

MAJOR EVENTS

1. In order to improve the management structure of the Company, to strengthen the duties of the directors and to more effectively protect the interests of the investors, the Company convened a Board of Directors meeting on 23rd May 2001, approving the establishment of certain special committees of the Board, namely, the Financial Committee, the Technology Committee and the Management Committee. The majority of the members of the committees are external directors and independent directors and the chairmen of the committees are all external directors. The establishment of three special committees will strengthen the directing and supervising functions of the Board in respect of the Company's business activities and operations.
2. The Company convened an extraordinary general meeting on 15th February 2001 approving the A Shares issuance. Accordingly, the Company proposes to issue not more than 350,000,000 Renminbi-denominated ordinary shares ("A Shares") in the PRC, of which 100,000,000 legal person shares will be placed to HIPDC and not more than 250,000,000 shares will be issued by way of public subscription. The proceeds of the A Share issuance will be used: (1) to partly settle the consideration for the acquisition of Nanjing Power Plant; (2) to repay the short-term loans borrowed from banks as a result of the acquisition of Shandong Huaneng; and (3) to repay certain long-term bank loans of the Company.