SHENZHEN NANSHAN POWER STATION CO., LTD

SEMI-ANNUAL REPORT 2005

NO.2005-29

August 13, 2005

Content

I. Important Notice

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 false recordation, misleading statements or material omissions carried in this report, and shall take all responsibilities, individually and/or jointly, for the reality, accuracy and completeness of the whole contents.

All directors attended the Board meeting.

Chairman of the Board Wei Wende, General Manager Fu Bo, CFO Lu Xiaoping and Manager of Financial Dept. Chen Xueshun hereby confirm the correctness and completeness of the Financial Report in the Semi-annual Report.

The semi-annual financial report 2005 has not been audited.

This report is prepared in both Chinese and English. Should there be any difference in interpretation between the two versions, the Chinese version shall prevail.

Paraphrase:

Company or the Company: Shenzhen Nanshan Power Station Co., Ltd.

Nanshan Power Plant: Shenzhen Nanshan Power Plant, an affiliate company of Shenzhen Nanshan Power Station Co., Ltd

Xiefu Company: Shenzhen Xiefu Oil Supply Co., Ltd., 50% of whose equities held by the Company

Xindianli Company: Shenzhen Xindianli Industrial Co., Ltd., 100% of whose equities directly and indirectly held by the Company.

Shennandian (Zhongshan) Company: Shennandian (Zhongshan) Electric Power Co., Ltd., 80% of whose equities held by the Company.

Shennandian (Dongguan) Company: Shennandian (Dongguan) Weimei Electric Power Co., Ltd., 55% of whose equities held by the Company.

Engineering Company: Shennandian Combustion Engine Engineering Technology Co., Ltd., 60% of whose equities held by the Company.

CSRC: China Securities Regulatory Commission

Designated newspapers: Securities Times, China Securities and Ta Kung Pao

RMB: The financial data and amount in this report are expressed in RMB except for otherwise stated.

II. Company Profile

(I) Legal Name of the Company:
In Chinese: **深圳南山热电股份有限公司**
In English: Shenzhen Nanshan Power Station Co., Ltd.
(II) Stock Exchange Listed with: Shenzhen Stock Exchange
Short Form of the Stock and Stock Code: Shen Nan Dian A 000037
Shen Nan Dian B 200037
(III) Registered Address: No.18 Yueliangwan Avenue, Nanshan District, Shenzhen, Guangdong Province
Office Address: 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province
Post Code: 518031
Website: http://www.nsrd.com.cn
E-mail: public@nspower.com.cn
(IV) Legal Representative: Wei Wende
(V) Secretary of the Board: Hu Qin
Tel / Fax: 0755-26003693
E-mail: huqin@nspower.com.cn
Securities Affairs Representative: Hu Qin
Tel / Fax: 0755-26003693
E-mail: huqin@nspower.com.cn
Contact address: 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province
(VI) Website for Publishing the Semi-annual Report: http: //www.cninfo.com.cn
Newspapers Designated for Disclosing Information: China Securities, Securities Times and Ta Kung Pao
Venue Where the Semi-annual Report is Prepared and Placed: Secretariat of the Board
(VII) Other Relevant Information:
Initial Registration Date: April 6, 1990
Initial Registration Venue: Nanshan Jiaozui, Nanshan District, Shenzhen
Registration Place after the Change:
No.18 Yueliangwan Avenue, Nanshan District, Shenzhen (due to change of the road number)
Registration code of the corporate business license for enterprise legal person: QGYSZ Zi. No.101591
Registration code of tax.: YSS Zi No.440301618815121
Names and office addresses of Certified Public Accountants engaged by the Company:
Domestic: Guangzhou Yangcheng Certified Public Accountants & Ltd
Address: 25/F, Jianlibao Building, No. 410, Dongfeng Middle Road, Guangzhou, Guangdong
International: PricewaterhouseCoopers Certified Public Accountants
Address: 23/F, Sunning Plaza, No.10, Hysan Avenue, Tung Lo Wan, Hong Kong
(VIII) Major Financial Data and Indexes

1. Major financail data and indexes (Unit: RMB)

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

(II) Influence of adjustment on net profits and net assets pursuant to IAS

Pursuant to the newly revised Hong Kong accounting policy, the badwill is not to be regarded as assets but as reserve upon being accrued instead. The balance of accrued badwill in the previous year is to be transferred to the reserve of this year and not to be amortized any more. Therefore, there is no difference between the domestic and overseas net profits and net assets in the first half of 2005.

