

# LONG-TERM DEVELOPMENT STRATEGY

Power Assets is deeply rooted in Hong Kong and the past century has seen it evolve from an electricity supplier for Hong Kong to a global player with investments in power generation and electricity and gas distribution across four continents, supplying energy to millions of customers.

Underpinning our growth and future development are three key principles.

1

Grow  
shareholder value  
in fields of  
expertise

The Group aspires to deliver long-term sustainable earnings growth through carefully selected global investments. Supported by our loyal base of committed shareholders who share this ethos, Power Assets pursues a growth strategy that addresses areas where it has a natural expertise, within stable, well-structured international markets. We therefore invest in electricity, gas and renewable energy businesses that yield stable revenues under government regulation, or in generation assets whose income is safeguarded by long-term purchase agreements.

2

Pursue  
global diversification  
while  
minimising risks

Power Assets' approach to expanding its portfolio is active but disciplined. First we identify and rigorously evaluate suitable opportunities on operational, financial, legal and risk parameters in stable, well-regulated energy markets around the world to deliver growth with minimal impact on investor risk. Our due diligence process ensures that the technologies, sources of fuel and customer base of potential investments are proven and sustainable and that all key risks are effectively mitigated. The Group is active in Europe, North America, Asia and Australia to minimise exposure to the economic cycles of any one market.

3

Maintain a  
strong balance sheet  
as a foundation  
for agility

Power Assets believes that a strong balance sheet is the foundation of sustainable growth. Our low gearing ratio, A- credit rating and prudent treasury policies give us sufficient financial power to be agile while leveraging opportunities. Our spin-off exercise of the Hong Kong business in 2014 has further strengthened our cash position to prepare for growth. We will always aim to preserve requisite financial strength to give us the flexibility and leverage to pursue appropriate avenues for growth.