Short Form of the Stock: Shen Nandian-A Shen Nandian-B No.: 2007—035
Stock Code: 000037 200037

SHENZHEN NANSHAN POWER CO., LTD.
SUMMARY OF SEMI-ANNUAL REPORT 2007

§ 1. Important Notice

1.1 Board of Directors and Supervisory Committee of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any important omissions, fictitious statements or serious misleading information carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.
The summary of Semi-annual Report 2007 is abstracted from the semi-annual report; and full text of the semi-annual report is published on Internet website http://www.cninfo.com.cn in the mean time. The investors are suggested to read the full text of semi-annual report to get more details.

1.2 No director stated that he (she) could not ensure the correctness, accuracy and completeness of the contents of the Semi-annual Report nor had objection for this report.

1.3

Name of absent directors	Reason of absence	Name of assignee
Huang Sujian	Due to business abroad	Yu Xiufeng

1.4 The Semi-annual Financial Report 2007 of the Company has not been audited.

1.5 Chairman of the Board Wei Wende, General Manager Fu Bo, CFO Lu Xiaoping and Manager of Financial Dept. Chen Xueshun hereby confirm the truthfulness and completeness of the Financial Report in the Semi-annual Report 2007.

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

§2. Company Profile

2.1 Basic information

Short form of the stock	Shen Nandian-A, Shen Nandian-B

Stock code	000037, 200037
Listed stock exchange	Shenzhen Stock Exchange
	Secretary of the Board
Name	Hu Qin
Contact address	17/F, Hantang Building, OCT, Shenzhen, China
Telephone	(86) 755-26003604
Fax	(86) 755-26003684
E-mail	investor@nspower.com.cn

2.2 Main financial data and indexes

2.2.1 Main accounting data and financial indexes

Unit: RMB'000

	Jan.-Jun. 2007	Jan.-Jun. 2006	Increase/decrease in this report period compared with the same period of last year (%)
Turnover	1,462,167	1,600,838	-8.66
Other income-net amount	173,358	210,052	-17.47
Annual profit of equity holders of the Company	25,632	-39,860	164.31
Total shareholders' fund	1,602,640	1,467,425	9.21
Earnings per share (RMB)	0.047	-0.073	164.38
Net assets per share (RMB)	2.92	2.68	8.96

2.2.2 Differences between CAS and IAS:

√Applicable ☐Inapplicable

Unit: RMB'000

	CAS	IAS
Net profit	25,632.00	25,632.00
Net asset	1,612,820.00	1,602,640.00
Explanations on differences	The differences on net profit were from the reevaluation of financial assert available for sales decreasing amounting to RMB 10,180 thousand calculated based on IAS compared with calculating based on CAS.	

§3 Changes in Share Capital and Particulars about Shareholders

3.1 Statement of change in shares

√Applicable ☐Inapplicable

Unit: Share

	Before the change		Increase/decrease of the change					After the change	
	Amount	Proportion	New issued shares	Bonus shares	Capitalization of shares	Other	Subtotal	Amount	Proportion
I. Restricted shares	311,798,745	56.90%				-82,203,215	-82,203,215	229,595,530	41.90%
1.State-owned shares									
2. State-owned legal person's shares	228,030,210	41.61%				-82,194,900	-82,194,900	145,835,310	26.61%
3. Other domestic shares	20,127	0.004%				-8,315	-8,315	11,812	0.002%
Including: Domestic non-state-owned legal person's shares									
Domestic natural person's shares	20,127	0.004%				-8,315	-8,315	11,812	0.002%
4. Foreign shares	83,748,408	15.28%						83,748,408	15.28%
Including: Foreign legal person's shares	83,748,408	15.28%						83,748,408	15.28%
Foreign natural person's shares									
II.Unrestricted shares	236,167,253	43.10%				+82,203,215	+82,203,215	318,370,468	58.10%
1. RMB Ordinary shares	80,047,982	14.61%				+82,203,215	+82,203,215	162,251,197	29.61%
2.Domestically listed foreign shares	156,119,271	28.49%						156,119,271	28.49%
3.Overseas listed foreign shares									
4.Others									
III. Total shares	547,965,998	100.00%						547,965,998	100.00%

