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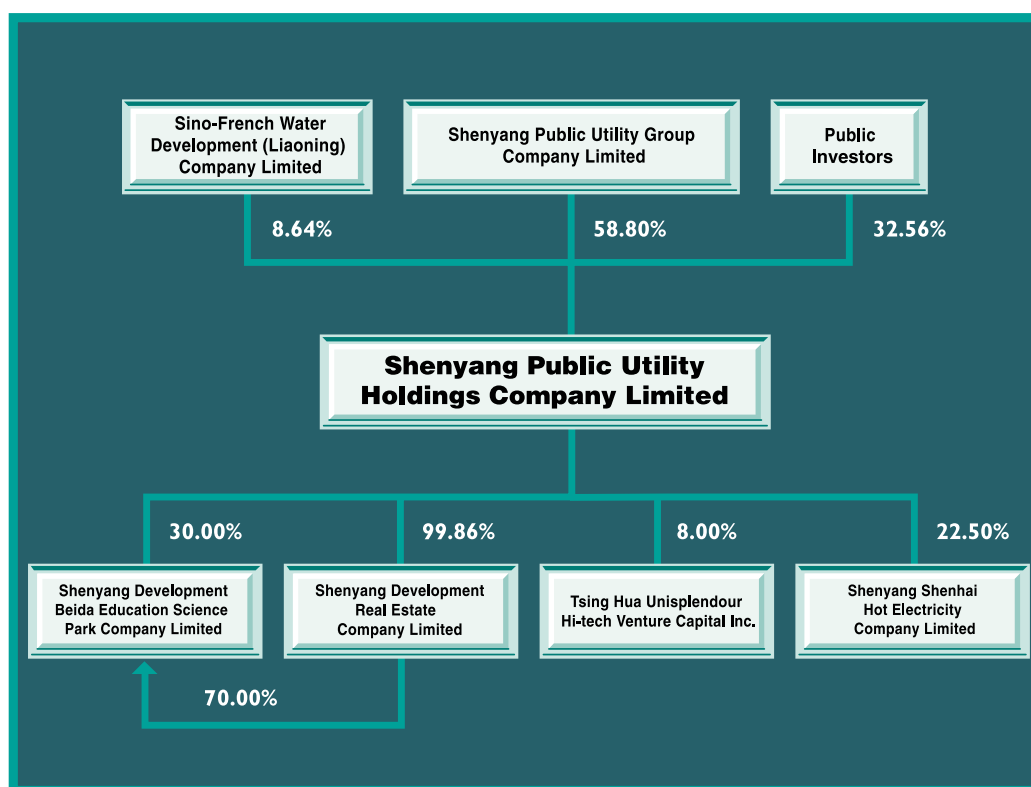
COMPANY PROFILE

1. The Formation of the Company

Shenyang Public Utility Holdings Company Limited (“Shenyang Public Utility” or the “Company”) was established in Shenyang, 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 par value of RMB1.00 each at an issue price of HK\$1.70, 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”). At present, the registered capital of the Company is RMB1,020,400,000.

2. Shareholding Structure



3. Summary of Principal Activities

The Company was an urban public utility developer and operator based in Shenyang. It was principally engaged in the production and sale of urban purified water, the development and sales of real estate and the production and sale of electricity and heat through a joint venture. To cope with the changes in external operating environment, the Company implemented strategic reorganization and restructured core competitiveness during the year of 2002 by transforming original principal operations to the development and sale of real estate and investment and management of education projects.

During the year of 2002, the Company convened a board meeting at which the additional capital injection of RMB215,000,000 into Shenyang Development Real Estate Company Limited (“Real Estate Company”) was approved so that its registered capital was increased to RMB250,000,000. The Company holds 99.86% equity interest in Real Estate Company as enlarged by the capital injection.



During the year of 2002, the Company disposed of its entire 99.37% interest in Shenyang Water Company Limited (“Shenyang Water”) (the “Disposal”), and the Disposal was approved at the extraordinary general meeting of the Company convened on 20th August 2002. (Please refer to the announcement of the Company dated 20th August 2002 and Section “Management Discussion and Analysis — Analysis of Urban Water Supply Business” for details).

During the year of 2002, the Company was granted land use right for a parcel of land of 790,000 square metres located in Shenyang Economic and Technological Development Zone (the “Zone”) for the development of Shenyang Development Beida Education Science Park and medium and top grade residential properties. On 9th September 2002, the Company established Shenyang Development Beida Education Science Park Company Limited (“Shenyang Education”) in the Zone with registered capital of RMB50,000,000.

During the year of 2002, the Company convened a board meeting approving the Company to acquire 100% equity interest in Shanghai Beida Jade Bird Education Investment Company Limited (“Shanghai Education”), 70% equity interest in Zhuhai Beida Education Science Park Company Limited (“Zhuhai Education”) and 50% equity interest in Beijing Beida-Online Internet Company Limited (“Beida Online”) respectively. However, the shareholders at the extraordinary general meeting held afterwards only approved the Company to acquire 100% equity interest in Shanghai Education and 70% equity interest in Zhuhai Education, and did not discuss the resolution related to the acquisition of 50% equity interest in Beida Online. It was approved at a subsequent board meeting that the Company would terminate the proposed acquisition of 50% equity interest of Beida Online and the resolution will be submitted to the next annual general meeting of the Company for ratification (Please refer to announcements of the Company dated 28th November 2002, 10th February 2003 and 13th March 2003 for details).

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During the year of 2002, the Company convened a board meeting approving the Company to transfer its 22.50% equity interest and relevant interests in Shenyang Shenhai Hot Electricity Company Limited (“Shenhai Co-generation”) to Pollon Investment Limited (“Pollon Investment”). The consideration for such equity interest and the relevant interests amounted to RMB177,314,000. The completion of the disposal of equity interest is still pending for the approval from the relevant government authorities in the PRC.

Urban Water Supply

Sales volume of Shenyang Water in the past five years are as follows:

	1998	1999	2000	2001	For the period ended 31st July 2002
Sales volume ('000 cu. m.)	366,016	375,000	495,098	455,902	256,945

For details of the results, please refer to Management Discussion and Analysis.

Real Estate Development

Sales area by the Real Estate Company over the past two years are as follows:

	2001	2002
Sales area ('000 square m.)	28.81	41.02

For details of the results, please refer to Management Discussion and Analysis.

Electricity and Heat Co-generation

Sales of electricity and heat of Shenhai Co-generation in the past five years are as follows:

	1998	1999	2000	2001	2002
Sales of electricity (MWh)	2,149,560	1,984,490	2,006,000	1,921,970	2,088,100
Sales of heat (GJ)	4,114,941	4,358,599	4,644,355	5,012,124	4,631,991

For details of the results, please refer to Management Discussion and Analysis.