III. Change in Share Capital and Particulars about Shares Held by Principal Shareholders

(I) Particulars about equity change (ended June 30, 2005, 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

Explanation: Pursuant to ZJGS Zi [2004] No.23 Document of CSRC, reply to the Announcement on the Approved Circulation of Non-Listed Foreign-Funded Shares of

Shenzhen Nanshan Power Station Co., Ltd, the shareholder of foreign shares of the Company, Tengda Property Co., Ltd holds 47,553,343 non-listed foreign-funded shares which were converted into listed circulation B-shares on June 10, 2005 (Please refer to the Company announcement on the designated newspapers dated June 7, 2005 for details)

(II) At the end of the report period, the Company had 27,888 shareholders in total, including 15,355 shareholders of A-share, and 12,530 shareholders of B-share.

(III) Particulars about shares held by the top ten shareholders and the top ten shareholders of circulation share (ended June 30, 2004)

1. Particulars about shares held by the top ten shareholders (Unit: share)

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

Explanation:

(1) Shenzhen Energy (Group) Co., Ltd representing the State holds 30,829,682 shares

of the Company.

(2) The 3rd largest shareholder, Shenzhen Energy (Group) Co., Ltd indirectly holds 100% of Nanhai Yanghang (International) Co., Ltd equities, which is the 2nd largest shareholder of foreign-funded legal person shares of the Company.

(3) The 5th largest shareholder, Tengda Property Co., Ltd holds 47,553,343 non-listed foreign-funded shares that were converted to listed circulation B-shares on June 2, 2005 and started circulating on listed market on June 10, 2005.

(4) Shareholders ranking the 6th to the 10th are those of general public shares. The Company is unknown whether there exists associated relationship among them or they belong to consistent actors.

2. Particulars about the top ten shareholders of circulation A-share (Unit: share)

Name of Shareholders	Holding shares in the period-end
CHIAN AGRICULTURAL BANK – CHANGSHENG DYMAMIC WELL-CHOSEN SECURITIES INVESTMENT FUND	3,087,000
NATIONAL COMBINATION OF 101 SOCIAL INSURANCE FUNDS	3,024,038
CHIAN MINSHENG BANKING CORP., LTD – TIANZHI QUALITY WELL-CHOSEN MIXED TYPE SECURITIES INVESTMENT FUND	1,677,731
ZOU RONGGUANG	1,066,300
CONG LIXIA	610,800
INDUSTRIAL AND COMMERCIAL BANK OF CHINA – PUFENG SECURITIES INVESTMENT FUND	561,322
CONSTRUCTION BANK OF CHINA – BOSHI YUFU SECURITIES INVESTMENT FUND	443,387
LI QI	440,029
LI XIAOBEI	439,000
MINGFANG	408,100

Note: By the end of the report period, the Company is unknown whether there exists associated relationship among the top ten shareholders of circulation A-share or they belong to consistent actors.

3. Particulars about the top ten shareholders of circulation B-share (Unit: share)

Name of Shareholders	Holding shares in the period-end
TENGDA PROPERTY CO., LTD.	47,553,343
MORGAN STANLEY INT'L (CHINA)-FIRM	15,991,043
SKANDIA GLOBAL FUNDS PLC	5,045,236
CHINA SOUTHERN SECURITIES CO., LTD (HK)	2,798,684
TOYO SECURITIES ASIA LIMITED-A/C CLIENT	2,537,525
NEITENG SECURITIES CO., LTD.	2,397,165

NIKKOCITI TB S/A RE:JF CHINA MOTHER FD (716000)	2,000,000
CHINA SECURITIES ADVISOR LIMITED	1,000,000
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	840,438
SHANGHAI WANGUO (HONGKONG) SECURITIES LIMITED	734,483

Note: By the end of the report period, the Company is unknown whether there exists associated relationship among the top ten shareholders of circulation B-share or they belong to consistent actors.

