

Stock Code: 000037, 200037

Notice No.: 2009-027

Short Form of the Stock: Shen Nan Dian A, Shen Nan Dian B

Shenzhen Nanshan Power Co., Ltd.

The 1st Quarterly Report For 2009

(Full Text)

§1. Important Notice

1.1 The 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 not any fictitious statements, misleading information and 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.

1.2 Other directors attended the meeting on examining the Quarterly Report except for the following directors.

Name of absent directors	Office title of the absent directors	Reason of absence	Name of entrusted
Wang Jianbin	Vice-chairman	Could not present the meeting for being on official business trip	Director Li Hongsheng
Li Li	Vice-chairman	Could not present the meeting for being on official business trip	Director Huang Shaoji
He Yingyi	Director	Could not present the meeting for being on official business trip	Vice-chairman Sun Yulin
Huang Fuhan	Director	Could not present the meeting for being on official business trip	Chairman Yang Haixian
Xu Jing'an	Independent Director	Could not present the meeting for being on official business trip	Independent Director Zhou Chengxin
Wu Xiaolei	Independent Director	Could not present the meeting for being on official business trip	Independent Director Yu Xiufeng

1.3 The Financial Report For the 1st Quarterly Report of the Company has not been audited by CPAs.

1.4 Chairman of the Board Yang Haixian, Director and General Manager Fu Bo, CFO Lu Xiaoping and Director of Financial Department Huang Jian hereby confirm that the Financial Report enclosed in the 1st Quarterly Report is true and complete.

§2. Company Profile

2.1 Main Accounting Data and Financial Indexes:

			Unit: RMB
	At the end of the report period	At the end of the last year	Changes of increase/decrease (%)
Total assets	5,049,460,148.70	4,985,939,525.71	1.27
Equity attributable to owners of the parent company	1,760,685,493.65	1,773,172,227.76	-0.70
Share capital	602,762,596.00	602,762,596.00	0.00

Net asset per share attributable to owners of the parent company	2.92	2.94	-0.68
	In the report period	The same period of last year	Changes of increase/decrease (%)
Total operating income	365,346,858.88	984,946,449.85	-62.91
Net profit attributable to owners of the parent company	-12,486,734.11	39,226,154.69	Decreased 51,712,900
Net cash flow arising from operating activities	20,252,909.72	-221,237,616.38	Increased 241,490,500
Net cash flow arising from operating activities per share	0.03	-0.40	Increased 0.40
Basic earnings per share	-0.02	0.07	Decreased 0.09
Diluted earnings per share	-0.02	0.07	Decreased 0.09
Return on equity	-0.71%	2.22%	Decreased 2.93 percentage points
Return on equity after deducting the non-recurring losses and gains	-0.77%	1.95%	Decreased 2.72 percentage points
Items of non-recurring gains and losses			Amount in year-begin to the end of report period
Net amount of non-operating income and expense			1,020,994.38
Impact on income tax			-10,601.96
Total			1,010,392.42

2.2 Total number of shareholders at the end of the report period and shares held by the top ten shareholders with unrestricted conditions

Unit: Share

Total number of shareholders at the end of report period	35,594	
Particulars about the shares held by the top ten tradable shareholders with unrestricted conditions		
Full Name of shareholder	Amount of tradable shares with unrestricted conditions held at the end of report period	Type of shares
HONG KONG NAM HOI (INTERNATIONAL) LIMITED	92,123,248	Domestically listed foreign share
BNP P P/PAND INVESTMENT CO., LTD.	66,811,194	Domestically listed foreign share
SHENZHEN GUANGJU ELECTRONIC INVESTMENT CO., LTD	60,276,260	RMB ordinary share
STATE GRID SHENZHEN ENERGY DEVELOPMENT GROUP CO., LTD.	55,046,401	RMB ordinary share
SHENZHEN ENERGY GROUP CO., LTD.	30,138,130	RMB ordinary share
MORGAN STANLEY & CO. INTERNATIONAL PLC	18,128,286	Domestically listed foreign share
YANG SHI MIN	2,498,210	Domestically listed foreign share
XU XIAN DA	1,843,780	Domestically listed foreign share/ RMB ordinary share
NAITO SECURITIES CO., LTD.	1,684,832	Domestically listed foreign share
TOYO SECURITIES ASIA LIMITED-A/C CLIENT.	1,644,975	Domestically listed foreign share

