深圳南山热电股份有限公司

SHENZHEN NANSHAN POWER CO., LTD.

Annual Report 2006

Notice No.: 2007-17

March 20, 2007

Important Notes

Board of Directors and the Supervisory Committee of Shenzhen Nanshan Power Station Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Wang Jianbin and Zhong Chengli were absent from the meeting due to business and they both entrusted Fu Bo to attend the meeting and vot on their behalves; Huang Sujian was absent from the meeting due to go abroad for businness and entrusted Zhou Chengxin to attend the meeting and vote on his behalf.

Guangdong Yangcheng Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers Certified Public Accountants respectively audited the Company's financial report and issued the standard unqualified Auditor's Report for the Company.

Chairman of the Board Wei Wende, Director General Manager Fu Bo, CFO Lu Xiaoping and Head of Financial Dept. Chen Xueshun hereby confirm that the Financial Report enclosed in Annual Report 2006 is authentic and complete.
The Annual Report 2006 was prepared in both Chinese and English. Should there be any difference in interpretation of the two versions, the Chinese version shall prevail.

Contents

I. Company Profile

1. Legal Name in Chinese: 深圳南山热电股份有限公司
   Legal Name in English: SHENZHEN NANSHAN POWER STATION CO., LTD.
2. Legal Representative: Wei Wende
3. Secretary of the Board of Directors: Hu Qin
   Stock & Securities Affairs Representative: Hu Qin
   Tel : (86)755-26003683
   Fax: (86)755-26003684
   E-mail: investor@nspower.com.cn
   Contract Address: 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, China
4. Registered Address: No.18, Yueliangwan Avenue, Nanshan District, Shenzhen, China
   Post Code: 518052
   Office Address: 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, China
   Post Code: 518053
   Web site of the Company: http://www.nsrd.com.cn
   E-mail: public@nspower. com.cn
5. Newspapers Designated for Disclosing Information of the Company:
   Securities Times, China Securities and Hong Kong Wen Wei Po
   Internet Web Site Designated by China Securities Regulatory Commission for Publishing the Annual Report: http: //www.cninfo.com.cn
   Place Where the Annual Report is Prepared and Placed: Secretariat of the Board
6. 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
   【Note】Short form of A stock of the Company changed from G Nan Dian to Shen Nan Dian A dated October 9, 2006.
7. Other Relevant Information:
   Initial Registration Date: April 6, 1990
   Initial Registration Place: Nanshan Jiaozui, Nanshan District, Shenzhen
   Registration Place after the Change:
   No.18 Yueliangwan Avenue, Nanshan District, Shenzhen (due to change of the road number)
   Registered number of the corporate business license for enterprise legal person: QGYSZ Zi. No.101591
   Registration Number of Tax.: GTF Zi No.440305930100069（14）
   Names and office addresses of Certified Public Accountants engaged:
   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

8. Interpretations

The Company: Shenzhen Nanshan Power Station Co., Ltd.

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

New Power Company: Shenzhen New Power Industrial Co., Ltd. whose 100% shares are held by the Company directly and indirectly.

Xingdesheng Company: the wholly-owned overseas subsidiary, namely HongKong Xingdesheng Co., Ltd..

Shennandian Engineering Company: Shenzhen Shennandian Gas Engines Engineering Technology Co., Ltd, whose 60% shares are held by the Company.

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

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

Tongling Shenneng Company: Anhui Province Tongling Shenneng Power Generation Co., Ltd., whose 10% shares are held by the Company.

Energy Envionment Protection Company: Shenzhen Energy Envionment Protection Engineering Co., Ltd., whose 10% shares are held by the Company.

Nanshan Power Plant: the secondary company of the Company, namely Nanshan Power Plant of Shenzhen Nanshan Power Station Co., Ltd..

Zhongshan Nanlang Power Plant: Zhongshan Nanlang Power Plant of Shennandian (Zhongshan) Electric Power Co., Ltd.

Dongguan Gaobu Power Plant: Dongguan Gaobu Power Plant of Shennandian (Dongguan) Weimei Electric Power Co., Ltd.

CSRC: China Securities Regulatory Commission.

Shenzhen Securities Regulatory Office: Shenzhen Securities Regulatory Office of CSRC.

Shenzhen Stock Exchange: Shenzhen Stock Exchange

Shenzhen Power Supply Bureau: Shenzhen Power Supply Bureau of Guangdong Power Grid Corporation

Designated Newspapers: Securities Times, China Securities and Hong Kong Wen Wei Po

RMB: Unless otherwise specified, the standard currency in the financial data or unit refers to Renminbi.

II. Summary of Accounting Highlight and Bussiness Highlight

(I) Major accounting data as of the year 2006

Unit: RMB'000

Items	Amount
Sales	3,858,907
Operating profit	219,935
Profit before income tax	77,153
Equity attributable to the Company	63,101
Net cash rising from operating activities	-145,159
Net increase/decrease of cash	316,458

(II) Impact on net profit and net assets after adjustment based on International Accounting Standards

Items	Net assets (RMB'000) (Ended as of Dec., 31, 2006)	Net assets (RMB'000) (For the year 2006)
Calculated as International Accounting Standards	1,576,612	63,101
Adjustment based on International Accounting Standards:		
Adjustment based on influence of HK Financial Report Standards		
Reevalution of financial assets available for sale	10,180	
Balance of consolidating subsidiaries	365	365
Calculated as per Chinese Accounting Standards	1,587,157	63,466

(III) Major accounting date and financial ratio over the past three years

Unit: RMB'000

	Attributable to the equity holders of the Company			Minority interests	Total interests
	Share equity	Other reserves	Retained profit		
Surplus on Jan.1, 2005	547,966	700,663	507,963	102,033	1,858,625
Stock dividends in 2004			-273,983		-273,983
Annual profit			29,919	-22,463	7,456
Reevaluation of financial assets available for sale		-2,910			-2,910
Carrying over capital reserve		40,365	-40,365		

Input assets of minority shareholders				93,328	93,328
Balance of monetary exchange		-2,211			-2,211
Surplus on Dec.31, 2005	547,966	735,907	223,534	172,898	1,680,305
Surplus on Jan., 1, 2006	547,966	735,907	223,534	172,898	1,680,305
Stock dividends in 2005				-13,162	-13,162
Annual profit			63,101	-5,865	57,236
Reevaluation of financial assets available for sale		7,786			7,786
The subsidiaries changed from associates				22,350	22,350
Distributing from retained profit		11,229	-11,229		
Input assets of minority shareholders				31,309	31,309
Balance of monetary exchange		-1,682			-1,682
Surplus on Dec., 31, 2006	547,966	753,240	275,406	207,530	1,784,142

III. Changes in Share Capital & Particulars about Shareholders

(I) Changes in share capital

1. Statement of changes in shares (Ended Dec. 31, 2006)

Unit: Share

Items	Before the Changes		Increase/Decrease in the Change (+, -)						After the Change	
	Amount	Proportion (%)	Rationed share	Bonus shares	Capitalization of public reserve	Additional issuing	Other	Subtotal	Amount	Proportion (%)
I. Restricted shares	243,268,480	44.40		-15,218,143			+83,748,408	+68,530,265	311,798,745	56.90
1. State-owned shares										
2.State-owned legal person's shares	243,252,179	44.39		-15,221,969				-15,221,969	228,030,210	41.61
3. Other domestic shares	16,301	0.01		+3,826				+3,826	20,127	0.01
Including: Domestic legal person's shares										
Domestic natural person's shares	16,301	0.01		+3,826				+3,826	20,127	0.01
4. Foreign shares							+83,748,408	+83,748,408	83,748,408	15.28
Including: Foreign legal person's shares							+83,748,408	+83,748,408	83,748,408	15.28
Foreign natural person's shares										
II. Unrestricted shares	220,949,110	40.32		+15,218,143				+15,218,143	236,167,253	43.10
1. RMB Ordinary shares	64,829,839	11.83		+15,218,143				+15,218,143	80,047,982	14.61
2.Domestically listed foreign shares	156,119,271	28.49							156,119,271	28.49
3. Overseas listed foreign shares										
4. Others										
III.Unlisted foreign-funded shares	83,748,408	15.28					-83,748,408	-83,748,408	0	0.00
IV. Total shares	547,965,998	100							547,965,998	100

Note: (1) With the approval of Ministry of Commerce of the PRC and CSRC, the unlisted foreign-funded shares of the Company totaling up 83,748,408 which were held by the second largest shareholder Hong Kong Nam Hoi (International) Limited has transferred to Tradable Shares of B stock on Oct. 20, 2006; and the shares could be listed on B-stock market for circulation in Shenzhen Stock Exchange after one year since Oct. 20, 2006;

(2) In the report period, other stock structure of the Company changed due to the implementation of Share Merger Reform of the Company;

(3) Domestic natural persons' shares among the restricted shares were shares held by original senior executives.

2. The date for the restricted shares to be listed

Unit: Share

Date	The amount of additional listed shares expired the restricted period	Balance of the amount of restricted shares	Balance of the amount of unrestricted shares	Explanations
March 29, 2007	82,194,900	229,603,845	318,362,153	Ban-lifting on restricted shares during Share Merger Reform
June 30, 2007	20,127	229,583,718	318,382,280	Ban-lifting on shares held by original senior executives
Oct. 20, 2007	83,748,408	145,835,310	402,130,688	Listed circulation of B-share held by Hong Kong Nam Hoi (International) Limited
March 29, 2008	77,440,483	68,394,827	479,571,171	Ban-lifting on restricted shares during Share Merger Reform
March 29, 2009	68,394,827	0	547,965,998	Ban-lifting on restricted shares during Share Merger Reform

3. Shares held by the top ten restricted shareholders and restricted conditions

Unit: Share

No.	Name of the restricted shareholders	Amount of the restricted shares held	Date to be listed	Amount of the additional listed shares	Restricted condition
1	SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD.	118,800,636	March 29, 2007	27,398,300	Legal
			March 29, 2008	27,398,300	
			March 29, 2009	64,004,036	
2	HONG KONG NAM HOI (INTERNATIONAL) LIMITED	83,748,408	Oct.20,2007	83,748,408	Legal
3	SHENZHEN ENERGY GROUP CO., LTD.	59,187,391	March 29, 2007	27,398,300	Legal
			March 29, 2008	27,398,300	
			March 29, 2009	4,390,791	
4	STATE GRID SHENZHEN ENERGY DEVELOPMENT GROUP CO.,LTD.	50,042,183	March 29, 2007	27,398,300	Legal
			March 29, 2008	22,643,883	
5	SUN SHOU LIN	20,127	June 30,2007	20,127	Legal

(II) Share issuance and listing

1. The Company issued neither any shares nor derived securities over the past three years ended the report period.

2. There were no inner employees' shares in the Company at present.

(III) Particulars about the main shareholders ended by the report period

1. Ended by the report period, the Company had totally 22,705 shareholders, of them, 13,177 shareholders of A-share with a decrease of 3,480 over last year, and 9,528

shareholders of B-share with a decrease of 2,024 over last year.

