



SHENZHEN NANSHAN POWER CO., LTD

Semi-Annual Report 2011

Notice No.: 2011—047

August 9, 2011

Important Notice

The Board of Directors and its directors, Supervisory Committee and its supervisors, senior executives of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) hereby confirm that there are no false recordation, misleading statements or material omissions carried in this report, and shall take all responsibilities, individually and/or jointly, for the reality, accuracy and completeness of the whole contents.

No director, supervisor and senior executive stated that he (she) couldn't ensure the correctness, accuracy



and completeness of the contents of the Semi-annual Report or have objection to this report. Deputy Chairman—Sun Yulin and Director Jiang Xiaojun did not present the meeting due to work, and entrusted Director Fu Bo to attend and vote on his behalf respectively.

The Semi-annual Financial Report 2011 of the Company has not been audited.

Chairman of the Board Mr. Yang Haixian, General Manager Mr. Fu Bo, CFO Mr. Lu Xiaoping and Manager of Financial Department Mr. Huang Jian hereby confirm the truthfulness and completeness of the Financial Report in the Semi-annual Report 2011.

This report has been prepared in Chinese and English version respectively. In the event of differences in interpretation between the two versions, the Chinese report shall prevail.

Content

I. Company Profile-----	04
II.Changes in Share Capital and Particulars about Shareholders-----	07
III. Particulars about Directors, Supervisors and Senior Executives-----	10
IV. Report of the Board of Directors -----	11
V. Significant Events-----	14
VI. Financial Report (Un-audited) -----	22
VII. Documents Available for Reference-----	22



I. Company Profile

(I) Basic Information

1. Legal Name of the Company:

In Chinese: 深圳南山热电股份有限公司

In English: Shenzhen Nanshan Power Co., Ltd.

2. Legal Representative: Yang Haixian

3. Secretary of the Board: Hu Qin

Tel: (0755)26948888

Fax : (0755)26003684

E-mail: investor@nspower.com.cn

Contact address: 16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, China.

4. Registered Address: No.2097 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

Website: <http://www.nsr.com.cn>

E-mail: public@nspower.com.cn

5. Newspapers Designated for publishing notices: Securities Times ,China Securities Journal and Hong Kong Commercial Daily.

Website desinated by China Securities Regulatory Committee for publishing semi-annual report: <http://www.cninfo.com.cn>

Place Where the Semi-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

7. Other Relevant Information:

Initial Registration Date: April 6, 1990

Initial Registration Address: Nanshan Jiaozui, Nanshan District, Shenzhen

Registration Address after the Change: No.2097Yueliangwan Avenue, Nanshan District, Shenzhen

Registration code of the enterprise business license: 440301501125497

Registration code of taxation: YSW Zi No. 440305930100069 (14)

Organization Code: 61881512—1

8. Definition

Company, the Company: Shenzhen Nanshan Power Co., Ltd.

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

New Power Company: Shenzhen New Power Industrial Co., Ltd. whose 100% equity is held by the Company;

Singapore Company: Shennandian (Singapore) Co., Ltd. whose 100% equity is held by the Company;

Syndisome Company: HONG KONG SYNDISOME CO., LIMITED;

Shennandian Engineering Company: Shennandian Turbine Engineering Technology Co., Ltd. whose 100% equity is held by the Company;

Shennandian Zhongshan Co., Ltd.: Shennandian (Zhongshan) Electric Power Co., Ltd. whose 80% equity is held by the Company;

Shennandian Dongguan Company: Shennandian (Dongguan) Weimei Electric Power Co., Ltd. Whose 70% equity is held by the Company;

Shennandian Environment Protection Company: Shenzhen Shennandian Environment Protection Co., Ltd. Whose 100% equity is held by the Company;

Shenzhen Energy Environmental Corporation: Shenzhen Energy Environmental Co., Ltd. Whose 10% equity is held by the Company;

Nanshan Power Factory: Nanshan Power Factory who is the second degree institution of Shenzhen Nanshan Power Co., Ltd.;

Zhongshan Nam Long Power Plant: Zhongshan Nam Long Power Plant of Shennandian (Zhongshan) Electric Power Co., Ltd.;

