

7 August 2012

CLP's Response to Media Enquiries on the Coal Conveyor Belt Incident

In response to recent media enquiries concerning the coal conveyor belt incident at Castle Peak A Power Station, CLP would like to provide the following information:

On 25th July, subsequent to Typhoon Vicente, a section of the coal conveyor belt structure transporting coal to Castle Peak A Power Station detached and fell to the ground. The incident caused no injuries but coal delivery to the A Station was temporarily affected as a result.

While restoration work for the conveyor belt is now progressing which may take two to three months to resume the coal supply to the A Station, CLP's power supply to our customers remains unaffected despite of the situation and amid the hot weather.

CLP is able to cope with various situations with a robust system and a well-established contingency plan. Following the incident, we have activated the plan which, owing to the constraint of gas supply, involved purchasing low-emitting ultra-low-sulphur diesel for industrial use directly from the suppliers, and seeking back-up supply from HEC, as well as from other sources.

In addressing some of the safety concerns arising from the recent conveyor belt incident, we would like to reiterate that safety is always CLP's top priority and we make every effort in providing our staff, including contractor staff, a safe working environment. Our overall safety performance has long been better than industry average. 2011 lost time rate of CLP Power (employee and contractor) was 1.2, much lower than the Hong Kong Industry – 23.6.

To ensure the workplace is safe, CLP has invited external experts to join the two inspections on similar structures in the power plant conducted after the incident, both of which have confirmed the structures' integrity. A thorough investigation is now being carried out by a dedicated team to determine the root cause of the incident so that future improvement can be made.

We always treasure constructive suggestions contributed by our staff and there are existing well-established channels across various CLP business units where management and staff can communicate and exchange views on how we can do better including safety.

Internal circulars and briefings, including meetings with members of the Joint Consultative Committee, an organization formed by representatives from both staff and management, have been arranged to keep our staff updated of the latest development of the conveyor belt incident, as well as to listen to staff views on plant safety.

About CLP Power Hong Kong

CLP Power Hong Kong Limited (“CLP Power”) is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer services to 5.7 million people in its supply area.

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For media enquiries, please contact:

Peggy Chan
Senior Public Affairs Manager - Generation & Commercial
CLP Power Hong Kong Limited
Tel: (852) 2678 4973
Pager: (852) 71163131 a/c 8803
E-mail: pikkwan@clp.com.hk