2. Particulars about the shares held by the shareholders (Ended as Dec.31, 2006)

(Unit: Share)

Total amount of shareholders	22,705				
Particulars about the shares held by the top ten shareholders					
Full Name of shareholder	**Nature of shareholders**	**Proportion of shares held**	**Total amount of shares held**	**Amount of the restricted shares held**	**Amount of shares 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	83,748,408	0
TENGDA PROPERTY CO., LTD.	Foreign-funded shareholder	11.03%	60,462,337	0	0
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned shareholder	10.80%	59,187,391	59,187,391	0
STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) 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	2.77%	15,201,676	0	Unknown
GUOTAI JUNAN SECURIES HONG KONG LIMITED	Others	0.79%	4,336,334	0	Unknown
CHINAFAMOUSBRAND SECURITIES HOLDING CO., LTD.	Others	0.67%	3,659,559	0	Unknown
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	Others	0.57%	3,114,854	0	Unknown

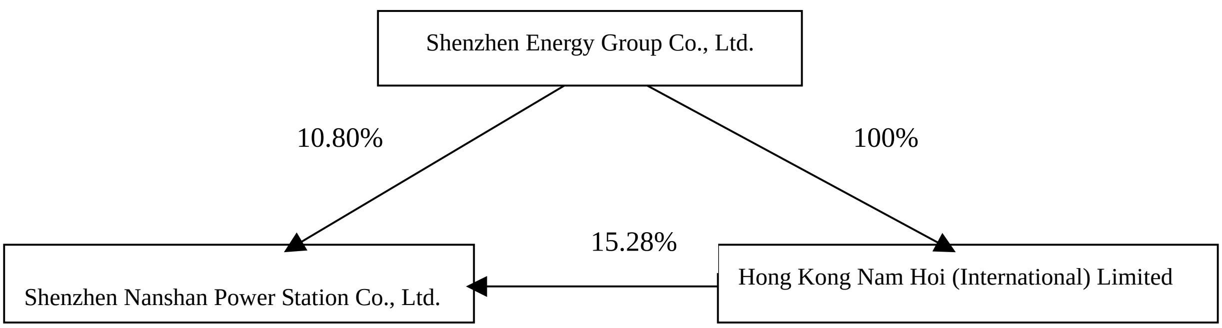
Particulars about the shares held by the top ten unrestricted shareholders		
Full Name of shareholder	**Amount of unrestricted shares held**	**Type of shares**
TENGDA PROPERTY CO., LTD.	60,462,337	Domestically listed foreign share
MORGAN STANLEY INT'L (CHINA)-FIRM	25,996,024	Domestically listed foreign share
ZHONGSHAN GAOLING INVESTMENT CO., LTD	15,201,676	RMB ordinary share
GUOTAI JUNAN SECURIES HONG KONG LIMITED	4,336,334	Domestically listed foreign share
CHINAFAMOUSBRAND SECURITIES HOLDING CO., LTD.	3,659,559	Domestically listed foreign share
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	3,114,854	Domestically listed foreign share
NAITO SECURITIES CO., LTD.	2,688,750	Domestically listed foreign share
LIANG XIAN LING	1,718,391	RMB ordinary share
HSBC BROKING SECURITIES (ASIA) LIMITED-CLIENTS A/C	1,308,302	Domestically listed foreign share
LIU LI MIN	1,122,295	RMB ordinary share

Explanation on associated relationship among the top ten shareholders or consistent action	1. The fourth shareholder, Shenzhen Energy (Group) Co., Ltd. holds indirectly 100% equity of the second shareholder Hong Kong Nam Hoi (International) Limited; 2. The consistent actor of the third shareholder Tengda Property Co., Ltd held B tradable shares of the Company through the sixth shareholder MORGAN STANLEY INT'L (CHINA)-FIRM; for the details, please refer to the relevant notice of the Company dated Feb.8, 2007. 3. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.

【Note】 The original state-owned shareholder of the Company Shenzhen State Power Science And Technology Development Co., Ltd has changed its name into State Grid Shenzhen Energy Development Group Co., Ltd in January, 2007.

3. Particulars about the controlling shareholder

The Company has no controlling shareholder. Shenzhen Energy Group Co., Ltd. is the actual largest shareholder of the Company, its legal representative is Gao Zimin; date of foundation: July 15, 1985, registered capital: RMB 955,555,556; enterprise type: company with limited liability; business scope: development, production and purchase and sale of conventionality energy (including electricity, heat, coal, oil and gas) and new energy; design, construction, management and operation of various energy project; facility and its fittings, equipments, aluminum, timber and cement and other raw materials demanded by energy project; operation of import and export business (transacted according to SMGSZ Zi No. 147 document); operating personnel training, consultation prepared for energy projects and other relevant service business (specific projects subject to approval by the authority); technology development, transfer and service of environments protection; investing and operating transportation business (highway, littoral and oceanic) of fuel, raw material and equipment demanded by energy projects, management of property (operated by property management qualification certificate), lease of owned property.



In the report period, there existed no change in the 1st largest actual shareholder of the Company.

4. Brief introduction of legal person shareholders holding over 10% of total shares of the Company

(1) Shenzhen Guangju Electronic Investment Co., Ltd. holds 21.68% of the Company's total shares; legal representative: Zhong Chengli; date of foundation: May 31, 1989; registered capital: RMB 11.11 million; enterprise type: company with limited liability; business scope: initiating industrial enterprises and investment of electric power (specific projects subject to approval by the authority).
(2) Hong Kong Nam Hoi (International) Limited holds 15.28% of the Company's total shares; legal representative: Zhao Xiangzhi; date of establishment: May 15, 1985; business scope: investment.
(3) Tengda Property Co., Ltd holds 11.03% of the Company's total shares; legal representatives: Li Li; date of establishment: August 27, 1980; business scope: property and financial market investment, etc.

IV. Particulars about the Directors，Supervisors ，Senior Executives and Employees

(I) Basic infromation

1. Members of directors in the report period

Names	**Titles**	**Sex**	**Age**	**Beginning date of office term**	**Terminating date of office term**	**Shares held at the year-begin**	**Shares held at the year-end**	**Reason of change**	**Total remuneration drew from the Company in the report period (RMB'0000)**	**Draw the remuneration from other shareholder units or associates or not**
WeiWende	Chairman of the Board	Male	59	Oct., 2006	Oct., 2009	0	0			Yes
Wang Jianbin	Director & Vice Chairman of the Board	Male	43	Oct., 2006 Dec., 2006	Oct., 2009	0	0			Yes
Sun Yulin	Director & Vice Chairman of the Board	Male	55	Oct., 2006 Dec., 2006	Oct., 2009	0	0			Yes
Li Li	Director & Vice Chairman of the Board	Male	63	Oct., 2006 Dec., 2006	Oct., 2009	0	0			Yes
Fu Bo	Director & General Manager	Male	44	Oct., 2006	Oct., 2009	0	0		56.33	No
Yu Chunling	Director	Female	41	Oct., 2006	Oct., 2009	0	0			Yes

Zhong Chengli	Director	Male	59	Oct., 2006	Oct., 2009	0	0			Yes
He Yingyi	Director	Male	50	Oct., 2006	Oct., 2009	0	0			Yes
Huang Fuhan	Director	Male	52	Oct., 2006	Oct., 2009	0	0			Yes
Huang Shaoji	Director	Male	43	Oct., 2006	Oct., 2009	0	0			Yes
Huang Sujian	Independent Director	Male	51	Oct., 2006	Oct., 2009	0	0		3.33	No
Zhou Chengxin	Independent Director	Male	51	Oct., 2006	Oct., 2009	0	0		3.33	No
Xu Jing'an	Independent Director	Male	65	Oct., 2006	Oct., 2009	0	0		3.33	No
Yu Xiufeng	Independent Director	Male	42	Oct., 2006	Oct., 2009	0	0		3.33	No
Wu Xiaolei	Independent Director	Female	42	Oct., 2006	Oct., 2009	0	0			No
Zhao Xiao	Director	Male	61	June, 2003	Oct., 2006	0	0			Yes
Liu Zhanjun	Independent Director	Male	48	June, 2003	Oct., 2006	0	0		3.33	No
Total						0	0		72.98	

2. Members of supervisors in the report period

Names	**Titles**	**Sex**	**Age**	**Beginning date of office term**	**Terminating date of office term**	**Shares held at the year-begin**	**Shares held at the year-end**	**Reason of change**	**Total remuneration drew from the Company in the report period (RMB'0000)**	**Draw the remuneration from other shareholder units or associates or not**
Zhu Tianfa	Chairman of the Supervisory Committee	Male	57	Oct., 2006	Oct., 2009	0	0			Yes
Zhou Qun	Supervisor	Male	42	Oct., 2006	Oct., 2009	0	0			Yes
Li Yongsheng	Supervisor	Male	34	Oct., 2006	Oct., 2009	0	0			Yes
Chen Lihong	Supervisor	Female	43	Oct., 2006	Oct., 2009	0	0			Yes
Zhang Yanmin	Supervisor	Male	47	Oct., 2006	Oct., 2009	0	0			Yes
Wang Wei	Employee Supervisor	Male	45	Oct., 2006	Oct., 2009	0	0		10.42	No
Li Chao	Employee Supervisor	Male	35	Oct., 2006	Oct., 2009	0	0		25.14	No
Yi Yaoping	Employee Supervisor	Male	38	Oct., 2006	Oct., 2009	0	0		28.44	No

Ji Ming	Supervisor	Male	50	June, 2003	Oct., 2006	0	0			Yes
Sun Peng	Supervisor	Male	33	June, 2003	Oct., 2006	0	0			Yes
Wang Rendong	Employee Supervisor	Male	45	June, 2003	Oct., 2006	0	0		46.64	No
Xu Shichun	Employee Supervisor	Male	55	June, 2003	Oct., 2006	0	0		29.67	No
Total						0	0		140.31	

3. Senior Executives in the report period

Names	Titles	Sex	Age	Beginning date of office term	Terminating date of office term	Shares held at the year-begin	Shares held at the year-end	Reason of change	Total remuneration drew from the Company in the report period (RMB'0000)	Draw the remuneration from other shareholder units or associates or not
Fu Bo	Director & GM	Male	44	Oct., 2006	Oct., 2009	0	0		56.33	No
Zhu Wei	Deputy GM	Male	49	Aug., 2003	Dec., 2006	0	0		46.63	No
Lin Qing	Deputy GM	Female	42	Oct., 2003	Dec., 2006	0	0		50.05	No
Lu Xiaoping	CFO	Male	44	Aug., 2003	Dec., 2006	0	0		50.03	No
Sun Shoulin	Chief Engineer	Male	60	Aug., 2003	Dec., 2006	16,301	20,127	Bonus share due to Share Merger Reform	50.42	No
Total						16,301	20,127	Bonus share due to Share Merger Reform	253.46	

4. Particulars about holding the post of present directors and supervisors in Shareholding Company

Name	Name of Shareholding Company	Title	Office term
Wei wende	Shenzhen Energy Group Co., Ltd.	Consultant（Deputy GM Ranking）	June, 2006 to now
Wang Jianbin	Shenzhen Guangju Electronic Investment Co., Ltd.	Chairman of the Board	Feb. 1999 to now
Sun Yulin	State Grid Shenzhen Energy Development Group Co., Ltd.	Party branch secretary & Deputy General Manager	Dec. 1999 to now
Li Li	Tengda Property Co., Ltd.	President of the Board of Directors	1992 to now
Yu Chunling	Shenzhen Energy Group Co., Ltd.	Head of Pumped Storage Preparatory Office	Sep., 2006 to now
Zhong Chengli	Shenzhen Guangju Electronic Investment Co., Ltd.	Chairman of the Board	Sep., 2000 to now
He Yingyi	State Grid Shenzhen Energy Development Group Co., Ltd.	Deputy General Manager	2005 to now
Huang Fuhan	Shenzhen Energy Group Co., Ltd.	Deputy General Manager	May, 2006 to now

Huang Shaoji	Kalexpcb Industry International (Group) Co., Ltd	Finance Director	2000 to now
Zhu Tianfa	Shenzhen Energy Group Co., Ltd.	Chief Accountant	Nov., 2001 to now
Zhou Qun	Shenzhen Energy Group Co., Ltd.	General Manager of Huizhou Shenneng Investment Holding Co., Ltd.	2006 to now
Li Yongsheng	Tengda Property Co., Ltd.	Manager	1994 to now
Chen Lihong	Shenzhen Guangju Electronic Investment Co., Ltd.	Deputy General Manager	Jan.1, 2005 to now
Zhang Yanmin	State Grid Shenzhen Energy Development Group Co., Ltd.	Deputy Chief Accountant& Finance and Internal Audit Manager	2005 to now

5. Major work experiences of present directors, supervisors and senior executives and particulars about holding the post or concurrent posts in other units out of Shareholding Company

(1) Directors

Mr. Wei Wende, Chairman of the Board, Senior Political Engineer, graduated from Navy the No. 1 Aviation University with major of flight driving. From 1968 to 1982, he successively took the posts of political instructor, Deputy Group Leader and Commissar of No. 2 independent group of navy aviation army; from 1982 to 1992, he successively took the posts of Commissar and Manager of CITIC Offshore Helicopter Co., Ltd., Vice-secretary of Party Committee and Secretary of Commission for Discipline Inspection; from 1992 to 1997, Standing Deputy General Manager of Shenzhen Airport Group Company; he took Deputy General Manager since 1997, he concurrently took the post of Chairman of Federation of Labour Unions, Standing Deputy Director of Safety Committee of Shenzhen Energy Group Co., Ltd. Now, he took the post of Consultant (Deputy GM Ranking) of Shenzhen Energy Group Co., Ltd.