3.2 Particulars about shares held by the top ten shareholders and the top ten shareholders with unrestricted tradable conditions

Unit: Share

Total shareholders	35,548				
Particulars about shares held by the top ten shareholders					
Names of shareholders	Nature of shareholder	Proportion of share held	Amount of share held	Amount of restricted shares held	Shares pledged or frozen
SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD.	State-owned legal person	21.68%	118,800,636	91,402,336	0
HONG KONG NAM HOI (INTERNATIONAL) LIMITED	Foreign legal person	15.28%	83,748,408	83,748,408	0
TENGDA PROPERTY CO., LTD.	Foreign legal person	11.08%	60,737,449	0	0
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned legal person	10.80%	59,187,391	31,789,091	0
STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) CO., LTD.	State-owned legal person	9.13%	50,042,183	22,643,883	0
MORGAN STANLEY &CO.INTERNAT IONAL PLC	Foreign legal person	4.74%	25,996,024	0	unknown
ZHONGSHAN GAOLING INVESTMENT CO., LTD.	Domestic non-state-owned legal person	2.49%	13,753,800	0	0
CHINAFAMOUSBRAND SECURITIES HOLDING CO., LTD.	Foreign legal person	0.41%	2,224,459	0	unknown
YANG SHI MIN	Foreign natural person	0.32%	1,739,133	0	unknown
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	Foreign legal person	0.31%	1,710,023	0	unknown

Particulars about shares held by the top ten unrestricted shareholders		
Name of shareholder	Amount of unrestricted shares held	Type of share
TENGDA PROPERTY CO., LTD.	60,737,449	Domestically listed foreign share
SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD.	27,398,300	RMB ordinary share
SHENZHEN ENERGY (GROUP) CO., LTD.	27,398,300	RMB ordinary share

STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) CO., LTD.	27,398,300	RMB ordinary share
MORGAN STANLEY &CO.INTERNAT IONAL PLC	25,996,024	Domestically listed foreign share
ZHONGSHAN GAOLING INVESTMENT CO., LTD.	13,753,800	RMB ordinary share
CHINAFAMOUSBRAND SECURITIES HOLDING CO., LTD.	2,224,459	Domestically listed foreign share
YANG SHI MIN	1,739,133	Domestically listed foreign share
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	1,710,023	Domestically listed foreign share
NAITO SECURITIES CO., LTD.	1,680,025	Domestically listed foreign 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 &CO.INTERNAT IONAL PLC. 3. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.	

3.3 Particulars about changes in controlling shareholder and actual controller of the Company
□Applicable √Inapplicable

§4. Particulars about Directors, Supervisors and Senior Executives

4.1 Particulars about changes in shares held by directors, supervisors and senior executives
√Applicable □Inapplicable

Names	Office title	Shares held at year-begin	Increase in shares held in this period	Decrease in shares held in this period	Shares changed in the report period	Reason of change
Zhang Jie	Deputy General Manager	15,750	0	0	15,750	

4.2 Share options of the Company held by the aforesaid persons and their restricted shares granted

□Applicable √Inapplicable

§5. Report of Board of Directors

5.1 Statement of main operations classified according to industries and products

Unit: RMB'0000

Main operations classified according to industries						
Classified according to industries or products	Income from operations	Cost of operations	Gross profit ratio	Increase/decrease in income from operations over the same period of last year	Increase/decrease in cost of operations over the same period of last year	Increase/decrease in gross profit ratio over the same period of last year
Produce and supply of power, steam, and heat water	141,710.05	146,368.25	-3.29%	-9.59%	-15.24%	6.88%
Other industries	4,751.27	5,261.87	-10.75%	13.17%	85.88%	43.33%
Main operations classified according to products						
Power production	139,322.35	144,013.51	-3.37%	-7.96%	-14.23%	7.55%
Heat water production	2,387.70	2,354.74	1.38%	-55.57%	-50.82%	9.53%
Engineering contract	60.00	346.98	-478.30%	-79.25%	-32.18%	401.38%
Other	4,691.27	4,914.89	-4.77%	20.00%	111.93%	45.45%

Including: In the report period, the total related transaction amount which the listed Company sold products and provided labor forces to the controlling shareholders and its subsidiaries totaled RMB 0.0.