(IV) Particulars about the controlling shareholder of the Company

In the report period, the first largest shareholder of the Company remained unchanged.

IV. Particulars about Directors, Supervisors and Senior Executives

(I) In the report period, the directors, supervisors and senior executives didn't hold the Company's shares except Mr. Sun Shoulin, Chief Engineer of the Company who held 16,301 shares of the Company.

(II) Particulars about the change in directors, supervisors and senior executives in the report period

At the 1st Interim Shareholders' Meeting 2005 dated Jan. 19, 2005, Mr. Wei Wende and Mr. Fu Bo were elected as directors of the 4th Board; at the 12th Meeting of the 4th Board as of the same day, Mr. WeWende was elected as chairman of the 4th Board, and Mr. Fu Bo as general manager of the Company (Please refer to the Company announcement on the designated newspapers dated Jan. 20, 2005).

V. Discussion and Analysis of the Management

(I) Operation of the Company in the report period

1. Analysis to operation of the Company

The Company is mainly engaged in power and heat supply, related technology consultation for the power plant (station) and technical service. The principal business is to generate electricity by gas-steam turbine combined circulating generating sets.

At present, the electricity generation plants of the Company have expanded to 3 regions including Shenzhen, Zhongshan and Dongguan with total installed capacity of 1,100,000 kilowatts; the affiliates of the Company have expanded their business to construction of contracted projects, sourcing of oil products and other fields.

In the first half of the year, the national demand for power supply is still strong. A shortage of power supply occurred over the whole year in Guangdong area, and the electricity market takes on such a condition that demand exceeds supply. In the first half of the year, Shenzhen suffered the severest shortage of power supply in recent years, with the largest load of peak and off-peak power utilization reaching 1,390,000 kilowatts (which compared with 110,000 kilowatts of last year). The actual power supply in Shenzhen in the first half of the year increased by 13.7% to 18.8 billion kilowatts over the same period of last year, of which 6.59 billion kilowatts were supplied by the local fuel power plants, 27.2% up over the same period over last year; the largest power load of the city increased by 7.6% to 6.97 million kilowatts over the same period over last year. The strong demand from the power market builds a fairly good environment for the Company. However, along with the price of oil fuel climbing on the international market, the cost proportion of fuel in the total cost of generation kept rising, which has reached 85% in the first half of the year. And the cost on oil fuel has become one of the most important elements that directly affect the operating performance of the Company.

(1) Power supply

In the first half of the year, the Company has reached a generating capacity of 2,674.9513 million kilowatts, in which the exclusively invested firm of the Company, Nanshan Thermoelectricity Plant (including the Xindianli Company) accomplished 2,054.0363 million kilowatts, an increase of 10.60% over the same period of last year; and Shennandian (Zhongshan) Company accomplished 620.975 million kilowatts.

Shennandian (Zhongshan) Company officially set to operation on Jan.1, 2005. In the 1st quarter, the Company accounted its generation income by the power price at RMB 0.64 per kilowatts (including VAT) according to YJ [2005] No. Document of Guangdong Price Bureau, On the Petition for Authorizing the Power Price on Grid Generated by Gas-steam Turbine Combined Circulating Generating Sets. As the said power price was not confirmed yet up to now, the Company uniformly accounted its generation income totaling RMB 236.2124 million by the temporary settlement power price at RMB 0.457 per kilowatts (including VAT) that was contracted with Guangdong Power Grid Corporation in the first half of the year. This settlement complied with the conservatism concept in accounting, with an adjustment of corresponding decrease in generation income by RMB 42.3381 million of the 1st quarter. In the year of 2005, if Shennandian (Zhongshan) Company is approved by the government with the power price on grid or if the government raises the temporary settlement power price, the Company is going to adjust its generation revenues accordingly.