Mr. Wang Jianbin, Vice Chairman of the Board, Master Degree of MBA. He worked in Shenzhen Shennan Petroleum (Group) Co., Ltd. since 1989, and successively took the posts of Manager of oil product, Assistant General Manager, Deputy General Manager, Director and Vice Chairman of the Board. He now acts as Chairman of the Board of Shenzhen Shennan Petroleum (Group) Co., Ltd. and Chairman of the Board of Shenzhen Guangju Energy Co., Ltd.

Mr. Sun Yulin, Director, Senior Engineer. From 1985 to 1999, he successively took the posts of Secretary of Minister of General Office of Ministry of Electricity and Water Conservation, Deputy Division Chief, Secretary of Party Leadership Group of CEC, Deputy General Manager, General Manager and Senior Engineer of CEC Power Industrial Company. He now acts as Deputy General Manager and Member of Party Leadership Group of Shenzhen State Power Science and Technology Development Co., Ltd. and Deputy Director of the State Power Network Corporation Economy Development Liaison Office in Shenzhen.

Mr. Li Li, Director, Vice-Chairman, now is President and Executive CEO of the Board and CEO of Hong Kong Kalexpcb Industry International (Group) Co., Ltd., Chairman of the Board of Tengda Property Co., Ltd. now. He now is a member of

Shenzhen of CPPCC and Honor Citizen of Shenzhen, Zhongshan and Guangzhou City.

Mr. Fu Bo, Director General Manager, MBA, graduated from Xi'an Air Force Engineering University with major of Aeroengine. From 1984 to 1993, he took the post of Lector of Air Machinery Engineering Department of Xi’an Air Force Engineering University. From Aug. 1993, he successively took the posts of Secretary of General Manager, Deputy Director, Director, and Secretary to the Board of Directors and Deputy General Manager of General Office; since Jan. 2005, he took the post of Director Deputy General Manager of the Company, now holds the position of Chairman of the Board of Shennandian (Zhongshan), Shennandian (Dongguan) and Xingdesheng Company, and concurrently takes Director of Shennan Energy (Singapore) Co., Ltd.

Ms. Yu Chunling, Director, Senior Engineer, on-job Master of Economics of Bejing University, graduated from Wuhan University of Hydraulic & Electrical Engineering with major of power station structure engineering. She successively took the posts of Technician of Engineering Department of Guangdong Nuclear Power Joint Venture Co., Ltd., Engineer of Civil Contract, Project Manager of Shenzhen Energy Investment Co., Ltd., Deputy Business Controller, Business Controller and Head of Fuel Trade Department of Office General, Head of Planning and Developing Department and concurrently Party Branch Secretary of Shenzhen Energy Group Co., Ltd. Now she acts as Head of Pumped Storage Preparatory Office and concurrently Party Branch Secretary of Shenzhen Energy Group Co., Ltd.

Mr. Zhong Chengli, Director, Engineer, graduated from chemistry department of Hefei University of Technology. From 1989 to 1999, he successively took the posts of Assistant General Manager, Director, Deputy General Manager, Deputy Secretary of party committee, Deputy Secretary of Committee of Discipline Inspection of Shenzhen Shennan Petroleum (Group) Co., Ltd. Now he acts as Director, General Manager; Deputy Secretary of Party Committee of Shenzhen Guangju Energy Co., Ltd. and Chairman of the Board of Shenzhen Guangju Guangju Electronic Investment Co., Ltd..

Mr. He Yingyi, Director, Economist, Bachelor degree of law, graduated from Hebei University with major of Economic Management. He ever worked in the Power Station of the No. 53 Train of Electrical Business Bureau of Ministry of Water and Electricity, Zhejiang Zhenhai Power Plant and Zhejiang Beilun Power Plant, and successively took the posts of Director of Branch Plant, Deputy Factory Head in charge of business. Since 2000, he acts as manager of market dept. of Shenzhen State Power Science & Technology Development Co., Ltd.(Now the company has its new name State Grid Energy Development Group Co., Ltd.). Now he acts as Deputy General Manager of State Grid Energy Development Group Co., Ltd. and cocurrently takes Chairman and General Manager of Shenzhen State Power Science&Trading Group Co., Ltd.

Mr. Huang Fuhan, Director, Senior Engineer, Master of Engineering; graduated from Xi’an Thermal Power Research Institute with major of Thermal Energy and Power Engineering. He ever took the post of Deputy Director of Automatization Office of

Xi’an Thermal power Research Institute. Since 1995, he successively held the post of Vice-chief Engineer, Deputy Factory Head, Factory Head of Mawan Power Plant of Shenzhen Mawan Power Co., Ltd; Deputy Manager and Director of Maintenance Department of Shenzhen Energy Power Branch Company, Head of Moonbay Gas Turbine Power Plant, General Manager of Shenzhen Nanshan Power Station Co., Ltd; Manager, Vice-chairman, Deputy Secretary of Party Branch of Guangshen Shajiao B Power Station Co., Ltd ; Director of Preparatory Office of East Power Plant of Shenzhen Energy Group Co., Ltd. Now, he acts the Deputy General Manager, Chief Engineer of henzhen Energy Group Co., Ltd.

Mr. Huang Shaoji, Director, Senior Member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants, also Qualified Chartered Secretary; has the qualifications of ACIS and ACS; and has the 20-years experiences in finance management. Since 2000, he was the Finance Director of Kalexpcb Industry International (Group) Co., Ltd, of which the stocks were listed in Hong Kong Exchanges and Clearing Limited.

Mr. Huang Sujian, Independent Director, graduated from Graduate School of the Chinese Academy of Social Sciences with Doctor Degree, Researcher and Doctor Tutor in 1988. Since 1988, he acts as a Researcher in Institute of Industry Economy ofthe Chinese Academy of Social Sciences. Now, he now the Deputy Director, Researcher in Institute of Industry Economy of the Chinese Academy of Social Sciences; Director of Institute of Management and Science of the Chinese Academy of Social Sciences; Doctor Tutor in Graduate School of the Chinese Academy of Social Sciences, Deputy President and President of an Executive Council of China Enterprise Management Association; and concurrently acts as Independent Director of Shenzhen Energy Investment Co.,Ltd., Wolong Electric Group Co.，Ltd., and Zhejiang Jianfeng Group Co., Ltd.

Mr. Zhou Chengxin, Independent Director, Juris, graduated from of Law College of Wuhan University, visiting scholar of U.S.A Michigan University. He ever took the post of Lector and Associate Professor in Law College of Wuhan University, Deputy Director, Deputy Researcher of Law and Researcher of Institute of Shenzhen Legal System. Now, he acts the Deputy Director, Deputy Researcher of Law and Researcher of Institute of Shenzhen Legal System；Deputy of Shenzhen 4th People’s Congress and Committee for Legal Affairs; Expert of Shenzhen Expert Consultative Committee; Intercessor of China International Economic and Trade Arbitration Commission and social post of intercessor of Shenzhen, Zhuhai, Shanghai, Nanjing Arbitration Commission; Lawyer of Guangdong Orient Kunlun Law Firm Shenzhen Branch; Independent Director of Shenzhen Tellus Holding Co., Ltd. and Shenzhen Sanxin Glass Technology Co., Ltd.

Mr. Xu Jing’an, Independent Director, Researcher, graduated from Department of Journalism of Fudan University. He successively took the posts of Section Chief of Research Office of the State Development Planning Commission, Division Chief of the State Commission for Economic Restructuring, Deputy Director of China Society of Economic Reform, Director of Shenzhen Municipal Commission for Economic Restructuring and Vice-chairman of Shenzhen Stock Exchange. He now acts as

Chairman of the Board of Shenzhen Xu Jing An Investment Advisor Company, President of Institute of Shenzhen New Century Civilization. He once acted as part-time professor of China Renmin University and Shenzhen University.

Mr. Yu Xiufeng, Independent Director, Doctor of Law. He ever studied abroad in WASEDA University with Law Department. Now he acts as Director of Deheng Law Office Shenzhen Branch, the Post-doctorate of application Economics of Jilin University, Intercessor of Shenzhen Arbitration Commission, Deputy of Shenzhen 4th People's Congress, Commissary of Shenzhen 4th People's Congress and Committee for Legal Affairs, Director and Spokesman of Shenzhen Lawyers Association, Vice-chairman of Shenzhen Chamber of International Investment & Financing, Honorary President of Hong Kong Small and Medium Enterprises General Association, Part-time Researcher of Nanjing University, part-time Master Tutor of Law School of Peking University.

Ms. Wu Xiaolei, Independent Director, successively studied in the Xinjiang University, South Western University of Finance and Economics and Nankai University and respectively obtained the degrees of BA, MBA and Doctor of Economics. From August 1985 to February 1991, she worked in Education Research Office and Education Office of Xinjiang Uygur Autonomous Region. From March 1991 to August 1999, she took the posts of Secretary of the Board of Directors, Manager of Securities Department, Deputy General Manager of Shenzhen Wabo Group Co., Ltd. From August 1999 to March 2002, she took the position of Deputy General Manager, concurrently Secretary of the Board of Directors of Shenzhen Skyworth-RGB Electronics Co., Ltd. From April 2002 to April 2005, she took the position of Assistant Chairman of Shenzhen Advanced Science & Technology Enterprise Group. Now, she acts the Executive Vice-president of CMB International Capital Corporation Limited, Deputy Director of Business Supervisory Commission of Investment Bank, concurrently acts the Independent Director and Management Advisory Consultant of Xinjiang West Construction Co., Ltd, Vice-chairman of Shenzhen Association of Management Consultants and Shenzhen Woman Entrepreneurs Association.

(2) Members of supervisors

Mr. Zhu Tianfa, Chairman of the Supervisory Committee, CPA, graduated from Dongbei University of Finance and Economics. He successively took the posts of Head of Financial Department and Director of Shenzhen Special Economic Zone Power Development Company, Director Accountant, Assistant Head, Deputy Head, Head and Deputy Chief Accountant of Shenzhen Energy Group Co., Ltd.; now he acts as Chief Accountant of Shenzhen Energy Group Co., Ltd. and General Manager of Shenzhen Xibu Power Co., Ltd.

Mr. Zhou Qun, Supervisor, Economist, graduated from East China Geological Institute with Bachelor degree. He ever worked in Shenzhen Municipal Geological Bureau, Shenzhen Nanshan District Investment Management Company, Shenzhen Municipal State-owned Assets Office and Shenzhen Investment Holdings Corporation, and successively took the posts of Assistant Engineer, Director of General Office, Deputy Division Chief, and Deputy Secretary of Secretariat of the Board. From 2001, he held the post of Secretary of the Board, Assistant President and concurrently took post of Director of General Office of Shenzhen Energy Group Co., Ltd; Director of Preparatory Office of Shenzhen Pumped Storage Power Station. Now, he acts the Party Member of Shenzhen Energy Group Co., Ltd, Executive Director, General Manager of Huizhou Shenzhen Energy Investment Holding Co., Ltd of Shenzhen Energy Co., Ltd; and Chairman of Huizhou Gas Co. Ltd.

Mr. Li Yongsheng, Supervisor, Bachelor of York University of Candada. He erve took the post of General Manager of Purchasing Dept. of Hong Kong Kalexpcb Industry International (Group) Co., Ltd. He now acts as Manager of Tengda Property Co., Ltd, Vice-president of Operations Department of Ellington (Guangdong) Electronics Technology Co., Ltd.

Ms. Chen Lihong, Supervisor, Junior College, Accountant, since 1998, she worked in Shenzhen Shennan Petrolum (Group) Co., Ltd. From Feb. 1999, she worked in Shenzhen Guangju Energy Co., Ltd, successively took the posts of Finance Manger, Assistant Manger. Now, she acts the Deputy General Manager of Shenzhen Guangju Energy Co., Ltd.

Mr. Zhang Yanmin, Supervisor, University Graduate, he successively worked in Jining Power Plant, Shandong Electric Power Corporation, Yingda International Trust & Investment Co., Ltd and Shandong Luneng Investment Co., Ltd and successively took the posts of Section Chief of Finance Department, Director of Financial Settlement Center, Vice Chief Accountant, Chief Accountant, Deputy General Manager, etc. Since 2005, he worked in Shenzhen State Power Science and Technology Development Co., Ltd(Changed its name into State Grid Shenzhen Energy Development Group Co., Ltd.). Now, he acts the Vice Chief Accountant, Chief Accountant, concurrently take the post of Manager of Planning and Financial Department of State Grid Shenzhen Energy Development Group Co., Ltd; and the Section Chief of Financial Department of State Grid Corporation of China Shenzhen Economics Development Liaison Office.

