

Company Profile

Shandong International Power Development Company Limited (the "Company") was incorporated in Jinan, Shandong Province on 28 June 1994 and is primarily engaged in the construction and operation of power plants and other business related to power generation. The Company became a foreign invested joint stock limited company upon approval by the Foreign Trade and Economic Co-operative Bureau and has altered the registration with the Administrative Bureau for Industry and Commerce in Shandong, the PRC on 2 January 2001. H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 30 June 1999, and there were approximately 1,430,000,000 H shares in issue at the end of 2000.



The plants above are all in operation

- a 100% owned
- b 30% owned
- c 55% owned

The Company and its subsidiaries (the "Group") are one of the largest independent power producers in the PRC and existingly, the largest independent power producer in Shandong Province. At the end of 2000, the Group held the entire interests in Zouxian Plant (with a total installed capacity of 2,400MW comprising four 300MW generating units and two 600MW generating units), Shiliquan Plant (with a total installed capacity of 1,225MW comprising five 125MW generating units and two 300MW generating units) and Laicheng Plant (with a total installed capacity of 1,200MW and the two 300MW generating units of which have commenced commercial operation whereas the third and the fourth 300MW generating units are under construction). In addition to the above wholly-owned plants, the Company also held 55% and 30% of the equity interests in Qingdao Plant Phase I (comprising two 300MW generating units) and Weifang Plant Phase I (comprising two 300MW generating units) respectively. These power plants are all strategically located in the vicinity of the major mines within the Shandong Province.

At the end of 2000, the total installed capacity in which the Group was interested amounted to 4,735MW, which had increased by 300MW from 4,435MW at the end of 1999, representing a growth of 6.76%, and accounted for 24.08% of the total installed capacity of Shandong Province. Being the largest independent power producer in Shandong Province, the Group's generation units' capacities are large while such units are mechanically sound, highly efficient, strategically located as well as highly competitive. In the 29th Large-scale Thermal Power Units Competition of the PRC held in 2000, seven out of ten of our 300MW units won prizes, of which three won top-rank prizes. There were a total of ninety-five similar type of generating units participated in such competition, and about 23% of which won prizes. 70% of the generating units which had participated in the competition won prizes which was higher than the average level. Shortly after Qingdao Plant was accredited as "Top Class Power Enterprise of the PRC", all other plants of the Company, save and except for Laicheng Plant which was under construction, were also accredited as "Top Class Power Enterprises of the PRC".

In December 2000, the Company entered into an agreement with the relevant parties in respect of the acquisition of 45% of the enlarged registered capital of Shandong Luneng Heze Minerals Development Company Limited ("Luneng Heze Minerals") (which was completed in February 2001) and became the largest shareholder of Luneng Heze Minerals. The Group possessed a coalfield which has good development prospect, and has created a favourable condition for the Company's future development of coal and electricity unity in Shandong Province.



Shandong Electric Power (Group) Corporation ("Sepco") is the largest shareholder of the Group. SEPCO is wholly-owned by the State Power Corporation which is the sole owner of Shandong Provincial Grid and the exclusive electricity buyer of the Group. SEPCO is not only the first State-approved provincial power group, but also the only power generating company with "First-rate Management" status, accredited by the State Power Corporation.

SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure:

