ⁽²⁾	HK\$500,000/building/year for replacing fixed-speed chiller(s) with new VSD-equipped chiller(s) otherwise, HK\$300,000/building/year
	Whole project duration > 12 months and ≤ 24 months	40% ⁽²⁾	
Retrofitting Project with Lower Energy Efficiency	Typical LED-to-LED Lighting ⁽⁷⁾ , Unitary Air-conditioner and Ventilation Equipment, etc.	30% ⁽²⁾	HK\$100,000/building/year
	Lift, Escalator or Pump	30% ⁽²⁾	HK\$30,000/building/year

Note:

⁽¹⁾ Funding amount is calculated based on energy saving (for one year only) generated by the project or the project cost (energy efficiency parts only plus cost of Qualified Service Provider, if engaged), whichever is lower.

⁽²⁾ Funding amount is at a percentage of the project expenditure (energy efficiency parts only plus cost of Qualified Service Provider, if engaged).

⁽³⁾ Under special circumstances that tendering bids or quotations cannot be provided by Applicant, the funding amount will be calculated based on energy saving (for one year only) generated by the project as illustrated below, provided that Applicant can declare that the subsidy amount shall not exceed the project cost under any circumstances:

Whole Project Duration

Funding Amount

≤ 12 months

HK\$0.8/kWh Energy Saving (for one year only) or 100% Project Cost, whichever is lower

> 12 months and ≤ 24 months

HK\$0.6/kWh Energy Saving (for one year only) or 100% Project Cost, whichever is lower

⁽⁴⁾ Each Applicant will be entitled an annual ceiling of 5% of annual total available Funding from the Fund.

⁽⁵⁾ Each Application will be subject to a funding cap amount of HK\$1,000,000.

⁽⁶⁾ If Applicant applies Funding for projects with respect to both “Retrofitting Project with Higher Energy Efficiency & Retro-commissioning or implementation of smart / IT technologies” and “Retrofitting Project with Lower Energy Efficiency” in a same calendar year, the Funding to projects with respect to “Retrofitting Project with Lower Energy Efficiency” will be absorbed under Funding ceiling for “Retrofitting Project with Higher Energy Efficiency & Retro-commissioning or implementation of smart / IT technologies”.

⁽⁷⁾ Typical LED-to-LED Lighting Retrofitting Project refers to the LED lighting efficacy within 130 lumens/watt after replacement.

Table 2.4 – Funding Amount

2.5. Examples

- 2.5.1. An eligible application with respect to implementing higher energy efficiency retrofitting project from residential buildings, commercial buildings, industrial buildings or composite buildings and covering 1 building is subject to a Funding limit of 1 times HK\$300,000 per year. An application covering 2 buildings is subject to the Funding limit of 2 times HK\$300,000 per year. An application covering 4 or more buildings is subject to the Funding limit of HK\$1,000,000 per year.
- 2.5.2. The Funding limit per building per year also covers ancillary facilities that physically form part of that building, e.g. a clubhouse. Thus, for an application with respect to implementing higher energy efficiency retrofitting project from residential buildings commercial buildings, industrial buildings or composite buildings and covering 1 building with in-house ancillary facilities, the Funding limit is 1 times HK\$300,000 per year.
- 2.5.3. In the case of the buildings with nearby ancillary facilities that do not physically form part of them, e.g. a clubhouse, the facilities, if they are stand-alone, will be considered as a separate building and the Funding for those facilities, is subject to an individual cap. However, all the stand-alone ancillary facilities shall be considered as a single building. Thus, for an application with respect to implementing higher energy efficiency retrofitting project from residential buildings, commercial buildings, industrial buildings or composite buildings and covering 1 building with 1 stand-alone nearby ancillary facility, the maximum allowable Funding is 2 times HK\$300,000 per year. For an application with respect to implementing higher energy efficiency retrofitting project from residential buildings, commercial buildings, industrial buildings or composite buildings and covering 1 building with 2 stand-alone nearby ancillary facilities, the maximum allowable Funding is also 2 times HK\$300,000 per year.
- 2.5.4. For a project (e.g. a lift project) involves 3 parts, including:
- (i) replacement of equipment with energy efficiency improvement (e.g. replacement of high efficiency motors);
 - (ii) replacement of equipment without energy efficiency improvement (e.g. replacement of lift cars); and

(iii) new installation of equipment / system which would facilitate energy saving to the existing installation / operation (e.g. installation of a new group control system of lifts).

The Funding will be calculated separately, where (i) will be treated as retrofitting; (ii) will NOT be eligible for Funding; and (iii) will be considered as retro-commissioning. However, the Funding ceiling will be considered collaboratively, as elaborated in Note (6) of Table 2.4.

2.5.5. Similar Funding calculation is applied to all project types shown in Table 2.4 except for the different Funding limits referred.

2.5.6. Under special circumstances that certain criteria have been achieved by certain project, the maximum allowable Funding will be increased. Please refer to Table 2.4 for details.