Mr. Wang Wei, Employee Supervisor, Junior College, graduated from Shanghai Electric Power Institute, he ever worked in Shanghai Nanshi Power Plant appointed as Operation Head. In May 1991, he was transferred to the Company and once took position of Operation Head and Section Chief of Operation Department, Section Chief of Maintenance Department. From Jan. 2004 till now, he acts the Director General Manager of Shennandian zhongshan Company and concurrently acts Party Secretary of Shennandian zhongshan Company.

Mr. Li Chao, the Employee supervisor, Management Master, Senior Accountant, graduated from Shanxi University of Finance and Economics with Department of Finance, later studied in Macau University of Science and Technology with the Department of Business Administration. From July 1994 to Feb. 1996, he worked in Shenzhen Dahua Certified Public Accountants Co., Ltd for auditing; from Feb. 1996 to May 1997, he acted Financial Manager of Compaq Computer Technology (China) Co., Ltd; from May 1997 to Feb. 2001, he acted Financial Manager of Hong Kong

Zhonglian Power Finance Co., Ltd; from Feb. 2001, he entered the Company, ever acted Division Chief Assistant of Enterprise Development Department; from May 2005, he acted Division Chief of Enterprise Development Department of the Company.

Mr. Yi Yaoping, Employee Supervisor, University Graduate, Engineer; graduated from Wuhan Huazhong University of Science and Technology with Department of Electrical Engineering. From 1991 to 1998, he took the post of Operation Head of Shenzhen Mawan Poweer Co., Ltd Moonbay Gas Turbine Power Plant; from July 1998, he was transferred to the Company, ever took the positions of Deputy Secretary of Production Management Department, Section Chief of Operation Department, Vice-chief Engineer, etc. Now, he acts Vice-president of labor Union of the Company, Factory Director and Party Secretary of Nanshan Power Plant.

(3) Senior executives

Mr. Fu Bo, Director General Manager. For details, please refer to the aforsaid resume of Director.

Ms. Lin Qing, Deputy General Manager, Senior Engineer, Master degree, graduated from Electricity Department of Hunan University. From 1985, she worked as a teacher in Changsha Teachers' College of Water and Electricity. Since 1990, she worked in Engineering Department of Guangdong Daya Bay Nuclear Power Station. Since Dec. 1991, she took the positions of Secretary of General Office and Business Director of General Manager Office of Shenzhen Energy Head Co., Ltd; Office Director of Shenzhen Western Power Co., Ltd; Head of Party and Crowd Department, Chairman of the labor union, Director of General Office, Secretary of Party Branch of General Office, director of the labor union, Member of Party Committee, Assistant General Manager and of Shenzhen Energy Group Co., Ltd.. She took the post of Deputy General Manager of the Company since Oct. 2003. Now she concurrently took the posts of Chairman of the Board of Xindianli Company and Director of Tongling Shenneng Company.

Mr. Ji Ming, Deputy General Manager, Engineer, Master Degree of Management, graduated from Changchun Institute of Optics and Fine Mechanics and Fudan University. From 1994 to 1999, he successively took the posts of Manager of Investment Department of Shenzhen Shennan Petroleum (Group) Co., Ltd. From 1999, he acted as Deputy General Manager of Shenzhen Guangju Energy Co., Ltd. and General Manager of Shenzhen Guangju Electronic Investment Co., Ltd. Since Dec. 12, he acts the Deputy General Manager of the Company, now he is the Vice-chairman of Shennandian Zhongshan Company.

Ms. Zhang Jie, Deputy General Manager, Master of Psychology of Peking University, SPHR of USA PDP, graduated from Foreign Language Department with major of Britain and American Literature of Zhengzhou University, later she studied in Psychology Department with major of Applied Psychology of Peking University. She ever did translation works in Henan Earthquake Bureau. Since Oct. 1990, she worked in Finance Department and General Office of the Company; since 1993, she took the post of Secretary, General Office Director, Assistant General Manager, Employee Supervisor, etc of the Company; since Dec. 2006, she took the post of Deputy General Manager of the Company. Now, she acts as Vice-chairman of New Power Company, Director of Shennandian Zhongshan Company, Director of Shenneng Environmental Company and Supervisor of Xiefu Company.

Mr. Zhu Wei, Deputy General Manager, Engineer, graduated from Guangdong Electric Power School. He ever worked in Guangdong Xinfengjiang Power Plant with the positions of Operation Monitor, Head, etc; he ever obtained degree of junior college for further study in Nanjing Electric Power Institue. He successively took the posts of Deputy Head of development, Head of Supplying Dept. and Assistant of General Manager of the Company since 1990; during this period, he got on-job postgraduate, since August 2003, he acted as Deputy General Manager of the Company; now he concurrently acts as Chairman of the Board of Xiefu Company.

Mr. Wang Rendong, Chief Engineer, graduated from Huazhong University of Science and Technology with the department of Thermal Energy and Power, later he got the Master Degree of Economic Management from Huazhong University of Science and Technology. He ever worked in Planning Department of Power Planning and Designing Institute, National Hydraulic and Electric Engineering of Beijing; in June 1988, he was transferred to Shenzhen Huadian South Hydropower Development Co., Ltd. He successively took the posts of Head of Development Dept., Head of Engineering Dept. and Deputy Chief Engineer, Assistant General Manger and Employee Supervisor of the Company since 1990. Since Dec. 2006, he acted Deputy General Manager of the Company; now he concurrently acts as Director General Manager of Shennandian Engineering Company and Director of Shennandian (Dongguan) Company.

Mr. Lu Xiaoping, CFO, Senior Accountant, Master of Zhongnan University of Finance & Economics. He ever worked in Chashi People's Government of Hengnan County of Hunan Province, Hunan Hengyang Fuel Injection Equipment Co., Ltd and Shenzhen Pengji Industry Development Co., Ltd; from 1995 to 1998, he acted as Deputy Manager of Planning and Finance Department of Shenzhen Zhongshen International Cooperation Co., Ltd. He successively took the posts of Accountant and Director of Auditing Dept of Shenzhen Energy Group Co., Ltd. since Dec. 1998. He took the post of CFO of the Company. Now, he concurretnly acts as the Diretor of Shennandian Zhongshan Company, Director of Xiefu Company and Supervisor of Tongling Shenneng Company from Aug. 2003.

Ms. Hu Qin, Secretary to the Board, Engineer, Economist, graduated from the Thermal Power Engineering Department of Wuhan University of Hydraulic and Electrical Engineering with the major of Applied Chemistry, later she learned the Master Courses in Finance of Nankai University. Since 1988, she worked as Grade Instructor in Thermal Power Engineering Department of Wuhan University of Hydraulic and Electrical Engineering. Since 1991, she successively worked in the Engineering Department, Operations Department, General Office of the Company. Since 1994, she was appointed as the Representative of Securities Department of the Company. From March 2005, she acts as the Secretary to the Board of Directors of the Company, and concurrently acts as Director of Secretariat of the Board of the Company.

6. Annual Remuneration

According to relevant regulations of Articles of Association of the Company, remuneration of director and supervisor depends on Shareholders' General Meeting; remuneration of senior executives depends on Board of Director. In the report period, senior executives of the Company all drew their remunerations from the Company.

(1) In the report period, independent director of the Company drew their allowances from Oct. 2005 to Dec. 2005 amounting to RMB 33,300 (After tax) each person according to relevant rules of Interim Regulations on Management of Special Funds of Board of Director approved by Shareholders' General Meeting of the Company; the Company took the relevant fees such as traffic cost, boarding cost, researching cost and studying cost occurred due to work.

Director General Manager Fu Bo, Employee Supervisor Wang Wei, Li Chao and Yi Yaoping drew their remunerations from the Company. Except them, members of the Board including Wei Wende, Wang Jianbin, Sun Yulin, Li Li, Yu Chunling, Zhong Chengli, He Yingyi, Huang Fuhan, Huang Shaoji, as well as members of Supervisory Committee including Zhu Tianfa, Zhou Qun, Li Yongsheng, Chen Lihong and Zhang Yanmin all drew the remunerations from the shareholder companies.

The Company took the relevant fees such as traffic cost, boarding cost, researching cost and studying cost occurred due to the obligation performances by directors, supervisors.

(2) The Company has established fairly complete remuneration system and reward measures. The Board of Directors and Remuneration and Appraisal Committee worked out withdrawal of the 2006 annual remuneration and plan for assessment and reward for production operation target at the beginning of the year and submitted them to the Board of Director of the Company for examination, approval and implementation. The pay received by senior executives of the Company is composed of fixed and basic salary as well as evaluation and reward salary. Total annual remuneration of General Manager is confirmed by Board of Directors, and the distribution plan for payments of other senior executives and employees is put forth by General Manager authorized by Board of Director for concrete implementation. The basic salaries of senior executives is paid monthly; the reward salaries were determined according to not only the annual evaluation targets and reward plan made by the Board at the beginning of the year, but also the real condition of the Company as well as personal evaluation.

7. Name of directors, supervisors and senior executives leaving his/her posts or engaging in the report period, and the reasons

(1) The term of the office of the 4th Board of directors of the Company expired in June, 2006. On Sep. 20, 2006, the Company held the 21st meeting of the 4th Board of Directors according to the requirements of relevant laws and regulations and Articles of Association of the Company, examined and approved Proposal on Changing the

Members of the Board of Directors, elected the candidates for director and independent director of the 5th Board of Director, and submitted to the Shareholders' General Meeting for examination and approval. The Company held the 1st Extraordinary Shareholders' General Meeting for the year 2006 on Oct. 23, 2006, elected ten such directors as Mr. Wei Wende, Mr. Wang Jianbin, Mr. Sun Yulin, Mr. Li Li, Mr. Fu Bo, Ms. Yu Chunling, Mr. Zhong Chengli, Mr. He Yingyi, Mr. Huang Fuhan, and Mr. Huang Shaoji as well as five such independent directors as Mr. Huang Sujian, Mr. Zhou Chengxin, Mr. Xu Jing'an, Mr. Yu Xiufeng and Ms. Wu Xiaolei, to jointly and formally form the 5th Board of Director of the Company. The former director Mr. Zhao Xiao and independent director Mr. Liu Zhanjun left the offices. On the 1st and 2nd meeting of the 5th Board of Directors of the Company, successively, Director Wei Wende was elected as Chairman of the Board, Director Wang Jianbin, Director Sun Yulin and Director Li Li as Vice-Chairman of the Board.
(2) The term of the office of the 4th operation team of the Company expired in 2006. On Oct. 23, 2006, Mr. Fu Bo was engaged as Director General Manager of the Company through the nomination of Chairman of the Board Wei Wende on the 1st meeting of the 5th Board of Director. On Dec. 30 of the same year, Ms. Lin Qing, Mr. Ji Ming, Ms. Zhang Jie, and Mr. Zhu Wei were engaged as Deputy General Manager of the Company, Mr. Wang Rendong as Chief Engineer and Mr. Lu Xiaoping as CFO through the nomination of Director General Manager Fu Bo on the 2nd meeting of the 5th Board of Director; Ms. Hu Qin was engaged as the Secretary to Board of Directors through the nomination of Chairman of the Board Wei Wende. The 5th operation team of the Company formally established. Mr. Sun Shoulin, the former Chief Engineer of the Company, left the office for his age.

(II) Employees
By the end of Dec. 31, 2006, the Company had totally 402 employees registered in the book (excluding shareholding subsidiaries), undergoing no change when compared with the year 2005. Of them, 111 persons are personnel engaged in equipment operation, 65 are personnel engaged in equipment overhauling, 15 are personnel engaged in material supply, 20 are financial personnel and 48 are administrative and managerial personnel; education degree: 116 persons hold college degree, 97 hold bachelor degree and 29 hold masters degree.
As the Company has implemented Shenzhen Social Insurance System, the Company did not have to pay any expenses to the retired staff.

V. Administrative Structure

(I) Company Administration
In accordance with the unified arrangements of Shenzhen State-owned Assets Supervision and Administration Commission, Shenzhen Securities Regulatory Bureau and Shenzhen Stock Exchange, the Share Merger Reform plan of the Company acquired the examination and approval from by related shareholder's meeting on Feb. 27, 2006, and got successful implementation on March 28 of the same year, with the strong support and aspiring cooperation from the units of shareholders and the active

efforts of organizations concerned. After the completion of Share Merger Reform, the interests among the shareholders of the Company were unified effectively and the inner governance structure became more complete, which would promote the growth of achievement in the future and long-term development of the Company.