§3. Significant events

3.1 Particulars about material changes in items of main accounting statement and financial index, and explanations of reasons

Applicable Inapplicable

(1) Items in profit statement

Item	Change scope	Main reason
Operation income	-62.91%	Power generation quantity decreased; and fuel-processing expenses of Zhongshan and Dongguan Power Plants were recorded into non-operating income since March of 2008.
Operation cost	-67.54%	Power generation quantity decreased; falling price of oil caused decrease of fuel-change cost over the same period of last year.
Business tax and surcharges	47.04%	Withdrawal of fee for capital occupancy made increase of business tax.
Sales expense	-59.49%	Declining business made sales expense decrease correspondingly.
Non-operating income	-75.59%	Power generation quantity decreased and oil price fell, thus fuel oil subsidy obtained by the Company decreased.
Non-operating expenditure	-88.58%	Losses from asset disposal decreased.
Income tax expense	-99.05%	Income tax withdrawn decreased.
Net profit attributable to owners of parent company	Decrease RMB 51,712,900	Power generation quantity decreased.

(2) Items in balance sheet

Item	Change scope	Main reason
Notes receivable	-71.34%	Bank acceptance bill expired and was accepted.
Long-term equity investment	43.81%	Increase investment in Jiangxi Xinchang Power Plant
Construction in process	47.78%	Newly-established projects increased.
Notes payable	157.74%	Bank acceptance bills were increased for equipment purchase.
Account payable	38.56%	Account payable for goods from suppliers increased.
Account received in advance	51.48%	Account received in advance for goods increased.
Long-term liability matured within one year	-40.00%	Return borrowings.

(3) Items in cash flow statement

Item	Change scope	Main reason
Net cash flow arising from operating activities	Increased RMB 241 million	Operational items payable increased.
Net cash flow arising from investment activities	Decreased RMB 89 million	Increased expenditure for purchasing fixed assets and investment in Jiangxi Xinchang Power Plant.
Net cash flow arising from financing activities	Decreased RMB 429 million	Return borrowings.

3.2 Analysis and explanation of significant events and their influence and solutions

Applicable Inapplicable
 Applicable Inapplicable

1. In 2008, PricewaterhouseCoopers Zhong Tian CPAs Limited Company issued unqualified auditor's report with emphasized events for the Company. In the report period, the events involved in the non-standard unqualified opinion had no new progress. (Details could be found in Notice 2009-019 on Apr. 9, 2009.)
2. According to the Announcement of the Customs General Administration (No. 99 in 2008), the unit tax amount of importation of fuel oil and diesel oil increased from RMB 0.10/L to RMB 0.80/L since Jan. 1, 2009. Due to the influence of adjustment of the state's tax revenue tax policy, when adopting fuel power generation, the Company increased fuel cost of power generation amounting to RMB 0.14/kw, which accounted for 15% of the fuel cost of power generation; when adopting gas power generation, there was no such cost increase. (Details could be found in Notice 2009-006 on Feb. 25, 2009.)
3. According to Notice on Reducing Processing Fee of Gas and Fuel in Guangdong Province (YJ[2009] No. 44), the People's Government of Guangdong decided to reduce processing fee of gas and fuel to big industry in Guangzhou, Zhuhai, Foshan, Huizhou, Dongguan and Zhongshan (including transferred big industry by bulk sale). The fee-collecting would be decreased from RMB 0.045/kw to RMB 0.022/kw, and other events would still be implemented in accordance with document YFH [2008] No. 31. Due to the influenced holding subsidiary of the Company – Shennandian (Zhongshan) Electric Power Co., Ltd. and Shennandian (Dongguan) Weimei Electric Power Co., Ltd. had uncertainty in amount of generated electricity quantity and price of used gas and fuel in 2009, the influence on the Company's operating profit in year 2009 of this adjustment could not be predicted. (Details could be found in Notice 2009-008 on Mar. 19, 2009.)
4. In the report period, debt restructuring of Zhongshan Power Plant Co., Ltd. and Zhongshan Zhongfa Power Co., Ltd. was accomplished. In consideration of the change in operation scope, , the aforesaid two companies respectively changed their names to Zhongshan Shenzhong Real Estate Investment Property Co., Ltd. and Zhongshan Shenzhong Real Estate Development Co., Ltd., and received new business licenses. At present, Zhongshan Power Plant Co., Ltd. and Zhongshan Zhongfa Power Co., Ltd. are transacting procedure on changing names of their own relevant assets as land and properties. (Details could be found in Notice 2009-012 on Apr. 4, 2009.)
Note: the newspapers for information disclosure of the Company are Securities Times, China Securities Journal and Hong Kong Wen Wei Po, and the media for information disclosure is Juchao Website.

