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Power Assets introduces strategic investor to HKEI through sale of partial stake

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Power Assets Holdings Limited ("Power Assets") announced today that it has disposed of a 16.53% stake in HK Electric Investments and HK Electric Investments Limited (collectively as "HKEI") to an investment holding company wholly-owned by Qatar Investment Authority ("QIA")*, for an aggregate consideration of over HK\$7.681 billion.

Following the transaction which was completed today, Power Assets will remain as the single largest shareholder of HKEI with a 33.37% shareholding. Together with the 3.37% stake it has separately acquired from Cheung Kong Infrastructure Holdings Limited, QIA ultimately holds a 19.9% strategic stake in HKEI.

Commenting on the transaction, Chairman of Power Assets, Mr. Canning Fok, said: "We are very pleased to conclude this important transaction with QIA, which is one of the largest and most sophisticated investment institutions in the world."

"As we said at the time of HKEI's initial public offering exercise, our intent has always been to maintain our stake in HKEI at between 30% and 49.9%. Placement of this 16.53% stake is both consistent with that intent and allows us the opportunity to work closely with an important new strategic partner. We expect this new partnership to be of potential significant benefit to our group over the coming years," Mr. Fok said.

"It is also worth noting that the significant investment of QIA in HKEI reflects a strong vote of confidence not just in our group, but also in Hong Kong itself as an attractive, safe and trustworthy polity in which to invest significant long term capital," Mr. Fok stressed.

The net proceeds from the transaction will further strengthen Power Assets' liquidity position and enable it to continue to pursue new acquisitions in the global energy industry while maintaining a strong financial profile, Mr. Fok added.

*QIA is a global investment institution with key investments including Canary Wharf Group, Heathrow Airport Holdings Ltd, Iberdrola SA, Ooredoo, Qatar Electricity and Water Company, Qatar National Bank and Volkswagen AG. More information is available at www.qia.qa