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

Shenzhong Zhiye Company: refers to Shenzhen Zhongshan Real Estate Investment Properties Co., Ltd whose 75% equity is held by the Company

Shenzhong Real Estate Company: Zhongshan Shenzhong Real Estate Investment Property Co., Ltd. whose 75% equity is held by the Company;

Jiangxi Xinchang Company: China Power Investment Xinchang Power Generation Co., Ltd. of Jiangxi;

Jiangxi Pengze Nuclear Power Company: China Power Investment Jiangxi Nuclear Power Co., Ltd. whose 5% equity is held by the Company;

CSRC: China Securities Regulatory Committee;

SZSRC: Shenzhen Supervision Municipal of China Securities Regulatory Committee;

SZSE: Shenzhen Stock Exchange;

Designated newspapers: Securities Times ,China Securities Journal and Hong Kong Commercial Daily;

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

(II) Major Financial Data and Indexes

1. Major accounting data and financial indexes

Unit: RMB

	At the end of this	At the	Increase/decrease
--	--------------------	--------	-------------------



	report period	period-end of last year	at the end of this report period compared with that in period-end of last year (%)
Total assets	5,577,828,199.72	5,278,954,349.90	5.66%
Owners' equity attributable to shareholders of the listed company	1,650,986,621.15	1,735,842,488.46	-4.89%
Share capital	602,762,596.00	602,762,596.00	0.00%
Net assets per share attributable to shareholders of the listed company(RMB/Share))	2.74	2.88	-4.89%
	This report period (Jan. to Jun.)	The same period of last year	Increase/decrease in this report period year-on-year (%)
Total operating income	1,143,413,610.78	702,859,674.61	62.68%
Operating profit	-676,784,833.99	-442,321,305.40	53.01%
Total profit	-87,767,475.29	-270,933,519.42	-67.61%
Net profit attributable to shareholders of the listed company	-84,855,867.31	-255,073,535.78	-66.73%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-146,853,231.11	-255,262,197.62	-42.47%
Basic earnings per share (RMB/Share)	-0.14	-0.42	RMB 0.28 /Share increased
Diluted earnings per share (RMB/Share)	Inapplicable	Inapplicable	-
Return on equity (%)	-5.01%	-14.83%	9.82 percentage points increased
Net cash flow arising from operating activities	38,488,966.75	-67,342,242.23	RMB 105,831,200 increased
Net cash flow per share arising from operating activities (RMB/Share)	0.0639	-0.1117	RMB 0.1756 /Share increased

2. Items of non-recurring gains and losses

Unit: RMB

Item	Amount occurred this period	Amount occurred the year before
Gains and losses from disposal of non-current assets		-1,840.00
Governmental subsidy calculated into current gains and losses(while closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	-	-
Gains/losses from debt reorganization	-	-
Impairment provision of account receivable with impairment testing conducted independently reversal.	-	-



Other non-operating income and expenditure beside for the aforementioned items	72,907,122.30	250,055.79
Impact on income tax	-3,488,388.29	-
Influenced amount of minority shareholders' equity(after-tax)	-7,421,370.20	-59,553.95
Total	61,997,363.80	188,661.84

3. Appendix table of profit statement

Profit for the report period	Weighted average ROE (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of ordinary shares of the Company	-5.01	-0.14	Inapplicable
Net profit attributable to shareholders of ordinary shares of the Company after deducting non-recurring gains and losses	-8.67	-0.24	Inapplicable

4. There is no provision of assets depreciation occurred in the report period.

5. Difference under CAS and IAS

In the report period, there were no differences between net profit attributable to shareholders of listed company and the owners' equities calculated based on CAS and IAS.

