Short Form of the Stock: G Nandian, Shen Nandian B No.: 2006 - 43
Stock Code: 000037, 200037

SHENZHEN NANSHAN POWER STATION CO., LTD.
SUMMARY OF SEMI-ANNUAL REPORT 2006

§1. Important Notice

1.1 The Board of Directors and the Supervisory Committee of Shenzhen Nanshan Power Station Co., Ltd. (hereinafter referred to as the Company) along with all its directors, supervisors and senior executives 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 Interim Report has been extracted from the full text of the Interim Report, which has been published in Juchao Website (http://www.cninfo.com.cn). For detailed information, it is suggested that the investors read the full text of the Interim Report carefully.
1.2 No director, supervisor and senior executive would claim that he or she could not guarantee the authenticity, accuracy or completeness of the report's contents or that he or she would hold different opinions.
1.3 Name list of un-presented directors

Name of directors	Reasons for not attending the Board meeting	Name of entrustee
Zhao Xiao	on business	Wei Wende
Yu Chunling	on business	Wei Wende
Zhong Chengli	on business	Wang Jianbin
Li Li	on business	Wang Jianbin
Liu Zhanjun	on business	Huang Sujian

1.4 The SEMI-ANNUAL REPORT 2006 of the Company has not been audited.
1.5 Mr. Wei Wende, Chairman of the Board of the Company, Mr. Fu Bo, General Manager, Mr. Lu Xiaoping, CFO and Financial Principal Mr. Chen Xueshun hereby confirm that the Financial Report of the Interim Report is true and complete.
1.6 This report has been prepared in Chinese version and English version respectively. In the event of difference in interpretation between the two versions, the Chinese report shall prevail.

§ 2. Company Profile

2.1 Basic information

Short form of the stock	G Nandian, Shen Nandian B	Short form before change	Shen Nandian A
Stock code	000037, 200037		
	Secretary of the Board	Securities Affairs Representative	
Name	Hu Qin	Hu Qin	
Contact address	17/F, Hantang Building, OCT, Shenzhen, China		
Tel.	(86) 755-26003683		
Fax	(86) 755-26003684		
E-mail	investor@nspower.com.cn		

2.2. Major financial data and indexes

2.2.1 Major accounting data and financial indexes

Unit: RMB'000

Items	**Jan.-Jun. 2006**	**Jan.-Jun. 2005**	**Increase/decrease in this report period compared with the same period of last year (%)**
Turnover	1,600,838	1,512,012	5.87
Other income-net amount	210,052	19,282	989.37
Annual profit of equity holders of the Company	-39,860	25,845	-254.23
Total shareholders' fund	1,467,425	1,507,407	-2.65
Earnings per share (RMB)	-0.073	0.0472	-254.66
Net assets per share (RMB)	2.68	2.75	-2.55

2.2.2 Item of non-recurring gains and losses

√ Applicable ☐Inapplicable

Unit: RMB

Items of non-recurring gains and losses	Amount
1. Subsidy income	186,797,680.00
2. No-operating gains and losses, net	-146,000.00
3. Impact on income tax	-8,349,226.19
Total	178,302,453.81

2.2.3 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

Content	Before the change		Increase/decrease in this change (+, -)						After the change	
	Amount	Proportion (%)	Rationed share	Bonus share	Capitalization of public reserves	Additional issuing	Others	Sub-total	Amount	Proportion (%)
I. Restricted shares	243,268,480	44.40		-15,218,143				-15,218,143	228,050,337	41.62
1. State-owned share										
2. State-owned legal person's share	243,252,179	44.39		-15,221,969				-15,221,969	228,030,210	41.61
3. Other domestic share										
Including: Domestic legal person's share										
Domestic nature person's share	16,301	0.01		+3,826				+3,826	20,127	0.01
4. Foreign share										
Including: Overseas legal person's share										
Overseas nature person's share										
II. Unrestricted shares	220,949,110	40.32		+15,218,143				+15,218,143	236,167,253	43.10
1. RMB ordinary share	64,829,839	11.83		+15,218,143				+15,218,143	80,047,982	14.61
2. Domestic listed foreign share	156,119,271	28.49							156,119,271	28.49
3. Overseas listed foreign share										
4. Others										
III. Non-listed foreign share	83,748,408	15.28							83,748,408	15.28
IV. Total share	547,965,998	100							547,965,998	100

Note: ①Changes of share structure in the report period is due to the Company's implementation of Share Merger Reform. ②Domestic nature person shares among shares subject to conditional sales are shares held by senior executives.