In order to carry out some newly revised laws and regulations such as Company Law of the People's Republic of China, Securities Law of the People's Republic of China, and Rules for Listing Shares in Shenzhen Stock Exchange, the Company organized relevant department and legal advisers to make some modifications on original Articles of Association of the Company twice in 2006, in accordance with relevant rrequirements in Notice of China Securities Regulatory Commission on Issuing the Guidelines for the Articles of Association of Listed Companies (2006 Revision), and actual conditions after implementing the plan of Share Merger Reform of the Company. The revised Articles of Association of the Company extended the rights of shareholders, completed the restrictions and incentive mechanism for directors, supervisors and senior executives, and strengthened the protection by law to the shareholders. In addition, according to the requirements of supervision department and revised Articles of Association of the Company, the Company modified The Rules of Procedure for Shareholder's General Meeting of the Company and The Rules of Procedure for Board of Director of the Company, further reinforced the construction of Shareholder's General Meeting system and Board of Director system, and improved internal control processes.

In 2007, according to the requirements of supervision department and its own management demands, the Company will continue to improve and perfect corporate governance structure, improve the standardized managerial levels step by step, and choose the appropriate time to formulate the enduring encouragement plan of the Company, ensuring its long-term and stable development.

(II) Performance of Independent Directors

None of the Company's independent directors proposed the objection on proposals examined by all meetings of the Board held in 2006 and other matters. Independent directors carefully checked significant related transaction and other significant events which independent directors need to express their opinions on, and issued written opinion letter of independent director.

Particulars about independent directors' presenting the Board Meeting in the report period:

Name of independent directors	Times are supposed to be attendance	Presence in person (Time)	Entrusted presence (Time)	Absence (Time)	Remarks
Huang Sujian	7	5	2	0	
Liu Zhanjun	5	4	1	0	
Zhou Chengxin	7	6	1	0	
Xu Jing'an	7	7	0	0	
Yu Xiufeng	7	7	0	0	
Wu Xiaolei	2	2	0	0	

(III) The actual first largest shareholder of the Company exerted the investor's rights according to the laws through the shareholders' general meeting. The Company is separated from the actual first largest shareholder in terms of Business, Assets, Personnel, Organization and Finance; the Company possessed the whole business and independent operating capability.

1. Business: The business of the Company is completely independent from the actual first largest shareholder. Although the actual first largest shareholder and its subsidiaries operate in the same or similar business, the Company is totally separated in the management and operation of business.

2. Assets: The Company's assets are independent and complete with clear ownership. In the report period, the actual first largest shareholder neither occupies nor dominates the assets of the Company, nor interferes the asset management of the Company.

3. Personnel: The Company is absolutely independent from the actual first largest shareholder. The Executives, Chief Financial Officer and the Secretary of Board of Director don't take any position in the unit of actual first largest shareholder.

4. Organization: The Board of Directors, the Supervisory Committee and other intra-company departments operate independently. There exists no subordinate relations between the Company/its various functional departments and the actual first largest shareholder /its functional departments; the first largest shareholder /its functional departments neither gives any orders or plans about the operation, nor interferes the independence of the Company/its various functional departments in any form.

5. Finance: According to the relevant requirements of laws and rules, the Company establishes sound financial management system and accounting management system, and accounts independently. The actual first largest shareholder isn't involved in the financial and accounting activities of the Company.

(IV) The Achievements Evaluation and Encouragement Mechanism of Senior Executives of the Company

In the report period, the Company still adopted the achievements evaluation and encouragement mechanism for senior executives based on the operation performances and production safety. In accordance with the guidance spirits and plan disposition of competent department, state relevant regulations, development trend of the trade, and actual condition of the Company, the Company will extensively communication with the main units of shareholders, organize relevant departments of the Company as well as professional agencies to study and formulate a feasible encouragement plan, and submit it to Board of Director, Shareholder's General Meeting, etc. for examination and approval then formal implementation.

(V) Management of investor relationship

In the report period, the Company attached importance to the management of investor relationship as great as ever, answered the consultation phone and replied to E-mail of investors from the Internet in time, safeguarded the program of the Management System of Investor's Relationship in the web site of the Company and the interactive platform for investor's relationship of Shenzhen Stock Exchange, supplied a channel for investors to communicate with the management level of the Company. In 2006, the Company received over 30 times in all of investigation and visiting of domestic and foreign investors, and organized shareholder representatives and senior executives of the Company to participate in Online Road Show for the Share Merger Reform as well as the promotion activity B-share Enterprise Day held in Shenzhen by Prime Peregrine. The Company continually improved and enhanced the quality of information disclosure; at the same time, it further strengthened the initiative of information disclosure and guaranteed that the relevant information of the Company could be provided to shareholders and vast investors timely, truly and completely. In addition, while conveying the Company's operation development stratagem, the Company also listened to the investor's voice carefully, to finally realize an interactive win-win situation between the Company and investors, and improved the Company's popularity through a series of effective measures.

VI. Brief of the Shareholders' General Meeting

In the report period, the Company successively held the Shareholders' General Meeting Relating to Share Merger Reform, the 2005 Annual Shareholders' General Meeting and the 1st Extraordinary Shareholders' General Meeting 2006. The meetings were summarized as follows:

(I) The Shareholders' General Meeting Relating to Share Merger Reform

On Feb. 27, 2006, the Company held the Shareholders' General Meeting Relating to Share Merger Reform and the resolutions of the meeting had been published on Securities Times and China Securities dated Feb. 28 of the same year.

(II) The 2005 Annual Shareholders' General Meeting

On May 12, 2006, the Company held the 2005 Annual Shareholders' General Meeting and the resolutions of the meeting had been published on designated newspapers by the Company dated May 15 of the same year.

(III) The 1st Extraordinary Shareholders' General Meeting 2006

On Oct. 23, 2006, the Company held the 1st Extraordinary Shareholders' General Meeting 2006 and the resolutions of the meeting had been published on designated newspapers by the Company dated Oct. 24 of the same year.

VII. Report of the Board of Directors

(I) Review of the Company's operation status in the report period

1. The overall operation status

The data in Analysis Report On the Electronic Industry of China for the 4th quarter in 2006 shows that the annual electricity consumption of the whole society amounted to 2,824.8 billion kwh with an increase of 14.0% over the same period of last year, a rise of 0.4 percentage points over the year 2005. The demand on electricity increased; at the same time, the electricity supply of the whole country also raised significantly, utilization hours of power aparatus continued to decline, and the annual output of power generation of the whole country amounted to 2,755.7 billion kwh with an increase of 13.57% over the same period of last year. By the end of the year 2006, the installed capacity of power generation had amouted to 622 million kilowatt with an increase of 20.3% over the same period of last year, which continued to relieve the tense situation of supply and demand of power, and the electric power shortage, the quantity in electricity-use -restricting load-shedding and the loss of the amount of electricity decreased sharply. The situation of supply and demand on electric power and power grids in regions throughout the country varies obviously this year; the contradiction between power supply and power demand in North China and East China, which are deadly lack of electricity in recent years, has gained distinct relief, but the supply and demand of power in southern regions is still in a tense state.

In 2006, the total output of power generation of the whole Guangdong Province was 245.9 billon kwh with an increase of 7.9% over the same period of last year; the quantity of outsourcing electric power amounted 65.5 billion kilowatt with an increase of 26.9% over the same period; the output of power generation and quantity of purchasing electric power of the whole province amounted to 311.4 billion kwh with an increase of 11.4% over the same period; the social electricity consumption of the whole province amounted to 299.1 billion kwh with an increase of 11.9% over the same period. The general situation of the whole-year power supply in Shenzhen was first tense then relaxed, and the electricity consumption of the whole society amounted to 47.83 billion kwh with an increase of 10.9% over the same period; the quantity of power supply of the whole city was 46.95 billion kwh (exclusive of Shekou) with an increase of 11.11% over the same period; however, among them, the quantity of online electricity of local fuel and power plant amounted to 10.6 billion kwh with a decrease of 19.44% over the same period, and utilization hours of the subordinate generator engine of the Company decline distinctly.

Facing the still severe external managing environment, the Compant fully displayed its subjective initiative, seeked truth and improvement, worked hard and lived simply, and made every effort, to creatively carry out various sorts of work, overcame the adverse factors such as the greatly going up of the fuel price, made out the warning mechanism of the oil price, made a dynamic adjustment to the annual power generation plan of the subordinate power generation enterprises according to the changing on fuel price and allowance for the electricity expenses, and ensured the economic operation of units. While carrying our the safe production and safeguarding the social electricity supply, the Company accomplished the Share Merger Reform, fulfilled the regional High Power Utilization and High Power Price policy, promoted the institutionalized allowance mechanism, implemented the Gas Instead of Oil project, started the circular economic project, and made outstanding achievements on refunding taxes of domestic-made equipment. Under the circumstance that the rise in annual average oil price reached nearly 30%, the Company finally realized the net profit's growth ratio of over 100%, overfulfilled the annual operation evaluation target sent down by Board of Directors of the Company.

In the report period, the accumulative amount of comprehensive power generation of the Company was 565 million kwh with growth of 9.79% over the same period of last year and completed the planned 105.96% for the whole year. The Heat and Power Supply Project of New Power Company with annual gas supply to the external of 38.19 ten thousand tons was influenced by the external migration of main heat users, so only 90.93% of planning amount of gas supply was finished. Shennandian Engineering Company took on the debugging project of Beijing Zhengdong Power Co., Ltd. and the project of guarantee for delivering units of Dongguan Dongxin Power Plant. In order to avoid the operation risk, Xiefu Company actively adjusted operation tactics, mainly supplied oil for power plants in the Shennandian system, contracted the industry chain step by step, and pressed on with the cleaning up of the bad assets.

By Dec.31, 2006, for the reason of adding the Xiefu Company and Shenandian (Dongguan) Company's being put into business operation to the consolidation scope of the Company's statement, the total assets of the Company were RMB 477,253.43 ten thousand with an increase of 12.81% over the year-begin; the net assets of the Company were RMB 158,715.69 ten thousand with an increase of 4.05% over the year-begin. In 2006, the amount of income from the main operation of the Company was RMB 386,175.24 ten thousand with an increase of 27.42% over the last year; the amount of income from allowance was RMB 44,956.37 ten thousand. The amount of returned enterprise income taxes by New Power Company's purchasing domestic equipment was RMB 2,284.01 ten thousand; the total amount of profit was RMB 5,503.55 ten thousand with an increase of 444.60% over the last year; the amount of consolidation profit (after tax) was RMB 6,346.61 ten thousand with an increase of 112.12% over the last year.

2. Particulars about composing of income from main operations and profit from main operations in the report period

Unit: RMB'0000

Classified according to industries or products	Income from main operations	Cost of main operations	Gross profit ratio (%)
Production of electric power	342,510.86	363,277.21	-6.06
Production of heating power	9,276.69	8,602.40	7.27
Contract for project	2,958.54	875.96	70.39
Others	31,429.15	31,548.51	-0.38

Unit: RMB'0000

Classified according to area	Income from main operations	Cost of main operations	Gross profit ratio (%)
Shenzhen	249,300.89	270,779.69	-8.62
Zhongshan	62,676.85	64,378.53	-2.72
Dongguan	74,197.50	69,145.86	6.81

Note: The income from main operation in electrical production increased 21.65% over the same period of last year, which was mainly influenced by that the Shennandian (Dongguan) Company was put into business operation in March, 2006 and this company together with Shennandian (Zhongshan) Company implemented the High Electricity Utilization and High Power Price policy so as to raise the electricity price to grid. This year, being influence by continuously rising in international oil price, the gross ratio of electric production was -6.06% with a decrease of 3.68 percentage points over the last year. In addition, this year, the Company brought the operating income of RMB 31,429.15 ten thousand of Xiefu Company into consolidation scope.

3. Main suppliers and customers

The core business of the Company is the production of electric power. The main raw materials for generating plant are fuel oil and spare parts of the equipment service, etc. The purchasing company for main raw materials adopted the method of international bidding, and established the strategic supplier system by accumulating over ten years of work experiences on commodity purchase. In 2006, the purchasing amount of top five suppliers amounted to RMB 2,609,238,400 taking 58.36% of annual purchasing amount. The total amount in sales of electric power in Shenzhen of the Company amounted to RMB 2,493,008,900, 100% sold to Shenzhen Power Supply Bureau. In addition, the total amount in sales of electric power in Zhongshan of the Company amounted to RMB 626,768,500, 100% sold to Guangdong Power Grid Corporation. The total amount in sales of electric power in Dongguan of the Company amounted to RMB 741,975,000, 100% sold to Guangdong Power Grid Corporation.

