

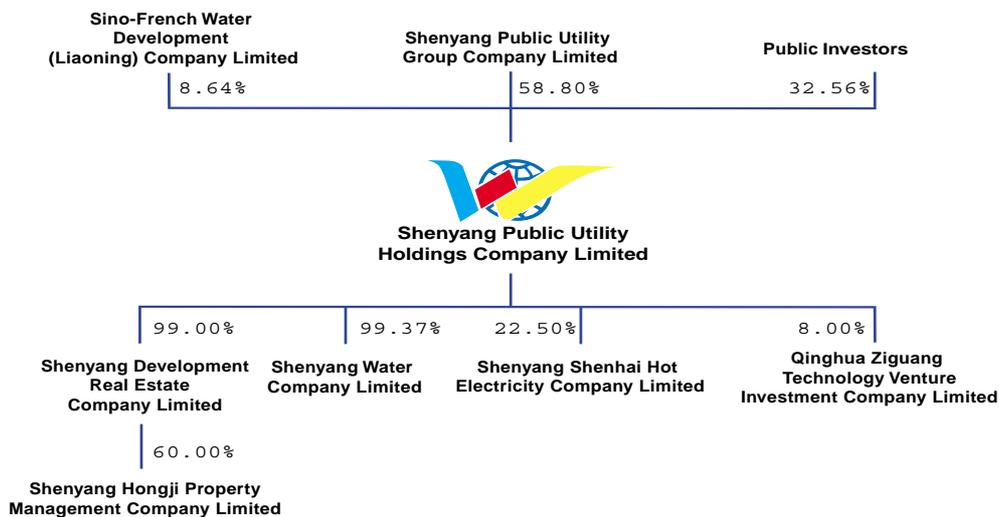
1. The Formation of the Company

Shenyang Public Utility Holdings Company Limited (“Shenyang Public Utility” or the “Company”) was established in Shenyang (“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 (“SPUG”) 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 each, 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 is an urban public utility developer and operator based in Shenyang. It is principally engaged in the production and sale of urban purified water, the development and sale of real estate and the production and sale of electricity and heat through a joint venture. The Company's subsidiary, Shenyang Water Company Limited ("Shenyang Water"), is the largest producer of purified water in Shenyang and the Company's subsidiary, Shenyang Development Real Estate Company Limited ("Real Estate Company"), is a real estate developer in Shenyang. Shenyang Shenhai Hot Electricity Company Limited ("Shenhai Co-generation"), the Company's joint venture, is the largest coal-fired electricity and heat co-generation enterprise in Shenyang.

Urban Water Supply

Sales volumes of Shenyang Water in the past five years were as follows:

	1997	1998	1999	2000	2001
Sales volume ('000 cu. m.)	381,919	366,016	375,000	495,098	455,902

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

Real Estate Development

Real Estate Company was established in June 2000. The development and construction of "Hongji Garden" residential project have been completed. It has been launched in the market for sale. 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 were as follows:

	1997	1998	1999	2000	2001
Sales of electricity (MWh)	2,276,220	2,149,560	1,984,490	2,006,000	1,921,970
Sales of heat (GJ)	4,196,614	4,114,941	4,358,599	4,644,355	5,012,124

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