II. Change in Share Capital and Particulars about Shareholders

(I) Changes in share capital

1. Statement of changes in shares (As at June 30, 2011) (Unit: Share)

Content	Before the Changes		Increase/Decrease in the Change (+, -)					After the Changes	
	Amount	Proportion (%)	Newly - issued shares	Bonus shares	Public reserve -converted shares	Others	Subtotal	Amount	Proportion (%)
I. Restricted shares	12,993	0.002				5,270	5,270	18,263	0.0023
1. State-owned shares									
2. State-owned legal person's shares								0	0
3. Other domestic shares									
Including: Domestic non-state-owned legal person's shares									
Domestic natural person's shares									
4. Foreign shares									
Including: Foreign legal person's shares									
Foreign natural									



person's shares									
5. Senior executives' shares	12,993	0.002				5,270	5,270	18,263	0.0023
II. Unrestricted shares	602,749,603	99.998				-5,270	-5,270	602,744,333	99.997
1. RMB Ordinary shares	338,895,157	56.224				-1,145	-1,145	338,894,012	56.223
2. Domestically listed foreign shares	263,854,446	43.774				-4,125	-4,125	263,850,321	43.774
3. Overseas listed foreign shares									
4. Others									
III. Total shares	602,762,596	100				0	0	602,762,596	100

[Note] No changes on total share amount or share capital structure occurred during the report period.

(II) Particulars on shares held by top ten shareholders and top ten shareholders with unrestricted conditions

Ended by the report period, the Company owes 46,277 shareholders in total, of them, 30,535 shareholders of A-share, and 15,742 shareholders of B-share.

Unit: Share

Total amount of shareholders at the end of report	46,277				
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 INVESTMENT CO., LTD	State-owned legal person	16.72%	100,769,712	0	0
HONG KONG NAM HOI (INTERNATIONAL) LIMITED	Foreign legal person	15.28%	92,123,248	0	0
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned legal person	10.80%	65,106,130	0	0
BNP P P/PAND INVESTMENT CO., LTD.	Foreign legal person	8.20%	49,426,518	0	0
STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) CO., LTD.	State-owned legal person	5.97%	35,999,805	0	0
YAN TIAN GONG	Domestic natural person	0.55%	3,300,000	0	Unknown
LI WEI PING	Domestic natural person	0.39%	2,376,301	0	Unknown
Jinbang Security Holding Co., Ltd	Foreign legal person	0.25%	1,500,000	0	Unknown



WU SHU HUA	Domestic natural person	0.22%	1,351,400	0	Unknown
ING ASIA PRIVATE BANK LIMITED	Foreign legal person	0.22%	1,325,561	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	
SHENZHEN GUANGJU INVESTMENT CO., LTD	100,769,712			RMB ordinary share	
HONG KONG NAM HOI (INTERNATIONAL) LIMITED	92,123,248			Domestically listed foreign share	
SHENZHEN ENERGY (GROUP) CO., LTD.	65,106,130			RMB ordinary share	
BNP P P/PAND INVESTMENT CO., LTD	49,426,518			Domestically listed foreign share	
STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) CO., LTD.	35,999,805			RMB ordinary share	
YAN TIAN GONG	3,300,000			Domestically listed foreign share	
LI WEI PING	2,376,301			Domestically listed foreign share	
Jinbang Security Holding Co., Ltd	1,500,000			Domestically listed foreign share	
WU SHU HUA	1,351,400			Domestically listed foreign share	
ING ASIA PRIVATE BANK LIMITED	1,325,561			Domestically listed foreign share	
Explanation on associated relationship among the top ten shareholders or consistent action	1. Shenzhen Energy (Group) Co., Ltd. holds indirectly 100% equities of Hong Kong Nam Hoi (International) Limited; 2. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.				

(III) Particulars about the changes on controlling stockholders and the actual controller

The Company has no controlling shareholder and actual controller, and this situation remains unchanged in the report period.

III. Particulars about Directors, Supervisors and Senior Executives

(I) Particulars about changes of shares held by directors, supervisors and senior executives

In the report period, there were no shares of the Company held by other directors and supervisors except 1,527 shares of A-stock and 5,500 shares of B-stock held respectively by staff supervisor Peng Bo and Li Wenhui as well as 17,325 A-stock shares held by GM Zhang Jie.

(II) Changes of directors, supervisors and senior executives in the report period.

