

SHENZHEN NANSHAN POWER CO., LTD.

Financial Report (un-audited)

2007 Semi-annual Financial Report (un-audited)

Consolidated Balance Sheet

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

	Un-audited	Audited
	2007	2006
	June 30	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	Un-audited
	2007	2006
	Jan. to Jun.	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
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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

SUPPLEMENTARY INFORMATION

Difference under CAS and IAS

Items	Net assets (RMB'000) (Ended Jun. 30, 2007)	Net Profit (RMB'000) (Jan. to Jun. 2007)
Calculation in accordance with CAS	1,612,820	25,632
Adjustment in accordance with IAS		
Adjustment based on influence of HK Financial Report Standards		
Reevaluation of financial assets available for sale	-10,180	0
Calculation in accordance with IAS	1,602,640	25,632