Amount of shares held by the top ten restricted shareholders and its restriction

Unit: share

No.	Shareholders subject to conditional sales	Amount of shares subject to conditional sales	Date of being allowed to be listed for trading	Amount of newly added tradable shares	Sales condition
1	SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD	118,800,636	Mar. 28, 2007	27,398,300	Legal condition
			Mar. 28, 2008	27,398,300	
			Mar. 28, 2009	64,004,036	

2	SHENZHEN ENERGY (GROUP) CO., LTD.	59,187,391	Mar. 28, 2007	27,398,300	Legal condition
			Mar. 28, 2008	27,398,300	
			Mar. 28, 2009	4,390,791	
3	SHENZHEN STATE POWER SCIENCE AND TECHNOLOGY DEVELOPMENT CO., LTD.	50,042,183	Mar. 28, 2007	27,398,300	Legal condition
			Mar. 28, 2008	22,643,883	

3.2 Particulars about shares held by the top ten shareholders and the top ten unrestricted shareholder

Unit: share

Total amount of shareholders	28,326				
Particulars on shares held by top ten shareholders					
Name of shareholder	Nature of shareholder	Proportion of share holding	Total amount of share held	Amount of share held subject to conditional sales	Amount of share pledged or frozen
SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD	State-owned shareholder	21.68%	118,800,636	118,800,636	0
HONG KONG NAM HOI (INTERNATIONAL) LIMITED	Foreign-funded shareholder	15.28%	83,748,408	0	0
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned shareholder	10.80%	59,187,391	59,187,391	0
TENGDA PROPERTY CO., LTD.	Foreign-funded shareholder	9.52%	52,147,348	0	0
SHENZHEN STATE POWER SCIENCE AND TECHNOLOGY DEVELOPMENT CO., LTD.	State-owned shareholder	9.13%	50,042,183	50,042,183	0
MORGAN STANLEY INT'L (CHINA)-FIRM	Others	4.74%	25,996,024	0	Unknown
ZHONGSHAN GAOLING INVESTMENT CO., LTD	Others	2.49%	13,631,636	0	Unknown
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	Others	0.63%	3,475,767	0	Unknown
NAITO SECURITIES CO., LTD.	Others	0.56%	3,073,018	0	Unknown
CHINAFAMOUSBRAND SECURITIES HOLDING CO., LTD.	Others	0.41%	2,259,559	0	Unknown

Particulars on share held by top ten shareholders subject to non-conditional sales		
Name of shareholder	Amount of shares subject to conditional sales	Type of share
TENGDA PROPERTY CO., LTD.	52,147,348	Domestic listed foreign share
MORGAN STANLEY INT'L (CHINA)-FIRM	25,996,024	Domestic listed foreign share
ZHONGSHAN GAOLING INVESTMENT CO., LTD	13,631,636	RMB ordinary share
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	3,475,767	Domestic listed foreign share
NAITO SECURITIES CO., LTD.	3,073,018	Domestic listed foreign share
CHINAFAMOUSBRAND SECURITIES HOLDING CO., LTD.	2,259,559	Domestic listed foreign share
GUOTAI JUNAN SECURIES HONG KONG LIMITED	1,497,500	Domestic listed foreign share
CHINA SOUTHERN SECURITIES Hong Kong CO., LTD	1,400,000	Domestic listed foreign share

AIZAWA SECURITIES CO., LTD	1,205,557	Domestic listed foreign share
ABN AMRO BANK NV	1,135,798	Domestic listed foreign share
Explanation on affiliations or accord actions among the aforementioned shareholders	1. Among the top ten shareholders, the third, SHENZHEN ENERGY (GROUP) CO., LTD. holds indirectly a stake of 100% in the second , HONG KONG NAM HOI (INTERNATIONAL) LIMITED 2. It is unknown whether there is affiliated relation or accord actionist among other public shareholders.	

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

Name	Post office	Shares held at period-beginning	Share held at period-end	Reason for change
Sun Shoulin	Chief engineer	16,301	20,127	Bonus rewarded in share merger reform

§5. Discussion and Analysis of the Management

5.1 Statement of main operations classified according to industries

Unit: RMB’0000

Prime operations classified according to industries						
Industries or products	Income from prime operations	Cost of prime operations	Profit margin of prime operations（%）	Increase/decrease of income from prime operations compared with the same period of the previous year（%）	Increase/decrease of cost prime operations compared with the same period of the previous year（%）	Increase/decrease of profit margin of prime operations（%）
Producing and supply of power, steam, and heat water	156,748.86	172,689.95	-10.17	8.10	22.04	Down by 12.59
Other industries	3,334.90	2,701.27	19.00	-46.21	290.86	Down by 69.85
Prime operations classified according to products						
Power production	151,374.63	167,901.95	-10.92	4.40	18.66	Down by 13.34

Steam producing	5,374.23	4,788.00	10.91	—	—	Up by 10.91
Engineering contract	289.18	511.61	-76.92	-95.34	-25.97	Down by 165.77
Others	3,045.72	2,189.66	28.11	—	—	Up by 28.11