1. Original deputy chairman Mr. Wang Jianbin resigned position of deputy chairman dated 13th January 2011;
2. Original supervisor Ms. Chen Lihong resigned position of supervisor dated 13th January 2011;



3. Mr. Li Hong was elected as the deputy chairman of the Company by the Board dated 13th January 2011;
4. Mr. Zhen Dalei, Mr. Peng Bo, Ms. Li Huiwen and Mr. Tao Lin were elected as the staff representative supervisor for the 6th Session of Supervisory on Meeting of Staff Representative dated 13th May 2011;
5. New session of the Board and Supervisory of the Company have been renewed dated 25th May 2011, details of the 6th Session of the Board and Supervisory are as:

The 6th Session of the Board: Chairman: Yang Haixian; Deputy Chairman: Li Hongsheng, Sun Yulin; Directors: Fu Bo, Huangfu Han, Yu Chunling, Zhou Qun, Chen Lihong and Jiang Xiaojun; Independent Directors: Li Zheng, Wang Xiaodong, Wang Junsheng, Wu Xiaolei, Tang Tianyun and Pan Chengwei.

The 6th Session of the Supervisory: Chairman of Supervisory: Zhao Xiangzhi; Supervisors: Ma Fengming, Ji Yuanhong and Wang Difei; Staff Supervisors: Zhen Dalei, Peng Bo, Li Huiwen and Tao Lin.

IV. Report of the Board of Directors

(I) Discussion and analysis on operational situation of the Company in the report Period

In the report period, power demand in Guangdong province shows steady soaring for influences by insufficient power resources added, decrease of the electricity of West to East Power transmission and the lysteresis of power grid construction. Demand and supply for electricity within the province still intensify continuously, the one-day stagger power consumption load almost reaches 6 million kilowatt and actual load demand takes a break of 74 million kilowatt, higher the peak load of all province the year before of 71.5 million kilowatt. However, influenced by turbulence situation in oil-produce countries of Middle-ease and North Africa and other geo-politics, gas price has a strong growth in first half year of 2011, cost of power fuel for gas turbine runs in a high price correspondingly and amount for power subsidy demand soaring. Under the circumstances of insufficient capital resources for subsidiary, main dept. of the province restricted the annual power volume of 9E gas turbine. Meanwhile, affected by macro control of the Country, financing for the Company comes more and more difficult.

Confronted with severe market environment and operational dilemma, the Company persistently carries forward the operational idea of “striving for survival and going through difficulties”. By strictly follow the principle of safety production and economic powering, the Company higher its profitability in main business of powering. Promoting the recycle economy and practice energy-saving and emission reduce projects actively, semi-annual production and business planning of the Company gains a better results. During the report period, system IC engine power station of the Company accumulated owes energy output of 1.701 billion Kwhr, a 42.17% up y-o-y and completed 49.46% of the planning in whole year.

(II) Corporate Operation during the Report Period

The Company accumulatively realized operating income of RMB1,143,413,600 , 62.68% up over the same period of last year, among which, RMB1,029,131,700 was realized by power and steam production and supply and project contracted construction, 46.68% up over the same period of last year; RMB 114,281,800 was realized by other business, 9150% up over the same period the year before; Since the fuel cost has increased, main business profit realized by power, steam and project contracted construction amounted to RMB-498,166,100, 65.61% deficit increased over the same period of last year and other industries reached profit of main business amounted to RMB 5,996,700, increase RMB 5,577,400 compared the same period of last year; net profit attributable to owners of the parent company amounted to RMB -84,855,900, decrease RMB170,217,700 compare with same period of last year; earning per share reached RMB-0.14/Share.

1. Statement of main operations classified according to industries and products

Unit: RMB'0000

Classified according to industries or products	Operating revenue	Operating cost	Gross profit ratio (%)	Increase or decrease of	Increase or decrease of	Increase or decrease of gross profit ratio over the last same period of
--	-------------------	----------------	------------------------	-------------------------	-------------------------	---



				operating revenue over the last same period of last year (%)	operating cost over the last same period of last year (%)	last year (%)
Power marketing	97,161.60	146,263.57	-50.54%	40.67%	47.45%	6.92 percentage points decreased
Thermal marketing	431.12	662.30	-53.62%	-13.63%	-0.65%	20.07 percentage points decreased
Fuel marketing	2,668.89	2,300.58	13.80%	100.00%	100.00%	
Engineering labor	2,528.57	2,257.03	10.74%	327.05%	492.64%	24.94 percentage points decreased
Other revenue	123.00	1,246.31	-913.29%	100.00%	100.00%	