2.5.7. In view of the complicated building infrastructure in Hong Kong, CLP / the Vetting Committee will consider eligibility and Funding limits on a case-by-case basis, should there be applications that fall outside the above categories.

2.6. Project Timeline

The whole Project must be completed no later than 24 months after receiving Acceptance of Application or Approval Letter, whichever is earlier.

2.7. How to apply

Interested parties are required to submit their application via the online e-form available on the CLP website at: www.clp.com.hk/ecobuildingfund. Applications that are not submitted through the online e-form will NOT be processed.

Upon completion of the online application, applicants may submit supplementary supporting documents, including but not limited to tendering bids received from prospective suppliers, proof of building ownership and other required documents, by e-mail. When submitting such documents, applicants shall state the corresponding submission number or application number in the e-mail subject for identification and processing purposes.

E-mail Address:

clpecobldgfund@clp.com.hk

2.8. Processing of Applications

All applications will be handled by CLP while final approval will come from CLP / the Vetting Committee comprising various stakeholders from across the community who commits to promoting energy efficiency.

2.9. Approval Process

- Step 1: Upon receipt of an application by CLP, a reply with a submission number will be sent to the Applicant as a simple acknowledgement. Applicant and all the relevant parties shall complete signature and chop as appropriate on the online e-form within 1 month; otherwise, the e-form will be automatically expired. Where necessary, CLP will request the Applicant to provide clarification or supplementary information.
- Step 2: Applicant shall submit all the required information to CLP for assessment within 3 months after initial submission of application; otherwise, the application will be terminated without any notices to Applicant. After receiving all required information, CLP will provide an application number starting with “NEBF-” to the Applicant for future follow up.
- Step 3: CLP will assess the application documents and conduct site verification.
- Step 4: Under special circumstances that the information provided by the Applicant is insufficient for approval of Funding amount, Acceptance of Application may be granted, subject to CLP discretion, on a condition that essential information has been provided and site verification has been satisfied.
- Step 5: The Funding application will be vetted by CLP / the Vetting Committee.
- Step 6: CLP / the Vetting Committee will either approve or reject the Funding application, or request the Application to provide further information. CLP / the Vetting Committee will also consider the

budget proposed and priority of the application according to paragraph 2.3, where necessary, to amend the budget details and adjust Funding ceilings for individual applications and / or expenditure items. After deliberation, CLP will inform the Applicant of the result.

If further information is required, CLP will notify the Applicant. If necessary, CLP will then circulate the Applicant's response to the Vetting Committee members. CLP / the Vetting Committee will make a final decision after further assessment. CLP will then notify the Applicant of the result as soon as practicable. Approval Letter will be sent to the Applicant if the Funding application has been approved.

2.10. Application Criteria

2.10.1. The Applicant may optionally engage a Qualified Service Provider, who is a Registered Energy Assessor stipulated under the Buildings Energy Efficiency Ordinance (Cap. 610), to assist setting out in detail the full scope of the Project (including justification of its cost-effectiveness); monitoring of the procurement of capital items, goods and services; supervision of the Project; and submission of the Project's monthly progress update to CLP. If an in-house Registered Energy Assessor is available, the Applicant may engage the Registered Energy Assessor as a Qualified Service Provider. Please note that no matter a Qualified Service Provider is engaged or not, the Applicant shall ensure the new installations comply with the relevant energy efficiency standards stipulated in the Buildings Energy Efficiency Ordinance.

2.11. Vetting Criteria

Broadly, the following criteria will be used in assessing the merits of each application –

Priority will be given to buildings fulfilling the following criteria:

- a) To implement projects with higher energy saving cost effectiveness;
- b) To implement retrofitting works in compliance with Buildings Energy Efficiency Ordinance (Cap. 610);

- c) Conducted an energy audit or similar assessment / applied for “Comprehensive Scheme or Energy Use Aspect of Selective Scheme” under BEAM Plus Scheme;
- d) Buildings with multi-ownership;
- e) Building age;
- f) Good history of previous applications;
- g) New technology demo project or showcase project which will allow public visits;
- h) New installations equipped with systems / technologies which can contribute significant additional energy saving, e.g. Variable Speed Drive (VSD), inverter, or equivalent technologies;
- i) In addition to item h) above, systems / technologies bundled with voltage dip ride-through or auto restart function.

Other criteria:

- The Project must be non-profit-making in nature;
- The Project which has already started (i.e. contract awarded or confirmed), before the issuance of an Acceptance of Application or an Approval Letter by CLP/ the Vetting Committee, will usually NOT be considered unless there are justifiable reasons accepted by CLP / the Vetting Committee;
- CLP / the Vetting Committee may, at its absolute discretion, consider other factors in addition to the criteria listed above.

2.12. Results Availability

Under the circumstances that all required documents have been submitted by Applicant, Applicant will normally be notified of the result in one to three months after submission of their application. However, the actual notification date may vary depending on the availability of funds, the number of applications received, and the time required for application assessment.