In the report period, the leading group and the working group of oil sourcing are in charge of the fuel sourcing for all the power plant enterprises. They have not only guaranteed the oil fuel supply to all power plant enterprises, but also effectively kept a tight rein on the cost in each step of the fuel sourcing and successfully developed new sources of fuel. In the first half of the year, the MOPS price of oil fuel in Singapore averaged at USD 231.3223 per ton which is USD 54.8423 per ton more than the price in the same period of last year. The continuous rise in international oil fuel price resulted in a dramatic rise in the sourcing cost of oil fuel in the Company compared with the same period of last year; the average cost on heavy oil increased to RMB 2,328.93 per ton which is RMB 588.25 per ton more than that in the same period of last year; the average cost on light oil climbed to RMB 3,490.65 per ton which is RMB 548.00 per ton more than that in the same period of last year; the total cost on oil has increased RMB 229.7945 million compared with that in the same period of last year. In order to make up the negative effect of the rising price in fuel oil on operation, the

Company, on the one hand, fully applied the standardized management and adopted various measures such as increasing income and decreasing expenditure so as to bring down the managerial costs, and on the hand, it strictly controlled the comprehensive fuel consumption on grid in each step of power generation. In the report period, the plant unit consumed fuel at 185.56 grams per kilowatts (light oil) which is 1.05 grams per kilowatts less than that in the same period of last year and less than the planned amount of the whole year 2004. The fuel cost decreased RMB 7.2293 million compared with that in the same period of last year; the actually accrued repair cost totals RMB 30.9439 million which is RMB 48.7591 less than that in the same period of last year.

(2) Non-power supply

In the first half the year, the project constructions contracted by the Engineering Company were going to finish in succession, the revenues from main operation amounting to RMB 62 million and net profits amounting to RMB 53.9832 million. In the second half of the year, the Engineering Company will strive to develop the technical value-added service of the combustion engine power plants in the meantime of contracting projects, based on its own condition and the construction situation of the combustion engine market.

In the first half of the year, Xiefu Company has dealt with oil products of 746,500 tons in total, realized revenues from main operations of RMB 189.6715 million and net profits of RMB 13.8106 million.

In the report period, the Company has realized revenues of RMB**1,585.09** million in total which increased by**43.06** % over the same period of last year; however, as the fuel cost that takes up a large proportion in the main operations rose dramatically, the operating profits fell down substantially that were decreased to RMB **72.009** million in the first half of the year by**64.32** % over the same period of last year. Besides, as the generation revenues of SNPS (Zhongshan) Company were turned down, the Company has made pretax profits of RMB **41.347** million which decreased by **79.06** % over the same period of last year; and the profits occupied by the shareholders totaled RMB**25.879** million which decreased by**85.43** % over the same period of last year.

2. Particulars about industries or products accounting for over 10% of incomes from main operations (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						
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				
Pricing principles of related transactions	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.

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

3. Problems and difficulties in operation

In recent years, the world oil price keeps on climbing. Particularly in the second half of 2004, the world oil price rose to a new historic record of more than USD 60 per tank. This price is probably going to remain high in a relatively long run, and will directly affect the fuel cost of the Company. In order to bring down the negative effect thus incurred, the Company not only needs boosting up, develop new sources and control cost, but also needs speed up the application of fuel-power combination mechanism and the fuel reform projects, endeavor for the government support, resolve the problem of SNPS (Zhongshan) Company about the lower temporary power price on grid, and ensure the Company a healthy and continuous development.

(II) Investment of the Company

1. Investment of the raised proceeds

In the report period, the Company neither raised proceeds nor had proceeds raised prior to but extending to the report period.