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	103,849.58	-18.60
Zhongshan	31,492.35	33.32
Dongguan	24,741.83	—

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 take over 10% of its net profit)

√ Applicable ☐Inapplicable

Name of shareholding company		Anhui Tongling Shenneng Electric Power Co. Ltd		
Investment yield contributed in the report period		0.00	Proportion taking up the net profit of the listed company	0.00
Shareholding company	Business scope	Electricity producing and sales to the Grid		
	Net profit	-2,026.01		
Name of shareholding company		Shenzhen Energy- Environment Protection Engineering Co. Ltd		
Investment yield contributed in the report period		0.00	Proportion taking up the net profit of the listed company	0.00
Shareholding company	Business scope	Investment in electricity producing by burning waste and other environment protection equipments		
	Net profit	-1,351.43		

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

Profitability (gross profit margin) of prime operations in the report period was -9.60%, achieving a negative growth of 9.38% compared with -0.22% of the previous year, mainly because oil price in the international market continuously went up, which led to an increase of fuel cost for generating electricity.

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

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**

—	—	—	—	—	—	—

Total amount of guarantee in the report period	0.00
Total balance of guarantee at the end of the report period (A)	0.00
Guarantees of the Company for controlling subsidiaries	
Total amount of guarantee for controlling subsidiaries in the report period	54,896.15
Total balance of guarantee for controlling subsidiaries at the end of the report period (B)	20,627.15
Particulars about external guarantees of the Company (Including guarantees for controlling subsidiaries)	
Total amount of guarantee (A+B)	20,627.15
The proportion of the total amount of guarantee in the net assets of the Company	13.89%
Including:	
Total amount of guarantee for the shareholders, actual controllers and the relevant parties (C)	0.00
The debts guarantee amount directly or indirectly provided for the guarantee of which the assets-liability ratio exceeded 70% (D)	20,627.15
Proportion of total amount of guarantee in net assets of the Company exceeded 50% (E)	0.00
Total amount of the aforesaid guarantees* (C+D+E)	20,627.15

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 Moon Bay Renhe Industry Co., Ltd.	Affiliate enterprise	—	—	10.54	10.54
Shenzhen Moon Bay Oil-bearing Port Co., Ltd.	Shares indirectly controlled by Shenzhen Energy Group Co., Ltd	—	—	-37.81	266.82
Shenzhen Energy Group Co., Ltd.	Shareholder party	—	—	-0.22	54.52
Total		—	—	-27.49	331.88

6.4 Material lawsuits and arbitrations

☐Applicable √ Inapplicable

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

Occupation of non-operating capital and progress of its payoff
☐Applicable √ Inapplicable

6.6 Special commitment stated by original shareholders of tradable share in the period of Share Merger Reform and its performances
☐Applicable √ Inapplicable

6.7 Explanation of time and date plan on Share Merger Reform for the companies unperformed SMR
☐Applicable √ Inapplicable
Detailed reasons of commitment has been made but could not performed in time for the Companies unperformed SMR
☐Applicable √ Inapplicable

§7. Financial Report

7.1 Auditing opinion

Financial Report	√ Un-audited ☐Audited

7.2 Notes to financial report
7.2.1 Summary of consolidated income statement

		Un-audited	
		2006	2005
	Note	**June 30**	**June 30**
Sales		1,600,838	1,512,012
Other income-net amount		210,052	19,282
		1,810,890	1,531,294
Fuel cost		-1,536,999	-1,213,850
Construction cost		-5,161	-9,382
Employment cost		-48,253	-50,444
Depreciation of fixed assets		-104,503	-95,851
Amortization of intangible assets		-5,300	-4,630
Rent on operation purpose - equipment		-14,082	-19,196
Repair and maintenance expenses		-28,547	-32,023
Other operating expenses		-41,140	-33,942
Operating profits		26,906	71,976

Financing cost	-57,806	-38,786
Profits of affiliated companies	-16,007	6,905
Profits before taxation	-46,907	40,095
Expense of income tax	-8,960	-9,056
Annual profit	-55,867	31,039
Occupation		
the equity owner of the Company	-39,860	25,845
Equity of minority shareholders	-16,007	5,194
	-55,867	31,039

7.3 Notes to financial statement

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.

□Applicable √Inapplicable

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

√Applicable □Inapplicable

Shenzhen Xiefu Oil Supply Co., Ltd. was consolidated into accounting statement scope in the report period.

7.3.3 Listing notes related to the involved issues, if the Company is issued a qualified opinion

□Applicable √Inapplicable

Board of Directors of
Shenzhen Nanshan Power Station Co., Ltd.
August 22, 2006