2.13. Application Withdrawal

An Applicant can write to CLP to withdraw their application subject to obtaining consent from CLP.

2.14. Application Re-submission

An unsuccessful application may be resubmitted only if it has been revised substantially or if the Applicant has been able to produce new evidence to address the comments made by CLP / the Vetting Committee in its earlier review. For a resubmitted application, the Applicant must set out clearly the differences between the resubmitted application and the original one. The revised application will be treated as a new application and will be subject to the same assessment procedures as set out in the paragraphs above.

3. APPLICATION FORM

3.1. General Directions

- 3.1.1. All sections of the Application Form should be completed, with supporting documents supplied wherever required. Where the information sought is not applicable or not available, the Applicant should state “N/A”.
- 3.1.2. Applicant must give clear and concise information. Additional pages may be attached to the Application Form, if necessary.
- 3.1.3. An acknowledgement will be sent to the Applicant after receipt of its application.

3.2. Sections in the Application Form

3.2.1. Applicant

An Applicant must state its full name in Chinese and English. The Applicant must be an Owners' Corporation registered under the Building Management Ordinance (Cap. 344), an owners' organisation or a residents' organisation of a residential building, commercial building, industrial building, or composite building and their nearby ancillary facilities. The Applicant should also provide documental proof of its establishment (e.g. a copy of its registration under the Building Management Ordinance (Cap. 344)).

For the commercial buildings, industrial buildings or composite buildings without Owners' Corporation or other Owners' organisations as specified in paragraph 2.1.1, Applicant shall state the name of building's owner in both Chinese and English.

Please note that under special circumstances, the Applicant can be non-building owner, e.g. property management company, provided that written consent from the building owner(s) or proof of authorisation to handle the building related matters can be provided.

3.2.2. Person-in-charge of the Project

The Person-in-charge of the Project could be:

- The chairman of the Applicant;
- A representative of the Applicant;
- A representative of a property management company; or
- A Qualified Service Provider.

For the commercial buildings, industrial buildings or composite buildings without Owners' Corporation or other Owners' organisations as specified in paragraph 2.1.1, Person-in-charge of the Project could be:

- The owner of the building (for building with single ownership only);
- The owner of the building as a representative for all owners of the building (for building with multi-ownership);
- A representative of a property management company; or
- A Qualified Service Provider.

The owner of the building who submits an application on behalf of all owners of the building and assumes the role of Project Person-in-charge, should seek consent in writing from all the owners of the building and attach the relevant consent document to the Application Form. The representative of the Applicant, the representative of the property management company, or a Qualified Service Provider, who assumes the role of Person-in-charge, should seek consent in writing from the Applicant and attach the relevant consent document to the Application Form.

For the application submitted by non-building owner, Person-in-charge of the Project can be the Applicant or his/her representative.

3.2.3. Building Information

The Applicant must state the name, address, age and type of the building, type and number of blocks applying for Funding, electricity consumption records of the past 12 months, and details of any energy audit or similar assessment, if any, conducted for that building.

3.2.4. Qualified Service Provider

If the Applicant would engage a Qualified Service Provider, the Applicant shall state the name and qualifications of the Qualified Service Provider (with documentary proof).

3.2.5. Project Duration

The Applicant must state the expected commencement and completion dates of the Project. Specifically, the Project must be commenced (i.e. contract awarded or confirmed to contractor) as soon as the Acceptance of Application or Approval Letter has been obtained from CLP. A copy of the signed contract or contract award notification shall be submitted to CLP as soon as the contract has been signed or awarded. The whole Project must be completed no later than 24 months from the date receiving Acceptance of Application or Approval Letter, whichever is earlier.

Upon completion of the Project, immediate written notification of Project completion shall be provided to CLP. The Project Completion Date is regarded as the date reported by the Applicant when notifying CLP of project completion, irrespective of the actual date on which the works may have been completed. All duly signed required documents, including but not limited to the “Number of Buildings Verification Sheet” and the “Energy Saving Project Verification Sheet”, shall be submitted concurrently with such notification and in any event within the same calendar year as the Project completion date. Failure to immediately notify CLP of Project completion, failure to submit all required duly signed documents concurrently, or failure to complete such submission within the same calendar year as the Project completion shall result in automatic cessation of the application. In such circumstances, CLP reserves the absolute right to cease processing the application, reject the application, and/or withhold, suspend, or withdraw any approved or committed Funding, without further notice or liability.

During the Project implementation, the Person-in-charge shall submit to CLP the Project’s progress update on monthly basis. Failure to submit the required progress update may, at CLP’s discretion, result in CLP ceasing the application without prior notice.

3.2.6. Estimated expenditure

Estimated expenditure should cover expenses on procurement, delivery or installation of the building services installations covered by the Project. However, operational costs and recurrent

maintenance costs of the building services installations should be the responsibility of the Applicant.