3.3 Implementations of commitments by the Company, shareholders and actual controller

Applicable Inapplicable

3.4 Estimation of 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 of reason

Applicable Inapplicable

3.5 Other significant events which need explanations

3.5.1 Particulars about securities investment

Applicable Inapplicable

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

Date	Place	Way	The received parties	Contents discussed and materials supplied
Feb. 18, 2009	The Company	Spot research	Finance and Industry Research Institute of Northeast Securities Co., Ltd,	The whole status of the Company

3.5.3 Particulars about the explanations on other significant events

✓ Applicable Inapplicable

1. In the report period, there were no such situations as the followings: the Company supplied funds to controlling shareholders or other related parties, or supplied external guarantees against the regulations;
2. In the report period, the Company did not sign up any material contract.

§4. Appendix

4.1 Balance sheet

March 31, 2009

Prepared by Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Assets	Merger		Parent Company	
	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008
Current assets:				
Monetary funds	334,233,424.96	429,507,715.29	41,224,476.76	29,272,846.21
Settlement provisions	-	-		
Notes receivable	752,760.00	2,626,222.50		
Accounts receivable	372,486,393.09	339,893,125.56	110,214,239.29	114,758,696.74
Accounts paid in advance	57,478,704.03	67,011,796.04	13,951,931.53	5,391,749.58
Interest receivable	-	-	-	-
Dividend receivable	-	-	597,875,904.41	597,875,904.41
Other receivables	13,168,948.98	16,177,663.50	1,336,368,155.33	1,092,405,738.66
Inventories	1,377,254,460.63	1,292,492,515.40	300,890,631.48	200,016,725.06
Long-term liabilities investment due within one year	-	-	-	-
Other current assets	-	-	-	-
	-	-		
Total current assets	2,155,374,691.69	2,147,709,038.29	2,400,525,338.80	2,039,721,660.66
Non-current assets:	-	-		
Finance asset available for sales	-	-		
Held-to-maturity securities	-	-		
Long-term account receivable	-	-		
Long-term equity investment	222,283,229.00	154,568,943.00	712,806,078.76	645,091,792.76
Investment property	8,646,589.56	8,810,232.45	-	-
Fixed assets	2,457,347,715.43	2,501,462,089.16	389,761,209.75	398,151,919.32
Construction in progress	102,297,900.16	69,221,381.57	15,647,633.35	15,247,657.72
Engineering material	-	-	-	-
Disposal of fixed asset	-	-	-	-