2. Investment of proceeds not raised through public offer

In the report period, two fuel-steam combined circulating power generating sets with installed capacity amounting to 1*180 thousand KW (total installed capacity amounting to 360 thousand KW) have entered their comprehensive installation phase, which were invested by Shennandian (Dongguan) Company and cost the total planned funds of RMB 651.231 million. Based on the construction progress of the project, the two power generating sets can be put into use to schedule.

(III) Adjustment to operating plan in the second half of the year

In the second half of the year, the Company will strictly execute its annual production and operation plan 2005, reinforce the work in broadening the sources of income and reducing expenditure, keep a tight rein on cost, raise the level of management, actively strive for the rise of temporary power price on grid and power price subsidiary, endeavor to carry out the fuel-power linkage mechanism, to reduce or remit VAT, and other more preferential policies; the Company will tap internal ties through various means and channels to reduce the negative influence of the high fuel price on operations.

(IV) Warnings of forecast considerable change in net profits from Jan. to Sep. 2005

Because of the difficulty in forecasting the trend of world market price of fuels, and the difficulty in estimating the date when Shennandian (Zhongshan) Company gets authorization from the government of the power price on grid or when the government raises the temporary settlement power price, the Company therefore finds it difficult to make a suitable estimation of the net profits during the period of Jan. to Sep. 2005, which requires investors to pay attention to the risk of ones' investment.

VI. Significant Events

(I) Corporate governance

In the report period, according to Company Law, Securities Law and the requirements of relevant laws and regulations of CSRC, the Company continued to improve the legal person's administrative structure, established modern enterprise system and standardized operation of the Company in accordance with the prescribed rules including the Rules of Procedure of Shareholders' General Meeting, the Rules of Procedure of Board Meeting, the Rules of Procedure of Supervisory Committee Meeting, the Working Instruction of General Manager, the Managerial System of Investor Relationship and Working Instruction of Independent Directors.

In the report period, discussed and passed by the 14th Meeting of 4th Board of Directors, three special committees of strategy & investment, nomination and audit under the Board are established which perfected the organizational structure and duties of the Board; besides, the Meeting revised the overall Rules of Procedure of General Manager which makes the organizational structure of the Company more standardized. Pursuant to the requirements of Rules on Administration of Listed Company and Rules of Stock Listed with Shenzhen Stock Exchange (edited in 2004), the Company has discussed and passed the proposals on amending the Article of Association and Rules of Procedure of Shareholders' General Meeting at the 14th and 15th Meeting. The practical governance of the Company complies with the requirements of Rules on Administration of Listed Company prescribed by CSRC.

(II) Profit distribution plan and its implementation in the report period

2004 Shareholders' General Meeting of the Company examined and approved 2004 Profit Distribution Plan: based on the total share capital amounting to 547,965,998 shares at the end of 2004, the Company would distribute cash to all shareholders at the rate of cash RMB 5 (including tax) for every 10 shares with the rest carried down to the next year and would not convert capital public reserve into share capital in this year. On May 17, 2005, the Company published the implementation public notice of shares distribution and dividends allotment with equity registration date of dividends allotment of A-share on May 23, 2005 and ex-dividend date on May 24, 2005. This profit distribution plan had been completed in implementation, and the last trading day of B-share on May 23, 2005, ex-dividend date on May 24, 2005 and equity registration date of dividends allotment on May 26, 2005. This profit distribution plan had been completed in implementation by the report period.

The Company would neither distribute profits nor convert public reserve into share capital in the metaphase of 2004.

(III) In the report period, the Company had no material lawsuits and arbitrations.

(IV) In the report period, the Company had no significant acquisition, merger or reorganization of assets.

(V) Material related transactions in the report period

1. Purchase and sale of commodities and labor service provision (Unit: RMB'0000)

Party of related transaction	Transaction contents	Pricing rule	Transaction amount (RMB'0000)	Proportion in amount of transaction of the same kind	Settlement measure	Influence on the profits of the Company
Xiefu Company	Lease of oil tank	Market price	1,591	93	Making out an invoice	Taking 3.76% of the net profit

2. There was no purchase and sale of assets in the report period.

3. Guarantees (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 than 50% by the Company or the controlling shareholder					0.00	

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

4. Current credits and liabilities related with the Company

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

(VII) Significant contracts and implementation

1. In the report period, except that Xindianli Company trusted the assets of project of residual heat power generation to the Company for operation and management, the Company did not trust, contract and lease the assets of other companies, or vice versa.