Estimated expenditure shall clearly show breakdowns in unit cost, number of units, and the sub-total expenditure for each item. It should be noted that only energy-saving items will be funded by the Fund.

3.2.7. Funding from other sources

The Applicant must specify, with details (including the source, amount and approval status), whether it has applied for, and whether or not it has received, funding from other sources (e.g. the Buildings Energy Efficiency Funding Schemes offered by the Government) for the installation/s covered by the Project. Additionally, the Applicant's intention to seek funding from other sources should be stated if details are not available when their applications are submitted. The Applicant is required to immediately notify CLP if it decides to (also) seek funding from other sources after submission of its application for the Fund, and if its other application/s is/are approved. CLP / the Vetting Committee reserve the right to revise the level of Funding granted for a particular Project in the event the Applicant (also) receives assistance from other sources following approval of its Project by CLP / the Vetting Committee.

3.2.8. Estimated revenue generated from the Project

Estimated revenue gains from the Project (e.g. through resale of the building services installations to be replaced) should technically be deducted from the Funding amount being applied for. If, however, this is not feasible, the Applicant should provide a full explanation.

3.2.9. Total Funding amount applied

For retrofitting projects, total Funding amount applied for under the Fund equals the estimated expenditure (energy efficiency parts only plus cost of Qualified Service Provider if engaged) minus the amount of funding from other sources and the estimated revenue; the result to be multiplied by percentage as specified in Table 2.4 above, as the Funding will not exceed specific percentage of the actual expenditure, subject to a cap as appropriate.

For retro-commissioning and implementation of smart / IT technologies, total Funding amount applied for under the Fund equals the following whichever is lower, and is subject to a cap as appropriate:

- Fixed amount as specified in Table 2.4 above multiplied by the energy saving (for one year only) minus the amount of funding from other sources and the estimated revenue; or
- The estimated expenditure (energy efficiency parts only plus cost of Qualified Service Provider if engaged) minus the amount of funding from other sources and the estimated revenue.

Please also refer to the Funding limits as specified in paragraphs 2.4 and 2.5 above.

4. BUDGET GUIDELINES

4.1. General

Each application must be accompanied by a detailed budget for the Project. All expenditure items must be procured between the date of receiving Acceptance of Application or Approval Letter, whichever is earlier, and Project Completion Date of the whole Project, with original or certified copies of invoices and receipts retained for documentary proof.

4.2. Manpower

The Applicant is expected to have the expertise to undertake, and ability to supervise, the proposed Project. Thus no Funding will be granted for employment of additional supervisory / administrative staff to manage or assist with the Project.

4.3. Others

- 4.3.1. All the essential elements of an application will be considered in an integral manner.
- 4.3.2. All applications will be considered on their individual merits. Funding for operational costs and recurrent maintenance costs of the building services installations covered by the Project will NOT be granted under this Fund.

PART B

5. GENERAL TERMS AND CONDITIONS

This Section 5 sets out the general terms and conditions governing the use of funds and the obligations of Applicants. These provisions are intended to be legally binding and shall form an integral part of the Approval Letter issued by CLP to the Applicant. By submitting an application and/or accepting Funding, the Applicant agrees to be bound by the applicable provisions of this Guide.

5.1. Contractual Requirements

- 5.1.1 These General Terms and Conditions set out the obligations of Applicants in relation to the CLP Eco Building Fund.
- 5.1.2 Upon approval of Funding, CLP shall issue an Approval Letter to the Applicant. The Applicant shall comply with all applicable provisions of this Guide and the terms and conditions set out in the Approval Letter.
- 5.1.3 In the event of any inconsistency between this Guide and the Approval Letter, the Approval Letter shall prevail.

5.2. Use of Funds

- 5.2.1 The Funding shall be used solely for the approved Project and in accordance with the approved scope and budget. The Funding shall not be used as payments or financial rewards to individual members of the public.
- 5.2.2 The Project shall deliver benefits to the building and / or the local community as a whole.

5.3. Disbursement of Funds

- 5.3.1. Funding shall be disbursed on a reimbursement basis, unless otherwise approved by CLP.
- 5.3.2. The Applicant shall settle all project costs, excluding any retention money, prior to claiming reimbursement.

- 5.3.3. Disbursement shall be subject to submission of supporting documents and verification by CLP.
- 5.3.4. The actual disbursement shall NOT exceed the amount of the actual project cost settled, excluding any retention money.

If the Applicant is building owners' organisation or building owners and building ownership documentary proof for Applicant has been submitted, the Funding shall be reimbursed by cheques payable to the Applicant. Funding will be disbursed on a one-off basis. Disbursement may be released to the Applicant subject to submission of all necessary documents and verification by CLP.