Productive biological asset	-	-	-	-
Oil and gas asset	-	-	-	-
Intangible assets	83,783,085.19	84,312,023.87	3,276,301.07	3,809,711.87
Expense on Research and Development	-	-	-	-
Goodwill	-	-	-	-
Long-term expenses to be apportioned	700,342.11	829,221.81	369,696.05	397,996.28
Deferred income tax asset	19,026,595.56	19,026,595.56	14,756,122.84	14,756,122.84
Other non-current asset	-	-	-	-
Total non-current asset	2,894,085,457.01	2,838,230,487.42	1,136,617,041.82	1,077,455,200.79
	-	-		
Total assets	5,049,460,148.70	4,985,939,525.71	3,537,142,380.62	3,117,176,861.45
Liabilities and owners' equities	Merger		Parent Company	
	March 31, 2009	Dec. 31, 2008	March 31, 2009	Dec. 31, 2008
Current liabilities:				
Short-term loans	2,449,682,328.55	2,461,843,918.77	1,581,609,240.00	1,145,922,040.00
Transaction financial liabilities	-	-	-	-
Notes payable	177,964,548.15	69,049,391.35	66,918,219.70	21,918,219.70
Accounts payable	145,078,827.51	104,706,998.24	74,022,932.19	175,244,357.18
Accounts received in advance	3,330,408.40	2,198,638.40	-	-
Wage payable	32,736,583.06	31,921,195.28	18,231,075.91	17,785,432.49
Taxes payable	-360,974,530.10	-339,865,158.06	-281,820,090.83	-286,213,117.57
Interest payable	34,862,077.99	34,361,227.33	1,912,538.92	2,171,300.00
Dividend payable	-	-	-	-
Other accounts payable	311,069,898.20	304,241,543.35	242,208,595.18	196,718,008.59
Long-term liabilities due within 1 year	60,000,000.00	100,000,000.00	-	-
Other current liabilities	-	-	-	-
Total current liabilities	2,853,750,141.76	2,768,457,754.66	1,703,082,511.07	1,273,546,240.39
Non-current liabilities:	-	-		
Long-term loans	266,000,000.00	281,000,000.00	110,000,000.00	110,000,000.00
Bonds payable	-	-	-	-
Long-term account payable	-	-	-	-
Special accounts payable	-	-	-	-
Projected liabilities	-	-	-	-
Deferred income tax liabilities	-	-	-	-
Deferred income	600,000.00	600,000.00	-	-
Total non-current liabilities	266,600,000.00	281,600,000.00	110,000,000.00	110,000,000.00

Total liabilities	3,120,350,141.76	3,050,057,754.66	1,813,082,511.07	1,383,546,240.39
Owner's equity:	-	-		
Share capital)	602,762,596.00	602,762,596.00	602,762,596.00	602,762,596.00
Capital public reserve	363,629,927.51	363,629,927.51	288,769,132.47	288,769,132.47
Less: Inventory shares	-	-	-	-
Surplus public reserve	332,908,397.60	332,908,397.60	332,908,397.60	332,908,397.60
Provision of general risk	-	-		
Retained profit	461,384,572.54	473,871,306.65	499,619,743.48	509,190,494.99
Balance difference of foreign currency translation	-	-		
Total owner's equity attributable to parent company	1,760,685,493.65	1,773,172,227.76		
Minority interests	168,424,513.29	162,709,543.29		
Total owner's equity	1,929,110,006.94	1,935,881,771.05	1,724,059,869.55	1,733,630,621.06
Total liabilities and owner's equities	5,049,460,148.70	4,985,939,525.71	3,537,142,380.62	3,117,176,861.45

4.2 Profit statement

Jan.-Mar., 2009

Prepared by Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Items	Merger		Parent Company	
	Jan.-Mar., 2009	Jan.-Mar., 2008	Jan.-Mar., 2009	Jan.-Mar., 2008
I. Total operating income	365,346,858.88	984,946,449.85	64,100,840.81	348,523,665.61
Including: Operating income	365,346,858.88	984,946,449.85	64,100,840.81	348,523,665.61
Interest income	-	-		
Insurance gained	-	-		
Commission charge and commission income	-	-		
II. Total operating cost	455,635,714.61	1,273,588,107.37	86,866,423.32	543,931,886.38
Including: Operating cost	392,632,944.49	1,209,414,118.28	76,457,537.03	535,668,066.28
Interest expense	-	-		
Commission charge and commission expense	1,504,435.15	1,023,159.99	1,020,916.11	354,346.01
Sales expenses	249,876.62	616,804.34	-	-
Administration expenses	28,316,452.46	30,405,013.81	3,185,890.52	9,227,189.21
Financial expenses	32,932,005.89	32,129,010.95	6,202,079.66	-1,317,715.12
Losses of devaluation of asset	-	-		
Add: Changing income of fair value	-	-		
Investment income	-	-	-	-
III. Operating profit	-90,288,855.73	-288,641,657.52	-22,765,582.51	-195,408,220.77
Add: Non-operating income	83,674,464.60	342,829,613.35	13,194,831.00	258,879,243.00
Less: Non-operating expense	40,391.67	353,633.00	-	-
Including: Disposal loss of	-	-		

non-current asset				
IV. Total Profit	-6,654,782.80	53,834,322.83	-9,570,751.51	63,471,022.23
Less: Income tax	116,981.31	12,282,683.31	-	11,424,784.00
V. Net profit	-6,771,764.11	41,551,639.52	-9,570,751.51	52,046,238.23
Net profit attributable to owner's equity of parent company	-12,486,734.11	39,226,154.69		
Minority shareholders' gains and losses in current period	5,714,970.00	2,325,484.83		
VI. Earnings per share	-	-		
i. Basic earnings per share	-0.021	0.065	-0.016	0.086
ii. Diluted earnings per share	-0.021	0.065	-0.016	0.086

4.3 Cash flow statement

Jan.-Mar., 2009

Prepared by Shenzhen Nanshan Power Co., Ltd.

