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CLP Welcomes Hong Kong SAR Government's Approval for an Extension of Nuclear Electricity Supply Contract

CLP welcomes the approval for an extension of nuclear electricity supply contract by the Hong Kong Special Administrative Region (SAR) Government announced today. The approval enables the continued supply of clean power to Hong Kong from Guangdong Daya Bay Nuclear Power Station ("Daya Bay") for another 20 years from 2014.

The current supply contract, with which CLP receives 70% of the nuclear electricity supply generated from Daya Bay, will expire by May 2014. It will be extended to 2034 enabling Hong Kong to enjoy not only the continued supply from a reliable, secure and clean fuel source, but also electricity at a competitive and stable price. The continued supply of nuclear power is critical for CLP to effectively support the SAR Government's plan for a cleaner Hong Kong.

Mr. Andrew Brandler, Chief Executive Officer of CLP, said, "The approval is a significant step toward implementing the Memorandum of Understanding on the long-term energy supply to Hong Kong that was reached last year between the Central Government and the SAR Government. The 20-year extension is also a demonstration of the close and longstanding partnership between CLP and China Guangdong Nuclear Power Holding Company Limited (CGNPC) that has grown since CLP first participated in the Daya Bay project".

"The extension not only heralds future economic benefits for Hong Kong and assured reliability of power supply, but also forms an integral part of CLP's energy roadmap towards a low emission and low-carbon economy. In addition, it reinforces our ongoing commitment to use more clean energy to meet the interim target of increasing our non-carbon-emitting generating capacity to 20% by 2020 as set out in our Climate Vision 2050," Mr. Brandler added.

At present, the import of nuclear power from Daya Bay meets about one third of CLP's power supply, which is also equivalent to about 25% of Hong Kong's total electricity demand.

Over the past 15 years, nuclear power has contributed greatly to Hong Kong's environmental performance both in terms of improving air quality and addressing climate change. As a near zero emission fuel source, it has significantly reduced Hong Kong's emissions of Sulphur Dioxide, Nitrogen Oxides and Particulates. It has also saved more than 130 million tonnes of Carbon Dioxide (CO₂), which is equal to about three times Hong Kong's annual CO₂ emissions.

CLP started its joint venture partnership with CGNPC to develop Daya Bay in 1985. Daya Bay was the first commercial nuclear power station in the Chinese Mainland, making it a pioneer in providing clean energy for the people of Hong Kong and Guangdong. It has also demonstrated the success of China's joint venture efforts with foreign investment.

Daya Bay's operations are run in accordance with best practice as recommended by the International Atomic Energy Agency and World Association of Nuclear Operators. Since the start of operation in 1994, Daya Bay has attained world class standards of reliability and safety. It also compares favorably with other world-class nuclear power-generating units in safety and operational performance.

About CLP

CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange, is the holding company for the CLP Group, which is one of the largest investor-owned power businesses in Asia. Through CLP Power Hong Kong, it operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer services to 5.6 million people in its supply area.

Outside Hong Kong, CLP also invests in energy businesses in the Chinese Mainland, Australia, India and Southeast Asia. It is the largest external investor in the Chinese Mainland electricity industry, and a leading international private sector power company in the Asia-Pacific region with a diversified portfolio of power generation from gas, coal, renewables and nuclear.

CLP is listed in the Global Dow – a 150-stock index of the world's leading blue-chips, the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific), and the Dow Jones Sustainability Asia Pacific 40 Index (DJSI Asia Pacific 40).

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