Applicant must give at least 45 working days' advance notice to CLP to allow sufficient time for Funding reimbursement processing. CLP may process reimbursement applications and arrange Funding disbursement within such timeframe as CLP considers appropriate. Applicant acknowledge that reimbursement processing and Funding disbursement are subject to CLP's review and verification of the application, the completeness and accuracy of all supporting documents submitted by the Applicant, satisfaction of any additional information requirements, internal approval procedures, administrative requirements and the availability of Funding. CLP may request further information, documents or clarification from the Applicant at any time and may suspend its review of an application until such requirements are satisfied. For the avoidance of doubt, CLP does not warrant or guarantee that any reimbursement application will be processed or that any Funding will be disbursed within any specified period.

- 5.3.5. The Applicant must submit all documents required for Funding disbursement within 48 months from the date of the Acceptance of Application or Approval Letter, whichever is earlier. Failure to do so shall result in the lapse of the Funding approval. Any undisbursed Funding reserved for the Project shall be forfeited upon expiry of the above-mentioned period, unless otherwise approved by CLP.
- 5.3.6. All revenue received, regardless of whether it has been declared in the proposal, must be defrayed against the actual expenditure before calculating the amount to be disbursed as final Funding reimbursement.

- 5.3.7. The amount to be disbursed for each item in the budget will not exceed the amount approved for that item. Prior approval must be obtained from CLP / the Vetting Committee should there be any change in the approved amounts.
- 5.3.8. For retrofitting project, the Funding amount shall not exceed the percentage as specified in Table 2.4 above of the actual payment to be made in respect of a Project. Hence, if the actual payment made for a Project is less than that budgeted for in the application, the Funding amount will accordingly be adjusted downwards. However, where the actual payment is likely to exceed the amount budgeted for in the application, any upward adjustment of the Funding amount will be subject to prior approval from CLP / the Vetting Committee.

For retro-commissioning and implementation of smart / IT technologies, the Funding amount shall not exceed the following whichever is lower:

- Fixed amount as specified in Table 2.4 above multiplied by the energy saving (for one year only). Hence if the energy saving for a Project is less than that estimated in the application, the Funding amount will accordingly be adjusted downwards; or
- Actual payment to be made in respect of a Project. Hence if the actual payment made for a Project is less than that budgeted for in the application, the Funding amount will accordingly be adjusted downwards.

However, where the actual payment or the energy saving is likely to exceed the amount budgeted/estimated in the application, any upward adjustment of the Funding amount will be subject to prior approval from CLP / the Vetting Committee.

- 5.3.9. Any item that is not on the approved list of budget items will not be covered by the Fund.
- 5.3.10. Income derived from the Project during the Project period, such as sales of output or fee generated from activities of the Project, must be ploughed back by the Applicant into the Project account.

- 5.3.11. CLP / the Vetting Committee reserve the right to verify all financial records retained by the Applicant in regard to the Funding granted.

5.4. Procurement of Capital Items, Goods and Services

- 5.4.1. The Applicant must exercise utmost prudence in procuring goods or services for the Project in a fair, transparent and competitive manner, and must adhere to the following protocol unless CLP / the Vetting Committee has agreed otherwise:

- a) for every procurement the aggregate value of which is more than HK\$5,000 but less than HK\$10,000, tenders should be invited from at least two prospective suppliers;
- b) for every procurement the aggregate value of which is equal to or more than HK\$10,000 but less than HK\$200,000, tenders should be invited from at least three prospective suppliers; and
- c) for every procurement the aggregate value of which is equal or more than HK\$200,000, tenders should be invited from at least five prospective suppliers.

(Note: the tendering bids received from all the prospective suppliers must be submitted to CLP / the Vetting Committee for assessment.)

Other than tendering bids, quotations received from the prospective suppliers will also be considered, provided that written evidence (e.g. email, fax) showing that the quotations were invited at the same time can be provided.

Under special circumstances that tendering bids or quotations cannot be provided by Applicant, the Funding amount will be calculated based on energy saving (for one year only) generated by the project provided that the Applicant can declare that the subsidy amount shall not exceed the project cost under any circumstances. Please refer to Table 2.4 for details.

- 5.4.2. The Applicant should select the supplier among the bidders of the Project. If the Applicant wishes to select other bidder, who is not among the bidders in the submitted list, re-tendering and

application re-submission are required. Under this circumstance, the application will be treated as a new application.

Please note that during the application assessment, the amount of Funding would be assessed based on the lowest bid of the energy efficiency parts irrespective of the bidder ultimately selected.