5.2 Particulars about main operations classified according to areas

Unit: RMB'0000

Areas	Income from operations	Increase/decrease in income from operations over last year
Shenzhen	100,681.62	-3.85%
Zhongshan	29,078.27	-7.67%
Dongguan	16,701.43	-32.50%

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

□Applicable √Inapplicable

5.4 Explanation on reasons of material changes in profitability of main operations (gross profit ratio) compared with that of the last year

√Applicable ☐Inapplicable

In the report period, the gross ratio was -3.53% with up 5.52 percentage points compared with -9.05% of last year, which was mainly because the market price of fuel oil used by the power generation of the Company declined and resulted in the decrease of production cost.

5.5 Analysis on reasons of material changes in profit structure compared with the previous year

☐Applicable √Inapplicable

5.6 Application of the raised proceeds

5.6.1 Use of the raised proceeds

☐Applicable √Inapplicable

5.6.2 Particulars about the projects changed

☐Applicable √Inapplicable

5.7 The modification plan of Board to the business plan for the second half of the year

☐Applicable √Inapplicable

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

☐Applicable √Inapplicable

5.9 Explanation of the Management on “Qualified Opinion” from the Certified Public Accountants in the report period by the Board of Directors

☐Applicable √Inapplicable

5.10 Explanation of the Management on changes and disposal of the issues involved in “Qualified Opinion” from the Certified Public Accountants in the last year by the Board of Directors

☐Applicable √Inapplicable

§6. Significant Events

6.1 Purchases and sales of assets and assets restructure

6.1.1 Assets purchased or acquired

☐Applicable √Inapplicable

6.1.2 Assets sold

☐Applicable √Inapplicable

6.1.3 Progress of the events and their influence on the Company's operating results and financial status in the report period after the report on assets restructure or public notice on acquisition and sales of assets being published

☐Applicable √Inapplicable

6.2 Guarantees

√Applicable ☐Inapplicable

Unit: RMB'0000

Particulars about 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 parts (Yes or No)
Total amount of guarantee in the report period						0.00
Total balance of guarantee at the end of the report period (A)						0.00
Guarantee of the Company for the controlling subsidiaries						
Total amount of guarantee for controlling subsidiaries in the report period						77,600.00
Total balance of guarantee for controlling subsidiaries at the end of the report period (B)						104,800.00
Particulars about the total guarantee of the Company (Including the guarantee for the controlling subsidiaries)						
Total amount of guarantee(A+B)						104,800.00
The proportion of the total amount of guarantee in the net assets of the Company						64.98%
Including:						
Amount of guarantee for shareholders, actual controller and its related parties(C)						0.00
The debts guarantee amount provided for the guarantee of which the assets-liability ratio exceeded 70% directly or indirectly(D)						104,800.00
Proportion of total amount of guarantee in net assets of the Company exceeded 50%(E)						24,159.00
Total amount of the aforesaid three						104,800.00

guarantees*(C+D+E)	

6.3 Current non-operating related credits and liabilities
□Applicable √Inapplicable

6.4 Material lawsuits and arbitrations
□Applicable √Inapplicable

6.5 Other significant events and analysis on their influences and solutions
√Applicable □Inapplicable

6.5.1 The matter concerned about increasing investment in Shenzhen Energy Environmental Engineering Co., Ltd.

Shenzhen Energy Environmental Engineering Co., Ltd is an electricity production enterprise with garbage to generate electric power as its main operation founded through liability reorganization and based on the original Energy Environmental Protection Shen Nandian Engineering Company in 2000. The Company invested the registered capital of RMB 29,000,000 in Shenzhen Energy Environmental Engineering Co., Ltd. and held 10% shares of it. In 2006, it realized the making up deficits and getting surpluses due to the fulfillment in the right place of the government policy on garbage disposal charges. On June 8, 2007, through the research of Shareholders' General Meeting of Shenzhen Energy Environmental Engineering Co., Ltd., it is decided to increase a registered capital of RMB 127,900,000. The Company needed to increase a capital investment of RMB 12,790,000 according to its proportion of holding shares. After the increase in the investment, the registered capital of Shenzhen Energy Environmental Engineering Co., Ltd. rose to RMB 417,900,000. (Refer to relevant notice published on China Securities, Securities Times, Hong Kong Wen Wei Po and Juchao Website www.cninfo.com.cn dated Apr.24, 2007 for relevant circumstances.)