2. Statement of main operations classified according to areas

Unit: RMB '0000

Areas	Income from operations	Increase/decrease in income from operations over the same period of last year (%)
Shenzhen	69,931.79	47.78%
Zhongshan	17,717.74	2931.37%
Dongguan	26,691.84	19.27%

3. In the report period, the profit composition, main operation and its structure of the Company did not have significant change over the same period of last year.

4. Reason for significant change happened to the gross profit ratio of the report period over the same period of last year: great increase in fuel cost.

5. During the report period, accounted by equity method, share-jointed company of the Company—Jiangxi Xinchang Company suffers investment losses of RMB39, 857,500 with impact on net profit of the Company reaching 46.97%.

(III) Investment in the report period

1. Application of raised proceeds

In the report period, the Company neither raised proceeds, nor had proceeds raised in former periods but extended to use in the report period.

2. Investment of non-raised proceeds

(1) The sludge drying project

Project of sludge drying was put into operating since 1st of January 2011, payment standard of operating cost was exercise by the bid price within the bidding purchasing with sole resources. However, the plan of single source tender has not been approved by Financial Committee of the City. The Company entered into no operational contract of sludge drying for the bid documents still in approval procedures from Financial Committee currently. The Company actively contacts with relevant government dept. for closely follow-up works and promoting tendering & bidding for completed as soon as possible with the purpose of obtained the disposal charge for sludge. At present, comprehensive usage works on sludge drying were conducted by the Company actively. No capital increased within the report period; as at end of the report period, the Company accumulate invested RMB 55.3 million in total.

(2) Project of cooling, heating and power recycling economy



In the report period, the Company consolidated the project of CCHP into the Qianhai Planning actively and perfected the research report of “Resolving Plan of Energy Integrity in Cooperation Zone of Qianhai Shen-Gang Modern Service Industry by Mode of Intelligence and Low-Carbon”. Demonstration cooling station for cooling, heating and power are start cooling since 1st April of 2011 with 6 days a week and 13 hours a day since 1st of June. No newly investment increase for the project within the report period.

(3) Project in Xinchang ,Jiangxi Province

Within the report period, the project completed power of 3.43974 billion Kwhr by generation (of which transmission power of 0.335 billion Kwhr), completed 49.14% of the planning, grid power generation finished 3.28 billion Kwhr, a 50% of the planning completed. Net profit realized RMB -139,368,300 with seriously deficit due to the dramatically soaring of fuel price. No capital increased within the report period; as at end of the report period, the Company accumulate invested RMB 286,285,700 in total.

(4) Nuclear Power Project in Peng Ze, Jiangxi Province

In report period, state council decided to cease the approval of nuclear power projects(including the project of pre-phase conduction) after the nuclear accident occurred in Fukushima, Japan. There are 5 items of approval documents defer for approval due to the above reasons. Within the reporting period, field-leveled construction of the project have been completed, 1# nuclear island meets the condition of excavation, general contracting units of nuclear island and conventional islands are step in the field for construction. The internal auditing for primary design was completed basically, and long-term equipment contract have been signed. On 31st of May, the “Frame Agreement of Nuclear Island Contracting for Phase I Peng Ze Nuclear Project” that entered into between China Power Investment Corporation and State Nuclear Power Engineering Company and its memo were come into effect on 31st of May.

As at 30 June 2011, accumulate RMB 1,887.2 million were invested for the project, actually capital received totaled RMB 727.27 million, totaled RMB 1,681,590,000 were financing accumulate. Till end of the report period, accumulative capital of RMB 37.315.000 was invested by the Company in total.

(5) Shenzhen Energy Environment Company

Approaching zero-accident in report period with power generation amounting to 0.136 billion Kwhr, 48.42% of the planning completed; volume of the waste treatment totaled 448,100 tons completed, 47.17% of the planning completed.