- 5.4.3. Where an Applicant intends to procure the items from a company / organisation / individual (**Supplier**) without following the procurement process set out in paragraph 5.4.1 above, it must provide details and justification, as well as declare its relationship with the Supplier, in the Application Form. If the application is approved, subsequent approval for engaging that Supplier will not be required from CLP / the Vetting Committee.
- 5.4.4. CLP / the Vetting Committee reserve the right to accept or reject the tender and quotation invitation and processing methods used by Applicant. If the Applicant uses a marking scheme to assess tenders, the assessment criteria should be clearly stated in the tender or quotation document.
- 5.4.5. The prospective suppliers shall list out the unit costs and the number of units of each item with respect to the energy efficiency parts in their submitted bids or quotations for reference by CLP / the Vetting Committee in approving Funding. If the submitted bids or quotation do not list out the unit costs and number of units of each item with respect to the energy saving parts, it will be considered as invalid. If Applicant selects the supplier who submitted invalid bid, Funding will not be granted.
- 5.4.6. In cases where CLP / the Vetting Committee deem the quoted pricing in a particular tender or quotation to be unreasonable, it reserves the right to approve Funding closer to market prices as assessed by CLP.
- 5.4.7. All quotations or tenders shall be properly documented and made available for inspection by CLP. The Applicant should also observe the Code of Practice on Procurement of Supplies, Goods & Services issued under the Building Management Ordinance (Cap. 344) for the guidance of Owners' Corporations.

5.5. Use of Project Results and Intellectual Property Rights

The Applicant is required to grant CLP, unconditionally and irrevocably, the right to publish in the latter's communication materials, whether for internal or external readership, results, findings and any other information provided in its application.

All intellectual property rights owned by a party before the commencement of the Project shall remain vested in that party.

Unless otherwise agreed in writing, ownership of all intellectual property rights created by the Applicant in connection with the Project shall remain with the Applicant.

The Applicant grants to CLP a perpetual, non-exclusive, royalty-free, worldwide licence to use, reproduce, publish, display and communicate:

- (a) project summaries;
 - (b) project results;
 - (c) energy-saving data;
 - (d) photographs; and
 - (e) other materials submitted to CLP in connection with the Fund,
- for the purposes of administering, promoting, evaluating and reporting on the Fund.

CLP shall not knowingly disclose the Applicant's confidential technical information or trade secrets except:

- (i) with the Applicant's consent;
- (ii) as required by law; or
- (iii) where such information is already publicly available.

5.6. Title of Equipment and Capital Items

- 5.6.1. The Applicants shall have full ownership of, and responsibility for, all equipment and capital items procured using the Fund.
- 5.6.2. Any use of the capital items procured using the Fund to generate revenue (e.g. through resale), or the relocation of the capital items procured using the Fund within five years after completion of the Project must be approved by CLP / the Vetting Committee beforehand.
- 5.6.3. CLP / the Vetting Committee have the right to conduct surprise checks at any time after a Project's completion to ensure that the new equipment installed is not relocated, its usage does not

deviate from its original purpose, or it has not been resold, without prior approval from CLP / the Vetting Committee.

5.7. Acknowledgement of Support and Disclaimer

- 5.7.1. The Applicant must acknowledge its partial source of Funding by including the name CLP Eco Building Fund along with the Fund's logo in all publicity materials related to the Project.
- 5.7.2. The CLP Eco Building Fund logo may be featured on various categories of publicity materials with a view to promulgate CLP's contribution to the Project. Examples of publicity materials include: marketing leaflets / posters / banners; reports and publications of Project outcome; and advertisements on paper and in electronic media.
- 5.7.3. Use of the name CLP Eco Building Fund and its logo for any other purposes is subject to prior approval from CLP.
- 5.7.4. Under no circumstances shall the name CLP Eco Building Fund and its logo be used for commercial publicity or other purposes which may damage the image of CLP and/or cause it to incur any liability.

5.8. Suspension, Termination and Rescission

- 5.8.1. CLP / the Vetting Committee may suspend, terminate or rescind the Funding in accordance with this Section. Without limitation, such action may be taken under the following circumstances:
 - a) A copy of the signed contract or contract award notification cannot be submitted to CLP after receiving Acceptance of Application or Approval Letter.
 - b) If the whole Project is not, or will likely not be, completed within 24 months from the date of receiving Acceptance of Application or Approval Letter, whichever is earlier, and no explanation is given to the satisfaction of CLP / the Vetting Committee;

- c) If CLP / the Vetting Committee deems the Project not to have progressed in the expected manner, and no explanation is given to the satisfaction of CLP / the Vetting Committee;
- d) If the Applicant fails to comply with the funding conditions as set out in this Guide and/or the Approval Letter, and no explanation has been given to the satisfaction of CLP / the Vetting Committee;
- e) If the Applicant is or becomes unable to fund its share of the Project in accordance with the approved budget and payment schedule;
- f) If the Applicant becomes insolvent or is unable to pay its debts as and when they fall due;
- g) If the usage or status of the newly installed equipment deviates from what was stated in the original application, or it has been relocated, or resold within five years of the completion of the Project without prior approval of CLP / the Vetting Committee;
- h) Any other circumstances of a similar nature which, in the reasonable opinion of CLP, materially affect the Project.

