

Company Profile



1. THE FORMING OF THE COMPANY

Shenyang Public Utility Holdings Company Limited ("Shenyang Public Utility" or "the Company") was established in the People's Republic of China ("the PRC") on 2nd July 1999 as a joint stock limited company by the promoter method of establishment, with Shenyang Public Utility Group Company Limited ("SPU") acting as the sole promoter.

In December 1999, the Company issued 420,400,000 H shares of RMB1.00 each at an issue price of HK\$1.70 each, for cash to international investors by way of a placing and an offer to the public. On 16th December 1999, the Company's H shares were listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The Company is the first H share enterprise listed on the Stock Exchange that is principally engaged in the production of purified water. At present, the registered capital of the Company is RMB1,020,400,000.

2. PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is a leading urban public utility developer and operator based in Shenyang, a major city in the PRC. It is principally engaged in the production and sale of purified water, real estate development and the production and sale of electricity and heat through a joint venture. The Company's subsidiaries, Shenyang Water Company Limited ("Shenyang Water") and Shenyang Development Real Estate Company Limited ("Real Estate Company"), is the largest producer of purified water and a real estate developer in Shenyang respectively. Shenyang Shenhai Hot Electricity Company Limited ("Shenhai Co-generation"), the Company's joint venture company, is the largest coal-fired power and heat co-generation enterprise in Shenyang.

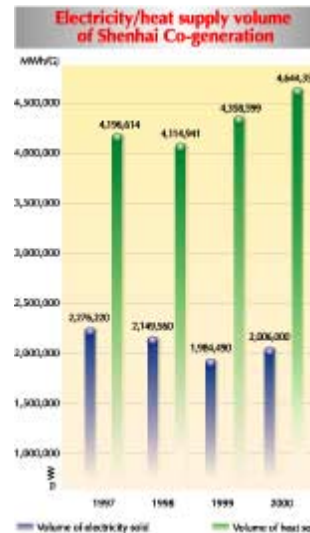
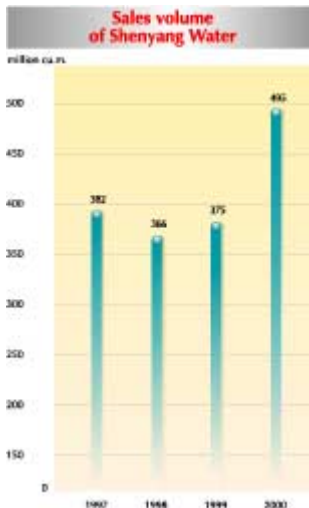


Urban Water Supply

Sales volumes of Shenyang Water in 1997, 1998, 1999 and 2000 were 381,919,000 cu.m., 366,016,000 cu.m., 375,000,000 cu.m. and 495,098,000 cu.m. respectively.

Electricity and Heat Co-generation

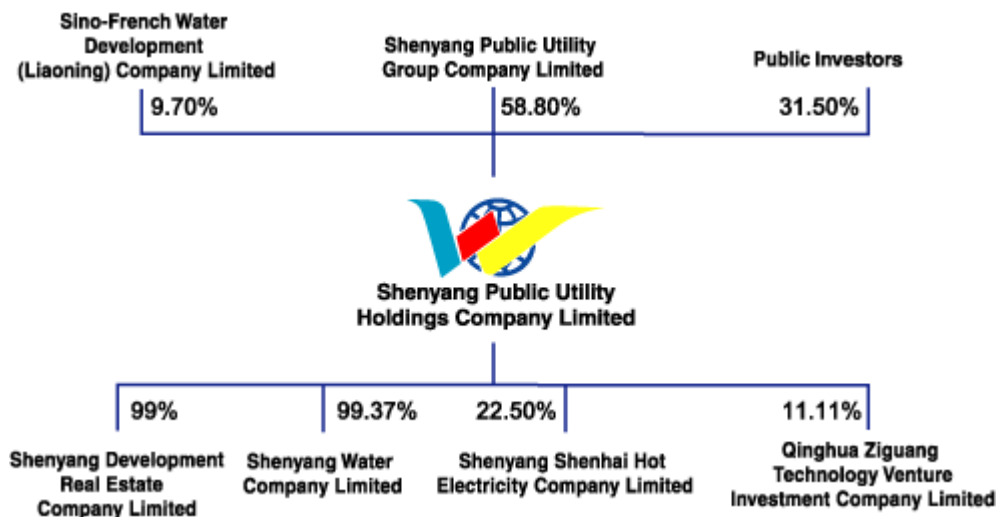
	1997	1998	1999	2000
Sales of electricity (MWh)	2,276,220	2,149,560	1,984,490	2,006,000
Sales of heat (GJ)	4,196,614	4,114,941	4,358,599	4,644,355



Real Estate Development

Real Estate Company was established in June 2000 with an investment of RMB34,650,000 from the Company. During the year, Real Estate Company invested approximately RMB200,000,000 to acquire land properties. At present, Real Estate Company is actively engaged in developing its first residential project. It is expected that the residential project will be completed and offered for sale in December 2001.

3. SHAREHOLDING STRUCTURE



4. ISSUE OF H SHARES

In December 1999, the Company issued 420,400,000 H shares by an offer to the public and a placing in Hong Kong and the global market (including an allotment of 20,400,000 H shares by a placing), of which 99,000,000 H shares were subscribed by strategic investors and the remaining shares were subscribed by public investors.

The composition of the Company's share capital after the issue of H shares is as follows:

