# SHENZHEN NANSHAN POWER STATION CO., LTD.
# SUMMARY OF SEMI-ANNUAL REPORT 2005

No.: 2005 - 30

## §1. Important Notice

1.1 The Board of Directors of Shenzhen Nanshan Power Station Co., Ltd. (hereinafter referred to as the Company) and its directors hereby confirm that there are no important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, individually and/or jointly, for the reality, accuracy and completeness of the whole contents.
The summary of semi-annual report 2005 is abstracted from the semi-annual report; and full text of the semi-annual report is published on the Internet website http://www.cninfo.com.cn in the mean time. The investors are suggested to read the full text of semi-annual report to understand more details.
1.2 No director stated that he (she) could not ensure the correctness, accuracy and completeness of the contents of the Semi-annual Report or has objection for this report.
1.3 All directors attended the Board meeting.
1.4 The semi-annual financial report 2005 of the Company has not been audited.
1.5 Mr. Wei Wende, Chairman of the Board of the Company, Mr. Fu Bo, General Manager, Lu Xiaoping, CFO and Chen Xueshun, Person in Charge of Financial Dept. hereby confirm that the Financial Report of the Semi-annual Report is true and complete.

## § 2. Company Profile

2.1 Basic information

| | | |
|---|---|---|
| Short form of the stock | Shen Nandian-A, Shen Nandian-B | |
| Stock code | 000037, 200037 | |
| Listed stock exchange | Shenzhen Stock Exchange | |
| | Secretary of the Board | Securities Affairs Representative |
| Name | Hu Qin | Hu Qin |
| Contact address | 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, China | 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, China |
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2.2. Major financial data and indexes

2.2.1 Major accounting data and financial indexes

Unit: RMB'000

| Items | Jan.-Jun. 2005 | Jan.-Jun. 2004 | Increase/decrease in this report period compared with the same period of last year (%) |
|---|---|---|---|
| Turnover | 1,585,090 | 1,107,979 | 43.06 |
| Other income | 19,282 | 8,016 | 140.54 |
| Profit after tax | 31,073 | 177,609 | -82.50 |
| Total shareholders' fund | 1,523,490 | 1,441,006 | 5.72 |
| Earnings per share (RMB) | 0.0472 | 0.32 | -82.50 |
| Net assets per share (RMB) | 2.78 | 2.63 | 5.72 |

2.2.2 Differences between CAS and IAS:

☐Applicable √Inapplicable

## §3. Changes in Share Capital and Particulars about Shareholders

3.1 Statement of change in shares

√Applicable ☐Inapplicable

Unit: share

| | Before the change | Increase/decrease in this change (+, - ) | | After the change |
|---|---|---|---|---|
| | | Other | Subtotal | |
| Ⅰ. Unlisted Shares | | | | |
| 1. Promoters' shares | 312,853,274 | -40,951,361 | -40,951,361 | 271,901,913 |
| Including: State-owned shares | 85,538,864 | | | 85,538,864 |
| Domestic legal person's shares | 113,783,159 | | | 113,783,159 |
| Foreign legal person's shares | 113,531,251 | -40,951,361 | -40,951,361 | 72,579,890 |
| Others | 0 | | | 0 |
| 2. Raised legal person's shares | 61,700,661 | -6,601,982 | -6,601,982 | 55,098,679 |
| 3. Inner employees' shares | 0 | | | 0 |
| 4. Preference shares or others | 0 | | | 0 |
| Total unlisted shares | 374,553,935 | -47,553,343 | -47,553,343 | 327,000,592 |
| II. Listed Shares | | | | |
| 1. RMB ordinary shares | 64,846,135 | | | 64,846,135 |
| 2. Domestically listed foreign shares | 108,565,928 | 47,553,343 | 47,553,343 | 156,119,271 |
| 3. Overseas listed foreign shares | 0 | | | 0 |
| 4. Others | 0 | | | 0 |
| Total listed shares | 173,412,063 | 47,553,343 | 47,553,343 | 220,965,406 |
| Ⅲ. Total Shares | 547,965,998 | | | 547,965,998 |

The amount of shares offered by funds, inner employees' shares traded in the counter, shares offered by strategic investor and shares offered ordinary legal person should be disclosed respectively