4. The financial status of the Company

Unit: RMB'000

Item	2006 (This year)	2005 (Last year)	Increase or decrease over last year (%)	2004
Turnover	3,858,907	3,030,682	27.33	2,432,712
Other income	507,035	155,456	226.16	111,839
Excluding profit before tax	77,153	22,399	244.45	487,551
Profit attributable to shareholders	63,101	29,919	110.91	444,582
	At the end of 2006 (This year-end)	At the end of 2005 (This year-end)	Increase or decrease over the end of last year (%)	At the end of 2004
Shareholders' equity	1,576,612	1,507,407	4.59	1,708,136
Net cash inflow from operation activity	-145,159	615,701	123.58	466,491

5. Operations and achievements of main controlling shareholders' companies and participating companies

1) New Power Company: The main business scopes are technological development and power generation of afterheat utilization with its registration capital of RMB 113,850,000, of which the Company hold 100% shares. Besides the normal power generation, the project on thermoelectricity cogeneration the company invested began to supply gas to its peripheral users in 2005 and the whole quantity of the year 2006

was amounting to 381,900 tons. Ended as December 31, 2006, the total assets of the company amounted to RMB 883,297,800 with a decrease of 13.05% over the year-begin; the net assets amounted to RMB 378,346,600 with an increase of 8.19% over the year-begin. In 2006, the income from main operation the company realized amounted to RMB 78,098.42 ten thousand with a decrease of 12.05% over the last year; the net profits amounted to RMB 2,864.69 ten thousand with a decrease of 84.59% over the last year, which was mainly because that massive increase in international oil price caused the fall in power generation profit.

2) Shennandian (Zhongshan) Company: The main business scopes are power generation of combustion engine and afterheat, power supply and heating supply (excluded the heating pipe networks) with its registration capital of RMB 396,800,000, of which the Company holds 80% shares. Ended as December 31, 2006, the total assets of the company amounted to RMB 140,924.92 ten thousand with an increase of 1.76% over the year-begin; the net asset amounted to RMB 12,024.90 ten thousand with a decrease of 39.41% over the year-begin. In 2006, the income from main operation amounted to RMB 62,676.85 ten thousand with an increase of 52.92% over the last year which was mainly because the practice of the policy of Direct Power Supply for Large Consumers in Zhongshan city led to the increase in power generation cost; the loss amounted to RMB 7,821.38 ten thousand with a decrease of 58.70% over the last year, which was still mainly because international oil price stayed high and the present temporary electrovalence to the network executed by the company was on the low side.

3) Shennandian (Dongguan) Company: The main business scopes are power generation of combustion engine and afterheat, power supply etc. The company is formally put into business operation in March of this year. Ended as December 31, 2006, the total assets of the company amounted to RMB 119,178.08 ten thousand; the net assets amounted to RMB 27,715.16 ten thousand. In 2006, the income from main operation amounted to RMB 74,197.51 ten thousand; the loss amounted to RMB 136.85 ten thousand.

4) Shennandian Engineering Company: The main business scopes are technological advisory service on construction project of gas-steam combined cycle power plant (station), accepting the maintenance and repair on the running equipment of gas-steam combined cycle power plant (station) with its capitalization of RMB 10 million, of which the Company holds 60% shares. Ended as December 31, 2006, the total assets amounted to RMB 13,752.19 ten thousand with an increase of 6.11% over the year-begin; the net assets amounted to RMB 8,543.57 ten thousand with a decrease of 13.66% over the year-begin, which was mainly because of the proceeding of profit distribution. In 2006, the income from main operation amounted to RMB 3,221.08 ten thousand with a decrease of 63.19% over the last year; the net profits amounted to RMB 2,008.61 ten thousand with a decrease of 60.61% over the last year, and the mainly reason for the above was the market shrinkage of domestic combustion engine construction.

5) Xiefu Company: The main business scopes are the purchase and sales of the diesel oil, the heavy oil, the lubricating oil with its registration capital of RMB 53.3 million,

of which the Company holds 50% shares. Ended as Dec. 31, 2006, the total asset of the Company amounted to RMB 332,651,200 with an increase of 165.49% over the year-begin, mainly because the business scale expanded and oil price did not go down but remained high which both made the short-term loan increase; the net asset of the Company amounted to RMB 48,327,300 with an increase of 15.75% over the year-begin, because of realizing the net profit in this year. In year 2006, the income from main operation the Company realized amounted to RMB 2,475,825,800 with an increase of 505.35% over last year; net profit the Company realized amounted to RMB 6,575,000 with a decrease of 55.53%, and the main reason was that the business increased, although the gross profit declined with a great margin.

(II) Prospect for the Operation of 2006

In the year 2007, the situation of power utilization in Guangdong province will have a turning point. One, the power demand of Guangdong province will continually keep massive increase, and it is estimated that the amount of power utilization for the whole province in the whole year would get up to 333.9 billion kwh with a increase of 11.5% over last year; the other, the shortage of power supply will be basically solved, it is estimated that capability of the newly-increased units or sets for the whole province would be 12 million kilowatt, the capability of newly-increased units or sets will be larger than the increasing quantity of load of the whole province. Therefore, in the year 2007, the electric power consumption in the whole province is nearly even balanced; the electric energy to grid of uncontrolled thermal power plant will decrease 14.33 %, the local small thermal power generating is significantly influenced. The estimated electrical load average is about 8.62 million kilowatt, increased 13.18 % compared to the same period of last year; the electric power demand is expected to reach 50.8 billion kwh, increasing 12.5 % compared to the same period of last year. But due to more rapid increase in the controlled unit capacity than the social demand in Guangdong province, the controlled unit capacity merely increased in Guangdong is 1.3 million kilowatt, the dispatching load in Shenzhen decreased. According to the YFGN [2007] No.51 document promulgated by Guangdong Development and Reform Commission and The Economic & Trade Commission of Guangdong Province, the uncontrolled power plan is merely 9.6 billion kwh, decreased 9.4 % compared to the same period of last year. At the same time, the main organizations in the world and investment banks all predict that the oil price in international market will keep in high price operation in 2007, therefore, the normal operation of the Company will still face great pressure.

In 2007, the Company will continue to renovates the conception, changes the way of thinking, and adjusts the strategy around the two centers of “Benefit” and “Development”, takes the spirit of second pioneering work as power, takes modern management perspective as the lead, tries hard to actualize the general goal of “Making Benefits with Management Inside, Seeking for Development with Innovation Outside”. In the aspect of internal management, the Company will establish efficient pattern of management and control of subordinate enterprises, scientific performance assessment mechanism, standardized management system and regular work flow, actualize deposit assets maintaining value and increasing value, and create necessary inner conditions for sustainable development of the Company. At the same time, the Company will try the best to promote implement of strategic projects such as transferring oil to gas, recycled economy, combined heat & power, correctly estimate and fully exert the self-advantage, seek for various forms of development strategy, actively and steadily exploit larger market space.

1. Complete the evaluation of election of changing and engaging the management of medium level and management which were expedited by subordinate holding enterprises; consummate the management structure and organization structure of the subordinate holding enterprises.

2. Seek for the long-term incentive mechanism for senior executives and core talent according to overall plan of the Board of Directors.

3. Guarantee the safe production of the power plant, strengthen economic operation, actively promote the implement of the subsidy policy of fuel power generation, and ensure the timely allocation of subsidy capital.

4. Try best to promote all the work of transferring oil to gas project of subordinate power plants.

5. Grasp the opportunity of policy; promote the implementation of the Recycling Economy Project of Nanshan Power Plant and Combined Heat & Power Project of Zhongshan, Dongguan Company.

6. Broaden financial channels, further improve the financial management level and reduce the financial cost.

7. Start information construction of the Company; establish safety and quality standardization management system; continue to promote management transforms; optimize the main business chain management in the system of the Company.

(III) Investment of the Company

1. Investment of the raised fund

In the report period, there were no raised fund in the Company, and there were no raised fund before the report period used till the report period.

2. Investment of the non-raised fund

(1) Project of transforming oil to gas: The project of Nanshan Power Plant (including Xindianli Company) was approved in the 17^{th} meeting of the 4^{th} Board of Directors of the Company, and officially started the construction in the report period. The Company plans to complete the engineering construction of natural gas pipeline supply system and transformation of the subordinate combustion engine of the Plant to make it have the generating ability by natural gas in the year 2006 to 2007. The original total investment of the project amounted to RMB 70,000,000; finally, through negotiating with Guangdong Dapeng LNG Company Ltd., the investment and construction of the facilities out of the Plant are charged by Guangdong Dapeng LNG Company, the total investment decreased to about RMB 40,000,000, and RMB 24,860,000 already has been invested at the end of the report period.

(2) Project of Zhongshan: According to the spirit of the resolution of 15^{th} meeting of

the 4th Board of Directors, the Company and Zhongshan Power Development Corporation officially signed the Equity Transfer Agreement on Zhongshan Zhongfa Power Co., Ltd. and Zhongshan Power Plant Co., Ltd. on Sep. 28, 2006, the Company purchase 75% equity of the aforesaid two companies respectively which was held by Zhongshan Power Development Corporation by taking the debts with zero price. At present, the Company is in the process of the procedure of examination and approval by the foreign investment department, and will complete the alteration of business registration in time after the examination and approval finished. To know more details about the project, please refer to relevant public notice the Company published dated Jul. 26, 2005.

(IV) Routine work of Board of Directors of the Company

1. Election on changes of Board of Directors

The term of 4th Board of Directors had been expired by June, 2006. According to the requirements of relevant laws and regulations and Articles of Association, the main shareholders submitted a list of candidates who were recommended to take the post of director after sufficient communication and negotiation. On Sep. 20, 2006, the Company held the 21st meeting of the 4th Board of Directors and passed the Proposal on the Election of Changing the Board of Directors, elected the candidates of directors and independent directors of the 5th Board of Directors. On Oct. 23, 2006, the Company held the 2006 1st Extraordinary Shareholders' General Meeting, officially elected the 5th Board of Directors of the Company. After that, the 1st and 2nd meeting of the 5th Board of Directors successively elected director Wei Wende the Chairman of the Board, Director Wang Jianbin, Director Sun Yulin, and Director Li Li the Vice-Chairman of the Board.

2. Meetings of Board of Directors

In the report period, the Board of Directors held 7 meetings, and successively organized relevant Shareholders' Meeting in relation to Share Merger Reform, 2005 Annual Shareholders' General Meeting and 2006 1st Extraordinary Shareholders' General Meeting. The detailed meetings were as follows:

(1) On Jan. 20, 2006, Extraordinary Meeting of the 4th Board of Directors was held by way of communication, the resolutions of the meeting were published on Securities Times, China Securities and Shanghai Securities dated Jan. 23, 2006.

(2) On Apr. 7, 2006, the 18th Meeting of the 4th Board of Directors (2005 Annual Meeting of the Board of Directors) was held, and the resolutions of the meeting were published in newspapers designated by the Company dated Apr. 11, 2006.

(3) On Apr. 20, 2006, the 19th Meeting of the 4th Board of Directors was held, and the resolutions of the meeting were published in newspapers designated by the Company dated Apr. 21, 2006.

(4) On Aug. 19, 2006, the 20th Meeting of the 4th Board of Directors was held; the resolutions of the meeting were published in newspaper designated by the Company dated Aug. 22, 2006.