Other significant events

2. In the report period, the Company had no other material contracts.

3. In the report period, the Company didn't entrust others to manage cash assets.

(VIII) The Company or the shareholders holding over 5% shares (including 5%) had no commitment that would probably impact significant influence on the operating cost and financial position of the Company in the report period or happening in the previous years but going down to the report period.

(IX) Other significant events

1. According to SMGF [2004] No. 14 Document, the Company received fuel subsidy for the peak period of May to October in 2004 summer amounting to RMB 8,774,570.00. (Please refer to the Company announcement published on the designated newspapers on March 23, 2005)

2. Examined and approved in ZJGSZ [2004] No. 23 Document of CSRC, 47,553,343 non-listed foreign circulation shares held by the foreign share promoter of the Company, Tengda Property Co., Ltd were converted to listed circulation shares on June 2, 2005, part of which were able to start circulating on the listed market on June 10, 2005. (Please refer to the Company announcement published on the designated newspapers on June 7, 2005)

3. The project of Fuel-Heat Joint Supply by Combustion Engines, invested by Xindianli

Company, has been put into use since June 30, 2005.

4. On August 8, 2003, the Company and Zhongshan Power Exploitation Co. signed the Agreement on Share Transfer, Assets and Liabilities Restructure of Zhongshan Power Plant and Zhongshan Zhongfa Power Co., Ltd. After nearly two-year efforts, the 15th Meeting of the 4th Board of the Company examined and approved on July 21, 2005 that the Company and Zhongshan Power Exploitation Co. both consent to sign related share transfer agreements on transferring the affiliate's equities of the later. (Please refer to the Company announcement published on the designated newspapers dated July 26, 2005)

5. On June 22, 2005, Shenzhen Development and Reform Bureau issued the Official Reply to the Approvals about Fuel-Substituted-with-Gas Project of Shenzhen Nanshan Power Station Co., Ltd (SFG [2005] No.573 Document), agreeing upon the Fuel –Substituted-with-Gas project of Nanshan Power Station.

VII. Financial Report (un-audited)

(I) 2005 Semi-annual Financial Report (un-audited) (enclosed)

(II) Supplementary material

1. Statement of assets depreciation reserve

Unit: RMB

Item	Dec. 31, 2003	Increased amount of this period	Switch-backs of this period	Jun. 30, 2004
I. Total reserve for bad debts	20,998,204.91	-2,990.80		20,995,214.11
Including: Accounts receivable				
Other receivables	20,998,204.91	-2,990.80		20,995,214.11
II. Total reserve for falling price of short-term investment				
III. Reserve for falling price of inventories	6,843,694.05			6,843,694.05
IV. Total reserve for devaluation of long-term investment				
V. Total reserve for devaluation of fixed assets	7,278,609.58			7,278,609.58
VI. Reserve for devaluation of intangible assets	4,041,344.89			4,041,344.89
VII. Reserve for devaluation of construction in progress				
VIII. Reserve for devaluation of commission loan				
Total	39,161,853.43	-2,990.80		39,158,862.63

VIII. Documents Available for Inspection

1. Semi-annual Report of 2004 carried with the personnel signature of legal representative;
2. Accounting Statements carried with the signature and seals of the legal representative, General Manager and CFO;
3. All the originals of the Company's documents and public notices disclosed in Securities Times, China Securities and Ta Kung Pao in the report period;
4. Articles of Association of the Company recently examined and approved by Shareholders' General Meeting;
5. Place for inspection: Plan & Operation Department of the Company.

Board of Directors of
Shenzhen Nanshan Power Station Co., Ltd.
Aug. 13, 2005