□Applicable √ Inapplicable

3.2 Particulars about shares held by the top ten shareholders and the top ten shareholder holding shares in circulating

Unit: share

| Total of shareholders in the report period | | | 27,888 | | | |
|---|---|---|---|---|---|---|
| Particulars about shares held by the top ten shareholders | | | | | | |
| **Full name of shareholders** | **Increase / decrease in this report period** | **Holding shares at the period-end** | **Proportion (%)** | **Type of shares (circulating or non-circulating)** | **Number of share pledged or frozen** | **Nature of shareholders (state-owned shareholder or foreign shareholder)** |
| SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD. | 0.00 | 125,845,702.00 | 22.97% | Non-circulating | 0.00 | Other |
| HONG KONG NAM HOI (INTERNATIONAL) LIMITED | 0.00 | 83,748,408.00 | 15.28% | Non-circulating | 0.00 | Foreign capital shareholder |
| SHENZHEN ENERGY GROUP CO., LTD. | 0.00 | 62,697,297.00 | 11.44% | Non-circulating | 0.00 | State-owned shareholder |
| SHENZHEN STATE POWER SCIENCE AND TECHNOLOGY DEVELOPMENT CO., LTD. | 0.00 | 54,709,180.00 | 9.98% | Non-circulating | 0.00 | Other |
| TENGDA PROPERTY CO., LTD. | 0.00 | 47,553,343.00 | 8.68% | Circulating | 0.00 | Foreign capital shareholder |
| MORGAN STANLEY INT’L (CHIAN) - FIRM | 6,158,335.00 | 15,991,043.00 | 2.92% | Circulating | Unknown | Foreign capital shareholder |
| SKANDIA GLOBAL FUNDS PLC | 304,195.00 | 5,045,236.00 | 0.92% | Circulating | Unknown | Foreign capital shareholder |
| CHIAN AGRICULTURAL BANK – CHANGSHENG DYMAMIC WELL-CHOSEN SECURITIES INVESTMENT FUND | -7,151.00 | 3,087,000.00 | 0.56% | Circulating | Unknown | Other |
| NATIONAL COMBINATION OF 101 SOCIAL INSURANCE FUNDS | -165,393.00 | 3,024,038.00 | 0.55% | Circulating | Unknown | Other |
| CHINA SOUTHERN SECURITIES CO., LTD (HK) | Unknown | 2,798,684.00 | 0.51% | Circulating | Unknown | Foreign capital shareholder |

| Particulars about shares held by the top ten shareholders of circulation share | | |
|---|---|---|
| **Name of shareholders (Full name)** | **Circulation shares held at the period-end (share)** | **Type (A-share, B-share, H-share and other)** |
| TENGDA PROPERTY CO., LTD. | 47,553,343.00 | B-share |
| MORGAN STANLEY INT’L (CHIAN) - FIRM | 15,991,043.00 | B-share |
| SKANDIA GLOBAL FUNDS PLC | 5,045,236.00 | B-share |

| | | |
|---|---|---|
| CHIAN AGRICULTURAL BANK – CHANGSHENG DYMAMIC WELL-CHOSEN SECURITIES INVESTMENT FUND | 3,087,000.00 | A-share |
| NATIONAL COMBINATION OF 101 SOCIAL INSURANCE FUNDS | 3,024,038.00 | A-share |
| CHINA SOUTHERN SECURITIES CO., LTD (HK) | 2,798,684.00 | B-share |
| TOYO SECURITIES ASIA LIMITED-A/C CLIENT. | 2,537,525.00 | B-share |
| NEITENG SECURITIES CO., LTD. | 2,397,165.00 | B-share |
| NIKKOCITI TB S/A RE: JF CHIAN MOTHER FD (761000) | 2,000,000.00 | B-share |
| CHIAN MINSHENG BANKING CORP., LTD – TIANZHI QUALITY WELL-CHOSEN MIXED TYPE SECURITIES INVESTMENT FUND | 1,677,731.00 | A-share |
| Explanation on associated relationship among the aforesaid shareholders or consistent action | (1) Shenzhen Energy Group Co., Ltd. held 30,829,682 shares on behalf of the state.<br>(2) The 3rd shareholder Shenzhen Energy Group Co., Ltd. indirectly held 100% equity of Hong Kong Nam Hoi (International) Limited, the Company's No. 2 shareholder as well as the Company's foreign legal person shareholder.<br>(3) 47,553,343 unlisted foreign capital shares held by the 5th shareholder Tengda Property Co., Ltd has turned into listed B shares in circulation on Jun 2, 2005, and able to listed in circulation in Jun.10.<br>(4) The 6th and 10th shareholders are both general public shareholders, the Company was unknown whether there existed related relationship or belonged to consistent actors. | |
| Explanation on the time limit of holding shares of the strategic investors or general legal persons participating in the allotment of new shares :Naught | | |
| Shareholders' name | Time limit of share holding | |