5.8.2. In each of the above cases, whether suspension, termination, or rescission of Funding granted, CLP / the Vetting Committee shall give one month's notice to the Applicant, stating the reasons for such withholding of support. In cases of suspension, the Applicant must be able to demonstrate that appropriate measures have been taken to rectify the problem(s) identified, before CLP / the Vetting Committee resumes Funding, subject to further review. In cases of Funding termination, any Funding already disbursed must be immediately returned to CLP.

5.8.3. If an Applicant uses all or part of a Funding for any purpose other than in accordance with the terms of the approved Project, the portion of the Funding used for that illegitimate purpose must be immediately refunded by the Applicant to CLP.

5.8.4. Any material changes to the Project must be approved by CLP / the Vetting Committee prior to the implementation of those changes, which may include:

- a) Revision of budget (except for any downward adjustment of the budget as detailed in paragraph 5.3.4); or
 - b) Change of Person-in-charge;
- 5.8.5. CLP / the Vetting Committee may suspend, terminate or rescind Funding already earmarked for or disbursed to an Applicant if its Project is found to be operating under any of the circumstances outlined in paragraph 5.8.4, without CLP's / the Vetting Committee's prior approval.
- 5.8.6. Approval must be secured from CLP for any desired changes, whether major or minor, before these are implemented in a Project.

5.9. Ethical Practices and Anti-Bribery

- 5.9.1. Applicants shall observe the highest standards of integrity and comply with all applicable anti-bribery and anti-corruption laws, including the Prevention of Bribery Ordinance (Cap. 201).
- 5.9.2. Applicants shall not, and shall procure that its employees, contractors, service providers and agents shall not, directly or indirectly, offer, solicit or accept any advantage (as defined under the Prevention of Bribery Ordinance) in connection with:
 - a) the application for the CLP Eco Building Fund; or
 - b) the implementation or management of the Project sponsored by the Fund.
- 5.9.3. All Applicants shall establish and maintain proper and transparent procurement procedures to ensure that all purchases of goods and services for the Project are conducted in a fair, competitive and cost-effective manner.
- 5.9.4. Applicants shall avoid any conflict of interest and shall promptly declare to CLP any actual, potential or perceived conflict of interest in relation to the Project. Such declaration shall be properly documented and made available for inspection upon request by CLP.
- 5.9.5. CLP reserves the right to request information and supporting documents relating to procurement, selection of contractors and other relevant matters for the purpose of verifying compliance with this Clause.

5.9.6. Any breach of this Clause shall constitute a material breach of this Guide and/or the Approval Letter, and CLP and/or the Vetting Committee may, in accordance with Section 5.8, suspend, terminate or rescind the Funding, in whole or in part.

5.9.7. Without prejudice to Clause 5.9.6, CLP reserves the right to refer any suspected unlawful conduct to the relevant authorities.

5.10. Limitation of Liability

Neither CLP nor the Vetting Committee shall be responsible, financially or otherwise, for any loss, damage or other liabilities (including direct or indirect loss of profits or loss of income or any other indirect or consequential loss or damage) arising from any of the Projects at any stage.

5.11. Indemnities

5.11.1. The Applicant shall be solely responsible for the implementation, management and execution of the Project.

5.11.2. The Applicant shall indemnify and hold harmless CLP, its affiliates, and their respective directors, officers, employees, agents and members of the Vetting Committee (collectively, the “Indemnified Parties”) from and against any and all claims, demands, actions, liabilities, losses, damages, costs and expenses (including legal costs on a full indemnity basis) arising out of or in connection with:

- (a) the implementation or carrying out of the Project;
- (b) any act, omission, negligence or wilful misconduct of the Applicant, its employees, contractors, agents or service providers;
- (c) any breach of this Guide, the Approval Letter, or any applicable laws or regulations; and
- (d) any personal injury, death or property damage caused by or in connection with the Project.

5.11.3. The Applicant shall procure and maintain adequate insurance coverage (including but not limited to public liability insurance) in relation to the Project.

5.12. Amendment

CLP may, at any time and from time to time, amend, supplement or update this Guide and the above conditions without prior notice. Without prejudice to the foregoing, CLP will use reasonable endeavours to notify the

Applicants of the updated version of this Guide through appropriate means (including but not limited to publication on CLP's website at www.clp.com.hk or direct communication). Unless otherwise specified by CLP, the updated version shall take immediate effect upon publication and shall continue to apply to all Applications (whether pending or approved) and Projects, except where otherwise determined by CLP on a case-by-case basis having regard to the circumstances of the relevant Application or Project.

5.13. General Legal Provisions

5.13.1 Definitions

In this Guide and the Approval Letter, unless the context otherwise requires:

"Acceptance of Application" means the letter issued by CLP confirming acceptance of an application.

"Applicant" means the entity submitting an application for Funding under the Fund and, where applicable, includes its successors and permitted assigns.

"Approval Letter" means the written approval issued by CLP specifying the approved Project, approved Funding amount and any project-specific terms and conditions.

"CLP" means CLP Power Hong Kong Limited.

"Fund" means the CLP Eco Building Fund.

