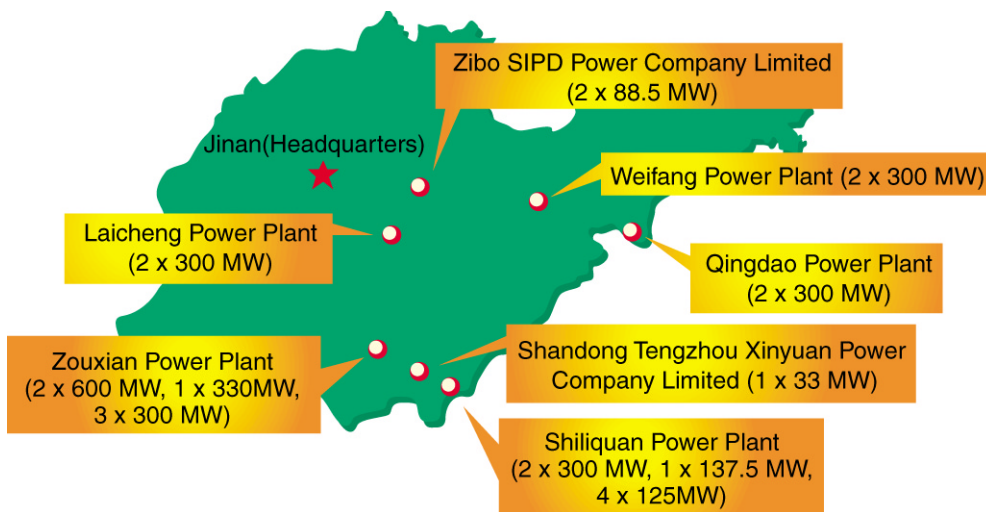


COMPANY PROFILE

Shandong International Power Development Company Limited (the "Company") was incorporated in Jinan, Shandong Province, the People's Republic of China (the "PRC") on 28 June 1994 and is primarily engaged in the construction and operation of power plants and other business related to power generation. H shares of the Company were listed on The Stock Exchange of Hong Kong Limited on 30 June 1999. At the end of 2001, the total share capital of the Company comprised 5,256,084,200 shares, of which 1,431,028,000 shares were H shares, representing approximately 27.22% of the total issued share capital of the Company. After approval by the Ministry of Foreign Trade and Economic Cooperation, the Company is a Sino-foreign investment joint stock company limited by shares incorporated in the PRC.



The Company and its subsidiaries (the "Group") are one of the largest independent power producers in the PRC and is currently, the largest independent power producer in Shandong Province. At the end of 2001, the total installed capacity in which the Group was interested amounted to 4,735MW. As at the date hereof, the total installed capacity in which the Group was interested amounted to 4,973MW, representing 23.66% of the total installed capacity of Shandong Province.

At present, the Group owns the entire interests in Zouxian Plant (with a total installed capacity of 2,430MW comprising three 300MW units, one 330MW unit and two 600MW units), Shiliquan Plant (with a total installed capacity of 1,237.5MW comprising four 125MW units, one 137.5MW unit and two 300MW units) and Laicheng Plant (with a construction scale of 1,200MW, of which the first two 300MW units have commenced operation, the third and the fourth 300MW units are under construction). In addition to the above three wholly-owned plants, the Group also holds 55% equity interest in Qingdao

Plant Phase I (comprising two 300MW units) and 30% equity interest in Weifang Plant Phase I (comprising two 300MW units).

In addition to the power plants mentioned above, the Group has newly invested and acquired other projects in Shandong Province including 70% equity interest in Shandong Zhangqiu Power Company Limited (comprising two 135MW generating units under construction), the entire interest in Zibo SIPD Power Company Limited (comprising two 88.5MW heat and electricity cogenerating units which have commenced operation and another two 135MW heat and electricity cogenerating units which are under construction) and 30% equity interest in Shandong Tengzhou Xinyuan Power Company Limited ("Xinyuan") (comprising one 33MW heat and electricity cogenerating unit which has already commenced operation and another two 135MW heat and electricity cogenerating units which are under construction) together with 60% of the development right of its proposed new project (after injecting capital in an amount of approximately RMB120 million in the expansion projects of Xinyuan in accordance with the investment ratio of the Company in Xinyuan, the Company holds 54.49% equity interest in Xinyuan). These investments and acquisition transactions were completed in January 2002.

The above power plants are all strategically located in the vicinity of the major mines or electricity load centres within Shandong Province.

In 2001, the Group adhered to the principle of "developing in the regions which are relatively centralised geographically for integration in the future" in selecting development projects and implemented the regional development strategy of expanding to other regions in the PRC with a view to seeking development opportunities in other parts of the world. Furthermore, the Group grasped the unprecedented opportunities of the "Grand Western Development", "Electricity Transmission from Western China to Eastern China" and "Electricity Transmission from Guizhou to Guangdong" and has preliminarily agreed in principle with the relevant investing party in Guizhou to jointly develop and construct Nayong Power Plant (with an installed capacity of four 300MW coal-fired generating units which are under construction) and Nayong No. 2 Power Plant (with a planned capacity of four 300MW coal-fired generating units). The two power plants mentioned above are strategically located in the major coalmine area, namely Nayong County in Guizhou Province. Being one of the two hundred major coal counties in the PRC, Nayong County is rich in coal reserve. These two plants are important projects of "Electricity Transmission from Guizhou to Guangdong". The Group has been developing electricity market opportunities outside Shandong Province and has implemented the plan of cross regional development.

In 2001, management of the power plants of the Group maintained its leading position in the

PRC. A total of 152 generating units from 56 power plants of the State participated in the 30th Large-scale Thermal Power Units (with unit capacity of 300MW and above) Competition of the PRC for the Year 2000. These generating units were examined in accordance with such capabilities as operating efficiency, safe operating period and production rate of the units. Altogether 48 generating units won prizes in the competition. The rate of winning prize was about 31.6%. A total of twelve 300MW and 600MW generating units of the Group participated in this competition and 10 of which won prizes. The rate of winning prize of the Group reached 83.3%. The fifth unit of Zouxian Plant won top-rank prize (first prize) for 600MW generating units and the second unit of Qingdao Plant won top-rank prize (first prize) for domestically produced 300MW generating units.



SHAREHOLDING AND CORPORATE STRUCTURE