(5) On Sep. 20, 2006, the 21st Meeting of the 4th Board of Directors was held; the resolutions of the meeting were published in newspapers designated by the Company

dated Sep. 21, 2006.
(6) On Oct. 23, 2006, the 1st Meeting of the 5th Board of Directors was held; the resolutions of the meeting were published in newspapers designated by the Company dated Oct. 24, 2006.
(7) On Dec. 30, 2006, the 2nd Meeting of the 5th Board of Directors was held, and the resolutions of the meeting were published in newspapers designated by the Company dated Jan. 5, 2007.
3. Implementation of the resolutions of the Board of Directors
In the report period, according to relevant resolutions made in Shareholders' General Meeting, successively organized work as follows: (1) Completed the Share Merger Reform; (2) Paid domestic and foreign audit organizations for their 2005 remunerations, engaged 2006 domestic and foreign audit organizations; (3) Accomplished the Election of Changing the Board of Directors; (4) Acquired the approval of Ministry of Commerce on the revision of Articles of Association, the Company is in the process of procedures for the changes of business registration; (5) Accomplished the revision of The Rules of Procedure of the Shareholders' General Meeting of the Company and the Rules of Procedure of the Board of Directors; (6) Assisted to deal with relevant procedures of unlisted foreign shares held by Hong Kong Nam Hoi (International) Co. Ltd. converted into domestically listed foreign shares(B-share).
At the same time, the Board of Directors organized to review the investing projects in Zhongshan of the Company, etc., actively participate in the communication activities with government supervisor section at all levels, and made prompt and correct decision about significant investment and work affairs such as the change from oil to gas, the exploiture of circular economic project of the subordinate power plants of the Company, guaranteed the normal running of the operation and management of the Company.
4. Preplan on Profit Distribution or Converting Capital Public Reserve into Share Capital in 2006
Audited by Guangzhou Yangcheng CPAs Co., Ltd. according to the Independent Auditing Standards for Chinese Certified Public Accountants, the net profit realized by the parent company in 2006 was RMB 68,872,000. According to relevant provisions of the Articles of Association, withdrawal of 10% statutory public reserve amounted to RMB 6,887,200. In 2006, the profit available for distribution of parent company to the shareholders amounted to RMB 458,357,400, the profit available for distribution to the shareholders after consolidation was RMB 275,770,900.
Audited by PricewaterhouseCoopers Certified Public Accountants, the profit available for distribution to the shareholders in 2006 based on the calculation according to Hong Kong Accounting Standards was RMB 275,406,000.
According to relevant provisions of the State Ministry of Finance (CKZi (1995) No. 31 and China Securities Regulatory Commission ZJH (1994) No. 1, based on the principle of soundness and the lower of the two, the profit available for distribution to shareholders was worked out according to the domestic consolidation in 2006, namely RMB 275,406,000.

According to relevant provisions and Articles of Associations, the preplan on profit distribution in 2006 is:
In the report period, it did not conduct profit distribution and convert capital public reserve into share capital. In light of that the fuel price in the international market remained high, thus resulted in cost of generating electricity ascended; the undistributed profits in 2006 will be used to supplement the current fund for routine operations of the Company.
5. Information disclosure
In the report period, according to the requirements of supervising department and relevant laws and regulations, the Board of Directors promptly and exactly disclosed the fixed and temporary public notices amounting to 60.

(V) The fund demand and resolution plan of the Company in 2007
In order to complete the business goal of 2007, the Company (including the subordinate controlling subsidiaries) predicts the fund demand of 2007 will amount to RMB 3.5 billion. The Company will fully meet the fund demand by various methods, such as its own fund and bank loans, etc.

VIII. Report of the Supervisory Committee

(I) Work of the Supervisory Committee
According to relevant laws and regulations of the state and the Articles of the Association, the Supervisory Committee seriously fulfilled its duties. In the report period, the Supervisory Committee held 6 meetings, and attended all meetings of the Board of Directors with the details as follows:
1. On Apr. 7, 2006, the 17th Meeting of the 4th Supervisory Committee (the 2005 Annual meeting of Supervisory Committee) was held. The relevant resolution was published in newspapers designated by the Company dated Apr. 11, 2006.
2. On Apr. 20, 2006, the 18th Meeting of the 4th Supervisory Committee was held. The relevant resolution was published in newspapers designated by the Company dated Apr. 21, 2006.
3. On Aug. 19, 2006, the 19th Meeting of the 4th Supervisory Committee (the 2006 Semi-annual Meeting of Supervisory Committee) was held. The relevant resolution was published in newspapers designated by the Company dated Aug. 22, 2006.
4. On Sep. 20, 2006, the 20th Meeting of the 4th Supervisory Committee was held. The relevant resolution was published in newspapers designated by the Company dated Sep. 21, 2006.
5. On Oct. 23, 2006, the 1st Meeting of the 5th Supervisory Committee was held. The relevant resolution was published in newspapers designated by the Company dated Oct .24, 2006.
6. On Dec. 30, 2006, the 2nd Meeting of the 5th Supervisory Committee was held. The relevant resolution was published in newspapers designated by the Company dated Jan. 5, 2007.

(II) The Changes of Organization and Personnel

The official term of the 4th Supervisory Committee expired in June, 2006. On Sep. 20, 2006, according to the requirement of relevant laws and regulations and Articles of Association, the Company held the 20th Meeting of the 4th Supervisory Committee on the basis of the list of the candidates recommended by the main shareholders, deliberated and passed the Proposal on the Election of Changing the Supervisory Committee, elected the candidates of supervisor of the 5th Supervisory Committee; On Oct. 23 in the same year, the Company held 2006 1st Extraordinary Shareholders' General Meeting and all elected Mr. Zhu Tianfa, Mr. Zhou Qun, Mr. Li Yongsheng, Ms. Chen Lihong, Mr. Zhang Yanmin the supervisors of the 5th Supervisory Committee, make up of the 5th Supervisory Committee together with three employee supervisors Mr. Wang Wei, Mr. Li Chao and Mr. Yi Yaoping(elected on the Congress of Employee Representatives held on Oct. 20 in the same year). After that supervisor Zhu Tianfa was elected the Chairman of Supervisory Committee on the 1st Meeting of 5th Supervisory Committee.

(III) The Supervisory Committee's independent opinions on the following events

1. The Company's operation according to laws

In the report period, the Supervisory Committee attended all meetings of the Board of Directors and seriously supervised on all decisions; significant operating and investing behaviors; implementations of resolutions made by Shareholders' General Meeting, and executed duties of supervisors. The Supervisory Committee considered that the Company could develop all productive and operative business according to the State relevant laws and regulations and the Articles of Association. The Company successfully completed Share Merger Reform, step by step established and consummated legal person administration structure. The decision-making procedures of the Company need further standardizing. Directors and managers of the Company still abided by regulations of relevant laws, regulations and the Articles of the Association of the Company in executing the duties of the Company; and performed the obligations of 2006 information disclosure according to the requirements of the supervising department. The Supervisory Committee hopes that the Company make persistent efforts on the work of 2007, continue to follow strictly the operation principle of regulated management, continuously perfect all management regulations and measures, further enhance the ability of regulated management and management level, widely set up the innovation consciousness in all sides of production and management of the Company, innovatively carry out all the work, actively seek the road of long term survival and development.

2. Inspecting the Company's finance

In 2006, the Supervisory Committee supervised and urged the collection of accounts receivable of the Company, and seriously checked auditors' report submitted by CPAs engaged by the Company and other accounting materials submitted by the Company. The Supervisory Committee believed, the Company can implement finance and tax policies of the State and ratified unqualified auditor's report for the Company presented by Guangdong Yangcheng CPAs Co., Ltd. and PricewaterhouseCoopers Certified Public Accountants.

3. Use of raised funds

The actual project put in with the latest raised funds of the Company accorded with the project committed.

4. Transactions of purchase and sale of assets of the Company

On Sep. 28, 2006, the Company officially signed the Equity Transfer Agreement between Zhongshan Zhongfa Power Co., Ltd. and Zhongshan Power Plant Co., Ltd. with Zhongshan Power Development Corporation, the Company purchase 75% equity of the two companies above respectively which was held by Zhongshan Power Development Corporation with zero price. The Supervisory Committee believed, the transaction price is reasonable, there is no behavior of insider dealings existed, which didn't do harm to the rights and interests of the shareholders or lead to assets losses of the Company.

5. Related transactions

The Supervisory Committee believed, according to the Annual Auditor's Report presented by Guangdong Yangcheng CPAs Co., Ltd., in the report period, there existed no behaviors out of line about capital current and transaction between the Company and related parties. The routine related transactions of the Company occurred also took the principle of market fair transaction into consideration. According to the market price of the same kind of product, the Company determined the transaction price fairly and rationally, which didn't do harm to the interest of the Company.

IX. Significant Events

(I) In the report year, the Company had no significant lawsuits or arbitrations.

(II) Acquisition and sales of assets, consolidation and merger

Unit: RMB' 0000

The other party of transaction	Assets purchased	Date of purchasing	Price of purchasing	Net profit contributed to the Company from purchasing date to this year end	Related transaction or not	Explanation on price setting	Assets rights concerned transferred ownership fully or not	Credit and liability concerned shifted fully or not
Zhongshan Power Development Corporation	75% equity of Zhongshan Zhongfa Power Co., Ltd. and 75% Zhongshan Power Plant Co., Ltd.	Sep. 28, 2006	0	0	No	Market principle	Under transaction	Under transaction

The aforesaid transaction is purchasing by taking the debts with zero price. At present, the Company is in the process of the procedures for relevant examination and approval. It has no significant influence on financial and operational results of the Company. Please refer to relevant public notice released by the Company dated Jul.

26, 2005 for details.

(III) Significant related transactions

1. Related transactions about routine operation

Related parties	Selling products and providing service to related parties		Purchasing products and accepting service from related parties	
	Transaction amount	Proportion in the same kind of transaction amount	Transaction amount	Proportion in the same kind of transaction amount
Shenzhen Moon Bay Oil Port Co., Ltd.	--	--	993.18	71.62%
Shenzhen Moon Bay Power Plant	--	--	196.48	14.17%
Total	--	--	1,189.66	85.78%

Note: The detail of the routine related transaction was published on relevant public notice dated Jun. 9, 2006.

2. Related transactions occurred in transferring of assets and share equity

In the report period, the Company had no related transactions about assets and share equity transfer.

3. Related transactions occurred of investment together by the Company and related parties

In the report period, the Company had no related transactions of investment together by the Company and related parties.

4. There existed current credits and liabilities and guarantees between the related parties (including subsidiaries not listed into consolidated scope) and the Company.

Unit: RMB’ 0000

Related parties	The relationship with listed company	Supply funds to related parties by listed company		Supply funds to listed company by related parties	
		Occurred amount	Balance	Occurred amount	Balance
Shenzhen Moon Bay Oil Port Co., Ltd.	Indirect holding company by shareholder of the Company Shenzhen Energy Group Co., Ltd.	--	--	-150.84	99.98
Shenzhen Moon Bay Power Plant	Indirect holding company by shareholder of the Company Shenzhen Energy Group Co., Ltd.	--	--	-11.82	41.99
Shenzhen Energy Group Co., Ltd.	Shareholder of the Company	--	--	65.74	120.48
Total		--	--	-96.92	262.45

Including: In the report period, the occurring amount the listed company provided to controlling shareholder and its subsidiaries was RMB 0 and the balance was RMB 0.

The aforesaid matters had no significant influence on the Company.

5. Other significant related transactions

The Company had no other significant related transactions.

(IV) Significant contracts of the Company and its implementation

1. In the report period, the Company had no custody, contract or lease matters.

2. Significant guarantee

Unit: RMB' 0000

Particulars about the external guarantee of the Company (Barring the guarantee for the controlling subsidiaries)						
Name of the Company guaranteed	Date of happening (date of signing agreement)	Amount of guarantee	Guarantee type	Guarantee term	Complete Implementation or not	Guarantee for related party (yes or not)
--	--	--	--	--	--	--
Total amount of guarantee in the report period				--		
Total balance of guarantee at the end of the report period (A)				--		
Guarantee of the Company for the controlling subsidiaries						
Total amount of guarantee for controlling subsidiaries in the report period				24,456.42		
Total balance of guarantee for controlling subsidiaries at the end of the report period (B)				24,128.84		
Particulars about the external guarantee of the Company (Including the guarantee for the controlling subsidiaries)						
Total amount of guarantee (A+B)				24,128.84		
The proportion of the total amount of guarantee in the net assets of the Company				15.20%		
Including:						
Amount of guarantee for shareholders, actual controller and its related parties (C)				--		
The debts guarantee amount provided for the guarantee of which the assets-liability ratio exceeded 70% directly or indirectly (D)				24,128.84		
Proportion of total amount of guarantee in net assets of the Company exceeded 50% (E)				--		
Total amount of the aforesaid three guarantees* (C+D+E)				24,128.84		

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

4. In the report period, the Company had no other significant contracts.

(V) Implementation of commitment of the Company

1. The original non-circulating shareholders of the Company didn't make any commitment except statutory commitments in Share Merger Reform.

2. In the report period, the Company or shareholders who held over 5 %(including 5%) of the total shares haven't had any commitments that happened or happened before but lasted to the report period which could significantly influence the operational and financial results.

