

# LONG-TERM DEVELOPMENT STRATEGY

Over a century of operations, Power Assets has grown from a Hong Kong electricity supplier to a global player with investments in energy generation, transmission and distribution across four continents, serving millions of customers with power and heating.

Underpinning our growth and future development are three key principles.

The Group aspires to deliver long-term earnings growth through investing in a portfolio of carefully selected global companies. Supported by our loyal base of committed shareholders who share this ethos, Power Assets pursues this goal by addressing itself to sectors where it has a natural expertise, within stable, well-structured international markets: namely, renewables, electricity, and gas infrastructure businesses. We target enterprises that yield steady revenues under government regulation, or in generation assets whose income is safeguarded by long-term power purchase agreements.

Power Assets' approach to expanding its portfolio is active but disciplined. First we identify and rigorously evaluate suitable opportunities that operate in stable, well-regulated energy markets around the world to deliver progress 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. The Group is active in Europe, North America, Asia and Australia to minimise exposure to the economic cycles of any one single market.

Power Assets believes that a strong balance sheet is the foundation of sustainable growth. Our A- credit rating and strong cash position give us sufficient financial power to be agile while pursuing appropriate opportunities.