3.3 Particulars about change in controlling shareholder and actual controller of the Company

☐Applicable √Inapplicable

## §4. Particulars about Directors, Supervisors and Senior Executives

4.1 Particulars about changes in shares held by directors, supervisors and senior executives

☐Applicable √Inapplicable

## §5. Discussion and Analysis of the Management

5.1 Statement of main operations classified according to industries

Unit: RMB'0000

| Main business classified according to industries |
|---|

| Industries | Income from main operations | Cost of main operations | Gross profit ratio (%) | Increase/decrease in income from main operations over the same period of last year (%) | Increase/decrease in cost of main operations over the same period of last year (%) | Increase/decrease in gross profit ratio over the same period of last year (%) |
|---|---|---|---|---|---|---|
| Produce and supply of power, steam, and heat water | **145,001.17** | **141,499.39** | **2.42%** | **31.40%** | **58.70%** | **-16.78%** |
| Other industries | **6,200.00** | **691.11** | **88.85%** | **100.00%** | **100.00%** | **53.43%** |
| Including: related transactions | 0.00 | 0.00 | | | | |

| Main business classified according to products | | | | | | |
|---|---|---|---|---|---|---|
| Products | Income from main operations | Cost of main operations | Gross profit ratio (%) | Increase/decrease in income from main operations over the same period of last year (%) | Increase/decrease in cost of main operations over the same period of last year (%) | Increase/decrease in gross profit ratio over the same period of last year (%) |
| Power production | **145,001.17** | **141,499.39** | **2.42%** | **31.40%** | **58.70%** | **-16.78%** |
| Engineering contract | **6,200.00** | **691.11** | **88.85%** | **100.00%** | **100.00%** | **53.43%** |
| Including: related transactions | 0.00 | 0.00 | | | | |
| **Principle of setting price for related transaction** | Naught | | | | | |

Including: total amount of related transactions that the listed company sold products to the controlling shareholder and its subsidiaries was RMB 0.00 in the report period.

5.2 Particulars about main operations classified according to areas

Unit: RMB’0000

| Area | Income from main operations | Increase/decrease in income from main operations over the same period of last year (%) |
|---|---|---|
| Shenzhen | **127,579.93** | **15.15%** |

| | | |
|---|---|---|
| Zhongshan | 23,621.24 | + RMB 236.2124 million |

5.3 Other operations affecting material influence on net profit

□Applicable √Inapplicable

5.4 Operation of share-holding companies (applicable to the situation where investment earnings takes over 10% of its net profit)

□Applicable √Inapplicable

5.5 Explanation on reasons of material changes in main operations and its structure

□Applicable √Inapplicable

5.6 Explanation on reasons of material changes in profitability capability of main operations (gross profit ratio) than that in the last year

√Applicable □Inapplicable

| |
|---|
| In the report period, international oil price kept rising violently, and running in a high position, the cost of fuel oil accounting for relatively high percentage of power cost of the Company also has large-margin increased, which resulted in profit capacity of main business appearing a large-margin decrease comparing with the same period of last year, even though the Company better accomplished plan of power generation in the first half year. The Company has made a early-warning for 2005 semi-annual performance on July 6, 2005. |

5.7 Analysis to reasons of material changes in profit structure compared with the previous year

□Applicable √Inapplicable

5.8 Application of the raised proceeds

5.8.1 Use of the raised proceeds

□Applicable √Inapplicable

5.8.2 Particulars about the changed projects

□Applicable √Inapplicable

5.9 Plan of the Board on amending the business plan in the second half of the year

√Applicable □Inapplicable

| | |
|---|---|
| Contents on adjusting business plan | In the second half year of 2005, the Company would strictly execute various annual plan of production operations, meanwhile, tighten broaden the resource of income and reduce expenditure, strictly control cost and improve operation and management level, actively strive for highly adjust casual power price on grid, apply for energy charge subsidy, try for implement oil & power combination system, reduce value-added tax, etc. various preferred policies; deeply stir up inner potential in various channels and ways to decrease negative influence on the operations of the Company brought by high oil price. |

5.10 Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason
☐Applicable √ Inapplicable

5.11 Explanation of the Management on "Qualified Opinion" from the Certified Public Accountants in the report period
☐Applicable √Inapplicable

5.12 Explanation of the Management on changes and disposal of the issues involved in "Qualified Opinion" from the Certified Public Accountants in the last year
☐Applicable √Inapplicable

## §6. Significant Events

6.1 Acquisition and sales of assets and assets restructure

6.1.1 Assets acquired
☐Applicable √Inapplicable

6.1.2 Assets sold
☐Applicable √Inapplicable

6.1.3 Progress of these events and its influence on the operating results and financial status in the report period after the report on assets restructure or public notice on acquisition and sales of assets being published
☐Applicable √Inapplicable