(VI) The Company's engagement of certified public accounts and payment of remunerations in the report period

From the listing year 1994 to year 2006, the Company all through engaged Guangdong Yangcheng CPAs Co., Ltd. and PricewaterhouseCoopers Certified Public Accountants as the Company's domestic and foreign auditors respectively (The relevant resolutions were published in the designated newspapers on Apr. 11, 2006).

The Company decided the auditing remuneration of accountants subject to the approval of the Board of Directors and the Shareholders' General Meeting, according to Provisional Regulation on Charge Standards of Certified Public Accounts released by Shenzhen Bureau of Finance with SCZ (1995) No. 38 document and the Company's total annual assets, and referring to the payment of auditing expense of other listed companies in the equivalent scale. The Company and its subsidiaries engaged certified public accounts with details as follows:

Auditing items	2006		2005	
	Auditors	Auditing expenses	Auditors	Auditing expenses
Group consolidated financial report and interim and annual financial report of domestic subsidiaries under Chinese Accounting Standards	Guangzhou Yangcheng CPAs Co., Ltd.	RMB 1,070,000	Guangzhou Yangcheng CPAs Co., Ltd.	RMB 790,000
Group consolidated financial report under International Accounting Standards	PricewaterhouseCoopers Certified Public Accountants	RMB 980,000	PricewaterhouseCoopers Certified Public Accountants	HKD 840,000
Annual financial report of foreign subsidiaries	Ernst & Young Certified Public Accountants	S$2806.30	Ernst & Young Certified Public Accountants	S$ 2806.30

Note: All the said auditing expenses above do not include business trip expenses for the auditing.

(VII)The received research and interview from investors of the Company

In 2006, the Company totally received researches and visits over 30 times from domestic and foreign shareholders and investors, and organized shareholder representatives and senior executives of the Company participated in Online Road Show of Share Merger Reform and the promotion activity of Date of B-share Enterprise in Shenzhen staged by BNP Prime Peregrine. In 2007, the Company will establish Registration System of Information Disclosure for Reference according to the requirements of relevant documents of Shenzhen Stock Exchange such as Guidelines on Fair Information Disclosure, and work hard to fairly disclose relevant information on security market.

(VIII) Other significant matters

1. After the Reply of SJMF [2002] No. 68 Document of Shenzhen Economics and Trade Bureau, New Power Company was recognized as Advanced Technology

Enterprise of Foreign Investment. After successfully passing 2005 assessment, it continually enjoyed series of preferable policies such as reducing and exempting tax in 2006.

2. Two suit of gas & steam combined cycle power unit with capacity of 2×180, 000 kilowatt of Dongguan Gaobu Power Plant of Shennandian (Dongguan) Electric Power Co., Ltd. has put into business operation officially since the evening of Mar 13, 2006.

3. According to the state relevant regulations and auditing procedures, the combined heat & power unit invested and established by New Power Company passed through the examination and approval of The Economic & Trade Commission of Guangdong Province. The approved combined heat & power unit is not arranged in the scope of closing down the small thermal power unit in Guangdong province and continue to enjoy the preferable state policy of combined heat & power. Power grid operation enterprises should allow the Company to connect grid and arrange generator units generating electricity in the principle of determining power generation by heat, and operating by sending into grid. (Refer to relevant public notice published in designated newspaper on and after Mar. 8, 2006 for details)

4. In order to solve the austere situation of electric power supply shortage, Zhongshan city has actualized the Subscription Project of Modulating Peak of Electric Power since Jan. 1, 2006 and subsidized for the planned peak modulating of electric power enterprises such as Shennandian (Zhongshan) Co., etc. according to the power generation fuel cost. (Refer to relevant public notice published in designated newspaper on and after May 29, 2006 for details)

5. Since March, 2006, Dongguan city has actualized The Subscription Project of Modulating Peak of Electric Power and carried through power generation fuel subsidy to electric power enterprises such as Shennandian (Dongguan) etc. according to the balance of modulation power electric and oil price in current month. (Refer to relevant public notice published in designated newspaper on and after Jun. 26, 2006 for details)

6. In 2006, Shenzhen government continue to subsidize local fuel power plants according to the electric energy to grid, the Company received subsidy amounting to RMB 91,462,180 among January to March; received subsidy amounting to RMB 118,646,300 among April to June; and amounting to RMB 141,119,630 among July to October. (Refer to relevant public notice published in designated newspaper on and after Jul. 28, 2006 for details)

7. Foreign legal person shareholder Tengda Property Co. Ltd. increased its tradable B-share holdings of the Company through stock trading system of Shenzhen Stock Exchange in 2006. Refer to relevant public notice dated Jul. 29, 2006 and Condensed Report of Changes in Equity released by the Company on Feb. 8, 2007 for details)

8. According to the spirit of the resolution of 15th Meeting of the 4th Board of Directors, on Sep. 28, 2006, the Company and Zhongshan Power Development Corporation formally signed the Equity Transfer Agreement on Zhongshan Power Plant Co. Ltd. and Zhongshan Zhongfa Power Co. Ltd., the Company purchased 75% equity of the two companies above respectively which was held by Zhongshan Power Development Corporation by zero price. To know details of the project, please refer to

relevant public notice released by the Company dated Jul. 26, 2005.

9. Examined and approved by supervising department, 83,748,408 unlisted foreign shares which were held by foreign shareholder of the Company Hong Kong Nam Hoi (International) Co. Ltd. was converted into tradable B-shares; this part of shares can be listed and circulated on B-share market of Shenzhen Stock Exchange since one year after Oct. 20, 2006. (Refer to relevant public notice published in designated newspaper on Nov. 9, 2006 for details)

10. According to the consolidated arrangement of the government and relevant supervising department, the substituted units No.5, No.6 and No.8 in the project of “Replacing the small with the large” of the subsidiary of the Company Nanshan Power Plant has been closed down at the end of the year 2006. (Refer to relevant public notice published in designated newspaper on Dec. 29, 2006 for details)

11. New Power Company received enterprise income tax totaling RMB 22,840,100 which resulted from purchasing homemade equipment investment through the technological reform project of “Replacing the small with the large” in 2004 returned from Administration of Local Taxation of Shenzhen Municipality in December, 2006 and already offset enterprise income tax of the Company this year.

X. Financial Report

PricewaterhouseCoopers Certified Public Accountants audited the financial reports of the Company and issued standard unqualified report.

(I) Audit Report (Attached)

(II) Accounting statements (Attached)

(III) Notes of Accounting Statement (Attached)

XI. Documents Available for Reference

(I) Accounting statements carried with the signatures and seals of the legal representative, financial principal and accountants.

(II) Original of auditors’ report carried with the seal of certified public accountants and signatures and seals of CPA

(III) All original of the Company’s documents and original manuscript of public notices ever disclosed in Securities Times, China Securities, Shanghai Securities and Hong Kong Wen Wei Po in the report period.

(V) Annual Report promulgated in overseas newspapers

Board of Directors of

Shenzhen Nanshan Power Station Co., Ltd.

March 20, 2007

SHENZHEN NANSHAN POWER STATION CO., LTD.

CONSOLIDATED BALANCE SHEET

(All amounts in Renminbi thousands unless otherwise stated)

	Note	As at 31 December 2006	2005
ASSETS			
Non-current assets			
Land use rights	6	70,045	36,888
Intangible assets	7	25,188	33,360
Property, plant and equipment	8	2,910,064	2,919,201
Interest in associates	9	-	25,400
Deferred income tax assets	19	10,243	8,936
Available-for-sale financial assets	10	61,705	53,919
		3,077,245	3,077,704
Current assets			
Inventories	11	379,643	430,329
Trade and other receivables	12	798,010	448,131
Cash and cash equivalents	13	623,514	307,525
		1,801,167	1,185,985
Total assets		4,878,412	4,263,689
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital	14	547,966	547,966
Other reserves	15	753,240	735,907
Retained earnings	16	275,406	223,534
		1,576,612	1,507,407
Minority interest		207,530	172,898
Total equity		1,784,142	1,680,305
LIABILITIES			
Non-current liabilities			
Bank borrowings	18	321,467	416,783
Current liabilities			
Trade and other payables	17	622,152	797,340
Current income tax liabilities		19,870	10,685
Bank borrowings	18	2,130,781	1,358,576
		2,772,803	2,166,601
Total liabilities		3,094,270	2,583,384
Total equity and liabilities		4,878,412	4,263,689

SHENZHEN NANSHAN POWER STATION CO., LTD.

CONSOLIDATED INCOME STATEMENT

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Year ended 31 December 2006	2005
Sales	20	3,858,907	3,030,682
Other gains - net	20	507,035	155,456
		4,365,942	3,186,138
Fuel costs		(3,649,876)	(2,555,971)
Construction costs		(205)	(109,404)
Employee benefit expense	21	(115,478)	(101,981)
Depreciation of properly, plant and equipment		(227,565)	(188,969)
Amortisation of land use rights and intangible assets		(12,180)	(12,341)
Operating lease expenses - equipment		(4,335)	(28,538)
Repairs and maintenance expenses		(56,285)	(41,265)
Other operating expenses		(79,768)	(48,505)
Operating profit		220,250	99,164
Finance costs	22	(143,097)	(87,415)
Share of profit of associates		-	10,650
Profit before income tax		77,153	22,399
Income tax expense	23	(19,917)	(14,943)
Profit for the year		57,236	7,456
Attributable to:			
Equity holders of the Company		63,101	29,919
Minority interest		(5,865)	(22,463)
		57,236	7,456
Earnings per share for profit attributable to the equity holders of the Company - basic and diluted (expressed in RMB per share)	24	0.12	0.05

SHENZHEN NANSHAN POWER STATION CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(All amounts in Renminbi thousands unless otherwise stated)

		Attributable to equity holders of the Company			Minority interest	Total
	Note	Share capital	Other reserves	Retained earnings		
Balance at 1 January 2005		547,966	700,663	507,963	102,033	1,858,625
Dividend relating to 2004		-	-	(273,983)	-	(273,983)
Profit for the year		-	-	29,919	(22,463)	7,456
Revaluation of available-for-sale financial assets		-	(2,910)	-	-	(2,910)
Appropriation from retained earnings		-	40,365	(40,365)	-	-
Capital contribution from minority interest		-	-	-	93,328	93,328
Currency translation differences		-	(2,211)	-	-	(2,211)
Balance at 31 December 2005		547,966	735,907	223,534	172,898	1,680,305
Balance at 1 January 2006		547,966	735,907	223,534	172,898	1,680,305
Dividend relating to 2005		-	-	-	(13,162)	(13,162)
Profit for the year		-	-	63,101	(5,865)	57,236
Revaluation of available-for-sale financial assets		-	7,786	-	-	7,786
Conversion of an associate into subsidiary	9	-	-	-	22,350	22,350
Appropriation from retained earnings		-	11,229	(11,229)	-	-
Capital contribution from minority interest		-	-	-	31,309	31,309
Currency translation differences		-	(1,682)	-	-	(1,682)
Balance at 31 December 2006		547,966	753,240	275,406	207,530	1,784,142

SHENZHEN NANSHAN POWER STATION CO., LTD.

CONSOLIDATED CASH FLOW STATEMENT

(All amounts in Renminbi thousands unless otherwise stated)

	Note	Year ended 31 December 2006	2005
Cash flows from operating activities			
Cash (used in)/generated from operations	25	(127,672)	648,291
PRC income tax paid		(12,039)	(32,590)
Net cash (used in)/generated from operating activities		(139,711)	615,701
Cash flows from investing activities			
Purchase of property, plant and equipment and payments for land use rights		(136,338)	(665,973)
Proceeds from sale of property, plant and equipment	25	815	10,264
Purchase of intangible assets		(175)	(3)
Consolidation of a subsidiary		3,083	-
Proceeds from disposal of interest in associates		3,794	-
Dividend received		-	1,786
Interest received		5,251	3,351
Loan to a related party		(33,300)	(67,680)
Loan repayment from a related party		61,100	30,460
Net cash used in investing activities		(95,770)	(687,795)
Cash flows from financing activities			
Proceeds from bank borrowings		3,259,177	2,365,228
Repayment of bank borrowings		(2,582,288)	(2,272,127)
Interest paid		(143,097)	(112,267)
Capital contribution from minority interests		31,309	93,328
Dividend paid to Company's shareholders		(13,162)	(273,983)
Net cash inflow/(used in) from financing activities		551,939	(199,821)
Net increase/(decrease) in cash		316,458	(271,915)
Cash at beginning of the year		307,525	581,651
Exchange loss on cash		(469)	(2,211)
Cash at end of the year		623,514	307,525