6.5.2 The matter concerned about the joint stock company Anhui Tongling Shenneng Power Generation Limited Liability Company's being consolidated

Anhui Tongling Shenneng Power Generation Limited Liability Company (hereinafter referred to Tongling Company) was registered and founded in 1996, with the registered capital of RMB 393 million and the Company's holding shares of 10%. On Dec.31, 2006, through the research of Shareholders' General Meeting of Tongling Company, it is decided to make an absorption and consolidation of Tongling Company and Tongling Wanneng Power Generation Co., Ltd. After the consolidation, the new company kept the name of Tongling Wanneng Power Generation Co., Ltd., and the shareholders and proportion of shares held were respectively 61.7% of Anhui Wenergy Company Limited, 26.2% of Shenzhen Energy Group Co., Ltd., 3.8% of Anhui Province Energy Group Company Limited, 3% of Anhui Province Liyuan Development Co., Ltd., 1.5% of Tongling Construction Investment Company and 3.8% of the Company. The Company did not increase or decrease its investment in this consolidation, with original equity altered from 10% to 3.8%. At present, relevant alteration registration procedures of industry and commerce has been completed. The installed capacity of present coal-firing generator set of consolidated company (e.g. Tongling Wanneng Power Generation Co., Ltd.) is 850,000 kilowatt. According to the future development plan of the Company, the Company will newly build supercritical coal-firing generator set of 2×100 ten thousand kilowatt; at present, supercritical coal-firing generator set of 1×100 ten thousand kilowatt and has received the ratification from National Development and Reform Commission for starting the premise working.

6.5.3 Particulars about the progress of Zhongshan Project

According to the spirits of Notification on Opinions of Speeding up Closing Small Generation Set by Development and Reform Commission and Energy Office transferred by State Council(GF【2007】No.2), Notification on Requirements on Preparing Implementation Plan of Closing Small Generation Set from National Development and Reform Commission(FGBNY【2007】No.490) and the Notification on Issuing Implementation Plan of Closing Small Generation Set of Guangdong Province(YFB【2007】No.28); Company purchased Zhongshan Power Generation Plant Co., Ltd. and Zhongshan Zhongfa Electric Power Co., Ltd. (hereinafter referred to as the Two Companies) with zero price debt taking manner last year; the aforesaid Two Companies have been listed as political closing down enterprise in 2007 by Guangdong province. At present, the Company is actively negotiating with Zhongshan Government and debt banks, overall promoting debt restructuring, assets stimulation and enterprise reformation work (related details please refer to relevant public notices published on China Securities, Securities Times, Wen Wei Po and Juchao Website:www.cninfo.com.cn dated Jul.26,2005 and Annual Report of 2006 published on the aforesaid media dated Mar.20, 2007).