"Funding" means the financial assistance approved by CLP under the Fund.

"Guide" means this Guide to Application for the CLP Eco Building Fund, as amended from time to time.

"Project" means the energy efficiency improvement works approved by CLP for Funding under the Fund.

"Project Completion Date" means the date on which the approved Project is completed and notified to CLP in accordance with this Guide.

"Vetting Committee" means the committee appointed by CLP to assess and review applications under the Fund.

5.13.2 Interpretation

Unless the context otherwise requires:

- (a) references to a person include an individual, corporation, partnership, association, owners' corporation and any other legal entity;
- (b) words importing the singular include the plural and vice versa;
- (c) headings are for convenience only and do not affect interpretation; and
- (d) references to any legislation includes any amendment, re-enactment or replacement thereof.

5.13.3 Severability

If any provision of this Guide, the Approval Letter or any part thereof is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall, to the extent required, be severed and shall be ineffective without affecting the validity, legality or enforceability of the remaining provisions, which shall remain in full force and effect.

5.13.4 No Waiver

No failure, delay or omission by CLP in exercising any right, power or remedy under this Guide or the Approval Letter shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof.

Any waiver by CLP shall only be effective if made in writing and signed by an authorised representative of CLP.

5.13.5 Assignment

The Applicant shall not assign, transfer, charge, subcontract, novate or otherwise dispose of any of its rights, interests or obligations under this Guide, the Approval Letter or the approved Project without the prior written consent of CLP.

CLP may assign, transfer or novate any of its rights and obligations under this Guide or the Approval Letter to any member of the CLP Group or any successor entity without the consent of the Applicant.

5.13.6 Entire Agreement

The Approval Letter, together with this Guide and any documents expressly incorporated by reference, constitutes the entire agreement between CLP and the Applicant in relation to the Fund and supersedes all previous

discussions, correspondence, representations, understandings and arrangements relating to the subject matter.

The Applicant acknowledges that it has not relied upon any statement, representation or warranty not expressly set out in this Guide or the Approval Letter.

Nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.

5.13.7 Notices

Any notice, request, demand or other communication under this Guide or the Approval Letter shall be in writing.

A notice shall be deemed duly given if:

- (a) delivered by hand, at the time of delivery;
- (b) sent by registered post, two (2) Business Days after posting within Hong Kong; or
- (c) sent by electronic mail to the designated email address of the recipient, at the time the email is transmitted, provided that no delivery failure notification is received by the sender.

The Applicant shall promptly notify CLP of any change in its correspondence address, email address or contact person.

5.13.8 Electronic Communications

For the purposes of the Fund, any application, notice, approval, consent, confirmation, acceptance, request, document or communication may be executed, delivered, submitted or transmitted electronically. Electronic signatures and electronically executed documents shall be valid and enforceable to the extent permitted under the Electronic Transactions Ordinance (Cap. 553).

5.13.9 Dispute Resolution

In the event of any dispute, controversy or claim arising out of or in connection with this Guide, the Approval Letter or the Fund, the parties shall first endeavour in good faith to resolve the dispute through discussions between authorised representatives.

If the dispute is not resolved through discussion, either party may commence legal proceedings.

Nothing in this clause shall prevent CLP from exercising any right to suspend, terminate, recover Funding or seek urgent injunctive relief.

5.13.10 Governing Law and Jurisdiction

This Guide, the Approval Letter, the Fund and any dispute or claim (including any non-contractual dispute or claim) arising out of or in connection with them shall be governed by and construed in accordance with the laws of Hong Kong. The parties irrevocably submit to the exclusive jurisdiction of the courts of Hong Kong.

5.13.11 Authority and Consents

The Applicant represents and warrants that it has obtained, and shall maintain throughout the Project Period, all necessary authorisations, approvals, consents, permissions and resolutions required to submit the Application, accept the Funding, implement the Project and perform its obligations under this Guide and the Approval Letter.

The Applicant shall, upon request by CLP, provide documentary evidence of such authorisations, approvals, consents, permissions and resolutions to the satisfaction of CLP.

The Applicant shall be solely responsible for obtaining and maintaining any consent or approval required from building owners, owners' corporations, management committees, property managers, tenants, occupiers, governmental authorities or any other relevant party in connection with the Project.

5.13.12 Accuracy and Completeness of Information

The Applicant shall ensure that all information, representations, declarations, estimates, calculations, supporting documents and other materials submitted to CLP in connection with the Application, the Project or the Funding are true, accurate, complete and not misleading in any material respect.

The Applicant shall promptly notify CLP in writing of any material change to, or any inaccuracy in, information previously provided to CLP.

CLP may reject an Application, withhold Funding, suspend Funding, terminate Funding or require repayment of Funding if any information

provided by the Applicant is found to be false, inaccurate, incomplete or misleading.

5.13.13 Language

This Guide may be published in both English and Chinese. In the event of any inconsistency or conflict between the English version and the Chinese version, the English version shall prevail.