In August of 2010, being decided by Shareholders’ Meeting of Shenzhen Energy Environment Company, RMB 610.5 million was increased for register capital for project of Phase II of Bao’an construction and expansion project of Phase II for Nanshan with 2 installments. Totaling RMB 478,810,000 was increased dated 31st January 2011; resets of the RMB 131,690,000 will invest within 30 days after receiving the Evaluation of Environment for Phase II of Nanshan Projects. Shenzhen Energy Environment Company owes its register capital of RMB 1,028,400,000 after capital increased. Till recently, the Company invested accumulative RMB 89,671,000(RMB 13,169,000 have not invested yet) in total.

(IV) Explanations by the Board of Directors on the matters involved in non-standard qualified opinion issued by CPAs.

In 2010, Deloitte Huayong CPAs Co., Ltd. issued qualified auditor’s report with paragraph of emphasized matters for the Company. During the report period, the matters involved in non-standard qualified opinion have not any progress.

V. Significant Events

(I) Administration of the Company

In the report period, the Company operated in law and standardized its operation continuously in accordance to Company Law, Securities Law, and Governing Principle for listed Companies, and Management Method on Information Disclosure of Listed Company as well as Listing Rules for Stock in Shenzhen Stock Exchange. The Company continuously perfect its governance structure, higher the governance standard, strengthen information disclosure and standardized the operational for the Company. The actual corporate management structure basically accorded with the regulations of relevant standard documents on administration of listed company issued by CSRC.

Every special committee of the Shareholders’ Meeting, Board of Directors and Supervisory Committee as well as managers were performing in a clearly responsibilities; the approval procedures were conducting a regulated ways; perform duties in accordance with the laws without regulation violations. Concerning



the related transaction, external guarantee, material investment and information discloses, the Company strictly exercise relevant approval procedures in line with relevant regulations and release the information timely. Guarantee the legal interest of the Company and shareholders, minority shareholders in particular. Pursuit to the requirement of “Notice of Standardized Pilot of Internal Control for Listed Companies in Shenzhen Areas” SZJ GSZi No: 31[2011] issued form Shenzhen Securities Regulatory Bureau, the Company combined actual conditions formulated the “Plan of Implementation for Internal Control of Shenzhen Nanshan Power Co., Ltd.” that approved and deliberated by Meeting of the Board, relevant information been disclosed on April 30. This plan is implementing recently.

(II) Profit distribution plan and its execution

There was no profit distribution plan, plan on public reserve conversion into shares or new share issuing plan implemented in the report period which was drawn in the past.

There was no profit distribution preplan or plan on public reserve conversion into shares or equity incentive proceeding in the report period.

(III) Significant lawsuit or arbitration

The Company had not involved in any significant lawsuit or arbitration during the report period.

(IV) Investment in securities

During the report period, the Company neither held equity in other listed companies or in financial enterprises such as joint commercial banks, securities companies, insurance companies, trusted companies and futures companies nor joint in companies intended to go listing.

(V) Significant purchase and sale of assets and enterprise combination in the report period

No event of assets purchase and sale as and enterprise combination occurred in the report period.

(VI) Significant related transaction

1. Related transaction related to daily operation

No related transaction that related to daily operational occurred in report period.

2. Related transaction incurred by purchase or sales of assets during the report period

No related transaction incurred by purchase or sales of assets during the report period.

3. Current related liabilities and debts

Unit: RMB

Related parties	Funds offered to related parties by listed company		Funds offer to listed company by related parties	
	Occurred amount	Balance	Occurred amount	Balance
Xiefu Company	-	6,279,664.17	-2,455,253.22	2,410,292.43
Shennandian (Zhongshan) Power Co., Ltd.	239,214,264.87	508,629,723.58	-	-
Shenzhong Real Estate Development Co., Ltd.	10,918,413.30	677,004,186.72	-	-
Shennandian Engineering Company	-	-	-1,847,625.23	-
Shennandian (Dongguan) Company	-110,741,527.27	53,318,668.57	-	-
New Power Company	-	597,875,904.41	-25,888,323.20	308,381,404.30
Shennandian	-366,631.30	-	1,135,838.47	1,135,838.47



