Condensed Consolidated Profit and Loss Statement

（Except for additional notes, unit of the amount is in RMB thousand）

	Note	Un-audited	
		2006	2005
		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

Condensed Consolidated Balance Sheet

（Except for additional notes, unit of the amount is in RMB thousand）

		Un-audited Jun.30, 2006	Audited and revised Dec. 31, 2005
Asset	Order		
Non-current asset	1		
Land use rights	2	41,876	36,888
Intangible assets	3	43,348	33,360
Property, machinery and equipment	4	3,049,079	2,919,201
Equities of affiliated companies	5	3,171	25,400
Deferred tax-asset	6	8,936	8,936
Financial asset available for sales	8	81,850	53,919
Non-tradable securities	9		
	10		
	11	3,228,260	3,077,704
Current assets	12		
Inventories	13	551,819	430,329
Trade and other receivables	16	956,029	448,131
Bank balance and cash	17	452,324	307,525
	18	1,960,172	1,185,985
Total asset	19	5,188,432	4,263,689
	20		
Equity	21		
Capital and reserve occupied in equity holders of the Company	22		
Share capital	23	547,966	547,966
Other reserve	24	735,907	735,907
Reserved surplus	25		
Proposed dividend at the end of report period	26		
other	27	183,552	223,534
	28	1,467,425	1,507,407
Minority's equity	29	197,388	172,898
Total equity	30	1,664,813	1,680,305
	31		
Liabilities	32		
Non-current liabilities	33		
Loans	34	475,368	416,783
	35		
Current liabilities	36		
Trade and other account payable	37	1,089,713	797,340

Contracted amount of constructions payable to customers	39		
Liabilities of income tax in the report period	43	8,033	10,685
loan	45	1,950,505	1,358,576
	46	3,048,251	2,166,601
Total liabilities	47	3,523,619	2,583,384
Total equity and liabilities	48	5,188,432	4,263,689

Condensed Consolidated Equity Change Statement

6 months ended Jun., 30, 2006

		Un-audited				
		Occupation of equity owner of the Company			**Minority shareholders' equity**	**Total equity**
	Note	**Share capital**	**Other reserve**	**Reserved surplus**		
Balance as of Jan. 1, 2005; relisted		547,966	700,663	507,963	102,033	1,858,625
Dividend in 2004		-	-	-273,983	-	-273,983
Annual surplus		-	-	29,919	-22,463	7,456
Reevaluation of the financial asset available for sales		-	-2,910	-	-	-2,910
Distribution from reserved surplus		-	40,365	-40,365	-	-
Capital invested by minority shareholders		-	-	-	93,328	93,328
Balance of monetary exchange		-	-2,211	-	-	-2,211
Balance as of Dec. 31, 2005		547,966	735,907	223,534	172,898	1,680,305
Annual surplus				-39,860	-16,007	-55,867
Reevaluation of the financial asset available for sales						0
Distribution from reserved surplus						0

Capital invested by minority shareholders				40497	40,497
Balance of monetary exchange			-122		-122
Balance as of June 30, 2006	547,966	735,907	183,552	197,388	1,664,813

Condensed Consolidated Statement of Cash Flow

6 months ended Jun., 30, 2006

	Un-audited 2006 Jan. to Jun.
Cash flow arising from operating activities	
Cash arising from operating activities	-409,649
Income tax paid	
Net cash arising from operating activities	-409,649
Cash flow arising from investment	
Purchasing property, machinery, equipment and land use right	-300,818
Amount of sales of property, machinery and equipment	1,830
Purchase of intangible asset	
Interest received	1,689
Dividend received	
Borrowing-loan of affiliated company	
Amount of loan repayment by affiliated company	
Net cash of investment	-297,299
Account from loan	2,099,881
Repayment of loan	-1,210,164
Dividend paid	-56,119
Capital invested by minority shareholders	31,308

Dividend paid to shareholders of the Company	-13,162
Net cash arising from financing activities	851,744
Decrease/increase of cash	144,796
Cash in the year-begin	307,527
Losses/gains of cash exchange	
Cash in the year-end	452,323

1. General Information

Shenzhen Nanshan Power Station Co., Ltd (hereinafter referred to as the Company) is an incorporated company registered in People' s Republic China (hereinafter referred to as China). The Company issues A-share and B-share listed with Shenzhen Stock Exchange. The Company and its affiliates (jointly referred to as the Group) are mainly engaged in power generation in the domestic market of China.

2. Methods for preparing the consolidated accounting statements and the main accounting policies

The unaudited Condensed Interim Financial Report (Interim Financial Report) was prepared in accordance with Hong Kong financial report standards (shortly referred to as Report Standards).

3. Business turnover and revenues

The Group is mainly engaged in power generation. In the report period, revenues are stated as follows:

	6 months ended June30	
	2006	2005
	RMB'000	RMB'000
Sales		
Sales of Power	1,513,746	1,450,012
Income from sales of power	53,743	
Incomes from contracted projects	2,892	62,000
Other sales income	30,457	
	1,600,838	1,512,012
Other income-net amount		
-Other income	20,357	10,903

-Returned tax	319	-
- Subsidiary of generation fuel	186,798	5,925
-Incomes from consultation service	591	1,010
- Income from interests	1,987	1,444
	210,052	19,282

4. Operating cost

	Note	2006 June 30	2005 June 30
Fuel cost		-1,536,999	-1,213,850
Construction cost		-5,161	-9,382
Employment cost		-48,253	-50,444
Depreciation of fixed asset		-104,503	-95,851
Land use right and amortization of intangible asset		-5,300	-4,630
Expense of operating lease-equipment		-14,082	-19,196
Expense of maintenance		-28,547	-32,023
Other operating expense		-41,140	-33,942

5. Financing cost

	2006 June 30	2005 June 30
Financing cost	-57,806	-38,786

6. Taxes

The taxes accounted in the consolidated profit and loss statement include:

	2006 June 30	2005 June 30
Expense of income tax	-8,960	-9,056