Unit: RMB

Items	Merger		Parent Company	
	Jan.-Mar., 2009	Jan.-Mar., 2008	Jan.-Mar., 2009	Jan.-Mar., 2008
I. Cash flows arising from operating activities:				
Cash received from selling commodities and providing labor services	614,696,653.14	1,478,353,616.79	241,051,805.40	552,762,184.60
Write-back of tax received	8,690,096.12	-	-	-
Other cash received concerning operating activities	17,161,639.11	275,830,705.90	77,586,536.75	557,003,694.42
Subtotal of cash inflow arising from operating activities	640,548,388.37	1,754,184,322.69	318,638,342.15	1,109,765,879.02
Cash paid for purchasing commodities and receiving labor service	552,058,279.30	1,681,447,380.79	330,488,364.75	462,057,637.13
Cash paid to/for staff and workers	26,457,398.04	36,903,196.98	16,671,236.99	24,640,845.64
Taxes paid	22,190,954.14	28,506,486.05	4,182,552.61	606,801.04
Other cash paid concerning operating activities	19,588,847.17	228,564,875.25	302,408,520.33	961,877,464.98
Subtotal of cash outflow arising from operating activities	620,295,478.65	1,975,421,939.07	653,750,674.68	1,449,182,748.79
Net cash flows arising from operating activities	20,252,909.72	-221,237,616.38	-335,112,332.53	-339,416,869.77
II. Cash flows arising from investing activities:	-	-	-	-
Cash received from recovering investment	-	-	-	-
Net cash received from disposal of fixed, intangible and other long-term assets	520.00	-	-	-
Subtotal of cash inflow from investing activities	520.00	-	-	-
Cash paid for purchasing fixed, intangible and other long-term assets	51,379,481.82	29,878,528.28	3,510,121.57	4,247,796.29
Cash paid for investment	67,714,286.00	-	67,714,286.00	-
Subtotal of cash outflow from investing activities	119,093,767.82	29,878,528.28	71,224,407.57	4,247,796.29

Net cash flows arising from investing activities	-119,093,247.82	-29,878,528.28	-71,224,407.57	-4,247,796.29
III. Cash flows arising from financing activities	-	-	-	-
Cash received from absorbing investment	-	-	-	-
Cash received from loan	876,572,517.27	1,842,930,551.45	530,000,000.00	835,871,360.00
Other cash received concerning financing activities	-	20,697,515.00	-	-
Subtotal of cash inflow from financing activities	876,572,517.27	1,863,628,066.45	530,000,000.00	835,871,360.00
Cash paid for settling debts	832,534,841.04	1,387,226,043.54	94,327,000.00	507,734,020.00
Cash paid for dividend and profit distributing or interest paying	40,625,814.30	42,141,686.22	17,384,042.93	10,975,723.04
Other cash paid concerning financing activities	-	1,700,000.00	-	-
Subtotal of cash outflow from financing activities	873,160,655.34	1,431,067,729.76	111,711,042.93	518,709,743.04
Net cash flows arising from financing activities	3,411,861.93	432,560,336.69	418,288,957.07	317,161,616.96
IV. Influence on cash due to fluctuation in exchange rate	154,185.84	-54,855.99	-586.42	-37,590.19
V. Net increase of cash and cash equivalents	-95,274,290.33	181,389,336.04	11,951,630.55	-26,540,639.29
Add: Balance of cash and cash equivalents at the period -begin	429,507,715.29	419,172,277.64	29,272,846.21	125,774,088.96
VI. Balance of cash and cash equivalents at the period -end	334,233,424.96	600,561,613.68	41,224,476.76	99,233,449.67

4.4 Auditor' report

Auditor's opinions: Un-audited

**Board of Directors of
Shenzhen Nanshan Power Co., Ltd.**
April 25, 2009