6.5.1 Particulars about securities investment

☐Applicable √Inapplicable

6.5.2 Equity of other listed companies held

☐Applicable √Inapplicable

6.5.3 Equity of non-listed financial enterprises and planned listed companies held

☐Applicable √Inapplicable

6.6 Registration form for receiving research, communication and interview in the report period.

☐Applicable √Inapplicable

§7. Financial Report

7.1 Auditing opinion

Financial Report	√Un-audited	☐Audited

7.2 Financial statement

Consolidated Balance Sheet

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

	Un-audited	**Audited**

	2007 June 30	2006 Dec.31
Asset		
Non-current asset		
Land use rights	56,543	70,045
Intangible assets	26,363	25,188
Property, machinery and equipment	2,779,181	2,910,064
Equities of affiliated companies		
Deferred tax-asset	10,324	10,243
Financial asset available for sales	61,705	61,705
	2,934,116	**3,077,245**
Current assets		
Inventories	324,922	379,643
Trade and other receivables	1,029,802	798,010
Cash and cash equivalents	172,670	623,514
	1,527,394	1,801,167
Total asset	**4,461,510**	**4,878,412**
Equity		
Capital and reserve attributable to equity holders of the Company		
Share capital	547,966	547,966
Other reserve	753,240	753,240
Reserved surplus	301,434	275,406
	1,602,640	1,576,612
Minority’s equity	191,490	207,530
Total equity	1,794,130	1,784,142
Liabilities		
Non-current liabilities		
Loans from bank	214,201	321,467
Current liabilities		

Trade and other account payable	439,684	622,152
Liabilities of income tax in the report period	6,414	19,870
Loan from bank	2,007,081	2,130,781
	2,453,179	2,772,803
Total liabilities	2,667,380	3,094,270
Total equity and liabilities	**4,461,510**	**4,878,412**

Consolidated Profit and Loss Statement

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

	Un-audited 2007 Jan. to Jun.	**Un-audited** 2006 Jan. to Jun.
Sales	1,462,167	1,600,838
Other income-net amount	173,358	210,052
	1,635,525	1,810,890
Fuel cost	-1,274,181	-1,536,999
Construction cost	0	-5,161
Employment cost	-52,026	-48,253
Depreciation of fixed assets	-106,783	-104,503
Amortization of land use rights and intangible assets	-6,228	-5,300
Rent on operation purpose - equipment	-13,949	-14,082
Repair and maintenance expenses	-37,873	-28,547
Other operating expenses	-70,435	-41,140
Operating profits	74,049	26,906
Financing cost	-58,844	-57,806
Profits of affiliated companies	0	-16,007

Profits before taxation	15,205	-46,907
Expense of income tax	-6,003	-8,960
Annual profit	9,202	-55,867
Attributable to:		
The equity owner of the Company	25,632	-39,860
Equity of minority shareholders	-16,430	-16,007
	9,202	-55,867
Earning per share attributable to equity holder of the Company-basic and diluted(calculated based on RMB each share)	0.047	-0.073

Consolidated Statement of Cash Flow

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

	Un-audited 2007 Jan. to Jun.	**Un-audited** 2006 Jan. to Jun.
Cash flow arising from operating activities		
Cash arising from operating activities	26,518	-409,649
Income tax paid	-19,741	
Net cash arising from operating activities	6,776	-409,649
Cash flow arising from investment		
Purchasing property, machinery, equipment and land use right	-156,008	-300,818
Amount of sales of property, machinery and equipment	209	1,830
Purchase of intangible asset		

Consolidated affiliated company		
Amount of income from sales of affiliated company		
Dividend received		
Interest received	2,846	1,689
Borrowing-loan of affiliated company		
Amount of loan repayment by affiliated company		
Net cash of investment	-152,953	-297,299
Cash flow from financing activities		
Account from loan of bank	1,856,601	2,099,881
Repayment of loan of bank	-2,085,884	-1,210,164
Dividend paid	-74,576	-56,119
Capital invested by minority shareholders	0	31,308
Dividend paid to shareholders of the Company	0	-13,162
Net cash arising from financing activities	-303,859	851,744
Decrease/increase of cash	-450,036	144,796
Cash in the year-begin	622,736	307,527
Losses/gains of cash exchange	-30	
Cash in the year-end	172,670	452,323

7.3 Notes to financial statement

7.3.1 If there have been any changes to the accounting policy and accounting estimates, or modification of accounting errors, give the relevant contents, reasons and the influenced numbers.

In the report period, there have not been any changes to the accounting policy and accounting estimates, or modification of accounting errors.

7.3.2 If there have been any changes to the consolidation scope of the financial statement, give the reasons and the influenced numbers.

□Applicable √Inapplicable

7.3.3 If Non-standard Unqualified Opinion was supplied, listed the related notes to the matters revolved.

□Applicable √Inapplicable