6.2 Guarantees
√Applicable ☐Inapplicable

Unit: RMB'0000

| **Particulars about external guarantees (excluding guarantees for controlling subsidiary company)** | | | | | | |
|---|---|---|---|---|---|---|
| **Name of warrantee** | **Date of happening (date of agreement signing)** | **Amount of guarantee** | **Type of guarantee** | **Term of guarantee** | **Accomplished or not** | **Guarantee for related parties or not (yes or no)** |
| Total amount of guarantees in the report period | | | | | | 0.00 |
| Total balance of guarantees in the report period | | | | | | 0.00 |
| Particulars about the Company's guarantee for controlling subsidiary company | | | | | | |
| Total amount of guarantees in the report period | | | | | | 19,000.00 |
| Total balance of guarantees in the report period | | | | | | 39,000.00 |
| Particulars about total amount of guarantees (including guarantee for controlling subsidiary company) | | | | | | |
| Total amount of guarantees | | | | | | 39,000.00 |
| The percentage that the total amount of guarantee takes up the net assets of the Company | | | | | | 25.60% |
| Particulars about irregular guarantees | | | | | | |
| Total amount of guarantees for other related parties which are controlled less | | | | | | 0.00 |

| | |
|---|---|
| than 50% by the Company or the controlling shareholder | |
| The liability guarantee amount provided directly or indirectly for warrantees with a assets-liability ratio exceeding 70% | 39,000.00 |
| The part of the amount of the total guarantee exceeding the 50% line of the net assets | 0.00 |
| Total amount of irregular guarantees | 39,000.00 |

6.3 Current related credits and liabilities

√Applicable ☐Inapplicable

Unit: RMB'0000

| Name of related parties | Relationship with the listed company | Funds supplied by the listed company to related parties | | Funds supplied by related parties to the listed company | |
|---|---|---|---|---|---|
| | | Amount occurred | Balance | Amount occurred | Balance |
| Shenzhen Xiefu Oil Supply Co., Ltd | Joint venture company | 0.00 | 0.00 | 9.60 | 333.13 |
| Shenzhen Moon Bay Renhe Industry Co., Ltd. | Affiliate enterprise | 0.00 | 0.00 | 67.62 | 148.56 |
| Shenzhen Energy Group Co., Ltd. | The 1st largest shareholder | 0.00 | 0.00 | 0.00 | 55.34 |
| Baizhuoli Petroleum Co., Ltd. | Related company of affiliated enterprise | 0.00 | 0.00 | -47.02 | 663.49 |
| Total | | 0.00 | 0.00 | 30.20 | 1,200.52 |

Including: The amount of capital provided by the listed company to the controlling shareholder and its subsidiaries was RMB 0.00 with the balance amounting to RMB 0.00 million in the report period.

6.4 Material lawsuits and arbitrations

☐Applicable √Inapplicable

6.5 Other significant events and explanation on analysis to their influences and solutions

☐Applicable √Inapplicable

## §7. Financial Report

7.1 Auditing opinion

| | |
|---|---|
| Financial Report | √Un-audited ☐Audited |

7.2 Notes to financial report

7.2.2 Income statement and statement of profit distribution

Overseas statement

Summary of consolidated income statement

Six months ended June 30, 2005

| | |
|---|---|
| | **Un-audited** |

| | Notes | 6 months ended Jun30, 2005<br>RMB'000 | 6 months ended Jun30, 2004<br>RMB'000 |
|---|---|---|---|
| Turnover | 3 | 1,585,090 | 1,107,979 |
| Other incomes | 3 | 19,282 | 8,016 |
| | | 1,604,372 | 1,115,995 |
| Fuel cost | | -1,213,850 | -660,491 |
| Cost for construction | | -73,045 | |
| Cost for employees | 4 | -50,444 | -52,185 |
| Capital deprecation | | -95,851 | -79,447 |
| Amortization of intangible assets | | -4,630 | 153 |
| Operational lease cost - equipment | | -19,196 | -21,710 |
| Maintenance cost | | -32,023 | -79,702 |
| Other operation cost | 5 | -43,324 | -20,804 |
| Profit from operation | | 72,009 | 201,809 |
| Cost for financing | | -38,786 | -9,452 |
| Profit partially occupied from affiliated company | | 8,124 | 5,070 |
| Profit before deducting taxes | | 41,347 | 197,427 |
| Taxes | | -10,274 | -19,904 |
| Profit after deducting taxes | | 31,073 | 177,523 |
| Minority shareholders interest | | -5,194 | 86 |
| Profit occupied by shareholder | | 25,879 | 177,609 |

| | | |
|---|---|---|
| Earnings per share - basic | RMB0.0472 | RMB 0.32 |

7.3.1 Compared with the latest annual report period, there was no change in accounting policies and accounting estimates and correction in accounting errors in the report period.

7.3.2 Reasons and influenced number explanation on material changes in consolidated scope in the report period

☐Applicable √Inapplicable

**Board of Directors of**

**Shenzhen Nanshan Power Station Co., Ltd.**

Aug. 13, 2005