

Shareholdings of Substantial Shareholders

As at 30 June 2001, substantial shareholders, who held 10% or more of any class of the share capital of the Company were as follows:

Name of shareholder	Number of shares held as at 30 June 2001	Percentage of the total number of shares of the Company in issue as at 30 June 2001	Percentage of the total number of domestic shares of the Company in issue as at 30 June 2001	Percentage of the total number of H shares of the Company in issue as at 30 June 2001
Shandong Electric Power (Group) Corporation ("SEPCO") (domestic shares) (note 1)	2,815,075,430	53.56%	73.6%	
Shandong International Trust and Investment Corporation (domestic shares)	903,443,970	17.19%	23.62%	
HKSCC Nominees Limited (H shares) (note 2)	902,151,000	17.16%		63.04%
Mirant (SIPD) Investment, Inc. (H shares) (note 3)	525,083,000	9.99%		36.69%

Notes:

- (1) In addition to the 2,815,075,430 domestic shares held directly by SEPCO, SEPCO also owned, through a subsidiary, Shandong Luneng Development (Group) Company Limited, 86,536,800 domestic shares, representing 2.26% of the total number of domestic shares of the Company in issue as at 30 June 2001.
- (2) According to the records of HKSCC Nominees Limited, the H shares held by it were held on behalf of a number of persons, and to the knowledge of the Company, none of whom individually held 10% or more of the total number of H shares of the Company in issue as at 30 June 2001.
- (3) Mirant (SIPD) Investment, Inc. is a wholly-owned subsidiary of Mirant Asia Pacific Limited, the foreign strategic investor of the Company.

Save as disclosed above, the Directors of the Company are not aware of any other person (other than the Directors, chief executive, senior management or supervisors of the Company) who as at 30 June 2001 was interested in 10% or more of any class of the share capital of the Company which was required to be recorded in the register of interests of the Company pursuant to section 16(1) of the Securities (Disclosure of Interests) Ordinance.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any securities of the Company (the word 'securities' shall have the meaning as in paragraph 1 of Part I of Appendix 7 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")).

STAFF HOUSING

The Group implemented the relevant staff housing reform policy regulated by the government of the PRC. During the Period, the Group did not incur any material loss arising from disposal of staff quarters.

CHANGE IN SENIOR MANAGEMENT

Mr. Frederick D. (Rick) Kuester resigned as a non-executive Director of the Company on 26 April 2001. According to a resolution passed in the annual general meeting of the Company held on 26 April 2001, Mr. Henry T.E. Coolidge, Jr was appointed as a non-executive Director of the Company.

DESIGNATED DEPOSITS

As at 30 June 2001, the Group did not place any designated deposit with any financial institutions in the PRC, nor had it failed to collect any time deposit upon maturity.

MATERIAL LITIGATION

As at 30 June 2001, the Group was not involved in any material litigation or arbitration. Besides, no litigation or claim of material importance is known to the Directors to be pending or threatened against the Group.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not for any part of the Period, in compliance with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules.

DIRECTORS, CHIEF EXECUTIVE, SENIOR MANAGEMENT AND SUPERVISORS' INTERESTS IN SHARES AND DEBT SECURITIES

As at 30 June 2001, none of the Directors, chief executive, senior management, supervisors and their associates had any beneficial interest in the issued share capital or debt securities of the Company and/or any of its associated corporations (within the meaning as defined in the Securities (Disclosure of Interests) Ordinance) which were required to be entered in the register maintained by the Company pursuant to section 29 of the Securities (Disclosure of Interests) Ordinance or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by

Directors of Listed Companies.

None of the Directors, chief executive, senior management or supervisors of the Company or any of their spouses or children under 18 years of age were granted any right to subscribe for any share capital or debt securities of the Company at the end of the Period.