The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

瀋陽公用發展股份有限公司
SHENYANG PUBLIC UTILITY HOLDINGS COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

MAJOR TRANSACTION

DESPATCH OF THE CIRCULAR IN RELATION TO THE DISPOSAL OF AN APPROXIMATELY 99.37% INTEREST IN SHENYANG WATER COMPANY LIMITED AND POSSIBLE CHANGE IN USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Financial adviser to
Shenyang Public Utility Holdings Company Limited

Tai Fook Capital Limited

The circular in relation to the disposal by the Company of an approximately 99.37% interest in Shenyang Water and the proposed change in the use of proceeds from the Public Offer is expected to be despatched to the shareholders of the Company on 5th July, 2002.

The Extraordinary General Meeting will be held on 20th August, 2002 at which a special resolution will be proposed to approve the Disposal and an ordinary resolution will be proposed to approve the change in the use of proceeds from the Public Offer. SPU will abstain from voting on the resolution relating to the Disposal in the Extraordinary General Meeting.

Reference is made to the announcement of 瀋陽公用發展股份有限公司 (Shenyang Public Utility Holdings Company Limited) (the "Company") dated 13th June, 2002 (the "Announcement") in relation to the disposal by the Company of an approximately 99.37% interest in 瀋陽水業有限公司 (Shenyang Water Company Limited). Terms used in this announcement will have the same meanings as defined in the Announcement unless defined otherwise.

Despatch of circular

A circular containing, among other things, further details of the Disposal Agreement, the proposed change in the use of proceeds from the Public Offer and the notice of the Extraordinary General Meeting is expected to be despatched to the shareholders of the Company on 5th July, 2002.

Pro forma statement of adjusted net tangible assets of the Group

The following pro forma statement of the adjusted net tangible asset value of the Group upon completion of the Disposal, calculated by applying the generally accepted accounting principles in Hong Kong, is prepared based on the audited consolidated net tangible assets of the Group as at 31st December, 2001 and adjusted as described below:

	RMB'000
Audited consolidated net tangible assets of the Group as at 31st December, 2001	1,746,956
Unaudited consolidated profit of the Group for the three months ended 31st March, 2002	59,609
Estimated increase in net tangible assets of the Group after the Disposal	37,677
Pro forma consolidated net tangible assets of the Group after the Disposal	1,844,242

The Extraordinary General Meeting

The Extraordinary General Meeting will be held on 20th August, 2002 at which special resolution will be proposed to approve the Disposal and ordinary resolution will be proposed to approve the change in the use of proceeds from the Public Offer. SPU will abstain from voting on the resolution relating to the Disposal in the Extraordinary General Meeting.

By Order of the Board
Wang Se
Executive Director

Shenyang, the PRC, 4th July, 2002

"Please also refer to the published version of this announcement in The Standard".