Environment Company				
Shenzhen Energy Group Co., Ltd.	-	-	-1,158.78	510,249.91
Syndisome Company	-	-	-8,277.48	1,813,776.55
Singapore Company	-	31,072.34	-	-
Mawan Power Company	-	-	-49,171.39	-
Moon Bay Oil Company	-	-	-	-
Total	139,024,519.60	1,843,139,219.79	-29,113,970.83	314,251,561.66

(VII) Significant contracts of the Company and its implementation

1. During the report period, except that Shenzhen New Power Industrial Co., Ltd. continues to entrust the Company to manage and operate the assets of project of power generating with waste heat, the Company has not trusted, contracted and leased other companies' assets nor has other companies trusted, contracted and leased asset of listed company.

2. Particular about material contract in the report period

Being deliberated and approved by 4th Extraordinary Shareholders' General Meeting of 2010, the Company and Shennandian Dongguan Company were consented to enter into the Purchase Contract of Nature Gas with Branch of Guangdong Trading, CNOOC Gas & Power Group and Guangdong Branch of CNOOC respectively. Among which, the Company (wholly-owned Nanshan Power Station) signed a contract of 2-year term (January of 2011—December of 2012) while Shennandian Dongguan Company has a 3-year tem contract signed (January of 2011 – December of 2013)(Notice No.: 2010-048, 2010-050 and 2010-058). Relevant contract is implementing.

3. During the report period, the Company has not entrusted others to manage cash assets.

(VIII) Significant guarantee

Unit: RMB'0000

Particulars about the external guarantee of the Company (the guarantee for subsidiaries from subsidiaries)								
Name of the Company guaranteed	Related Announce ment disclosure day and Announce ment No.	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete Implementation or not	Guarantee for related party (Yes or no)
Shennandian (Zhongshan) Company	2009.4.30 (2009-028)	5,000	2010.03.26	5,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Dongguan) Company	2010.7.21 (010-039)	12,000	2010.08.22	5,600	Maximum Amount Guarantee	3 years	Not	Yes
Total amount of external guarantee approved in the report period(A1)		12,000		Total actually amount of external guarantee in the report period(A2)		10,600		
Total amount of external guarantee approved at the end of the report period(A3)		17,000		Total actually amount of external guarantee at the end of the report period(A4)		10,600		



Guarantee of the Company for its subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure day and Announcement No.	Amount of guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete Implementation or not	Guarantee for related party (Yes or no)
Shennandian (Zhongshan) Company	2009.4.30 (2009-028)	10,000	2009.06.04	10,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Zhongshan) Company	2011.1.14 (2011-001)	20,000	2011.01.19	20,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Zhongshan) Company	2010.7.21 (2010-039)	10,000	2010.07.30	10,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Zhongshan) Company	2010.7.21 (2010-039)	10,000	2010.08.19	4,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Zhongshan) Company	2011.1.14 (2011-001)	6,000	2011.04.08	5,805	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Dongguan) Company	2011.1.14 (2011-001)	30,000	2011.01.20	30,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Dongguan) Company	2011.5.11 (2011-030)	10,000	2009.06.10	10,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Dongguan) Company	2010.11.4 (2010-058)	8,000	2011.06.20	8,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian (Dongguan) Company	2010.11.4 (2010-058)	20,000	2010.12.29	12,000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian Environment Protection Co., Ltd.	2011.1.31 (2011-006)	8,000	2009.11.06	3,600	Maximum Amount Guarantee	3 years	Not	Yes
New Power Company	2011-1.31 (2011-006)	10000	2011.06.30	3000	Maximum Amount Guarantee	3 years	Not	Yes
Shennandian Environment Protection Co., Ltd.	2011.5.11 (2011-030)	2,700	2010.03.30	2,700	Maximum Amount Guarantee	3 years	Not	Yes
Total of guarantee for subsidiaries approved in the Period (B1)		74,000		Total of actual guarantee for subsidiaries in the Period (B2)		119,105		



Total of guarantee for subsidiaries approved at Period-end (B3)	144,700	Total of actual guarantee for subsidiaries at Period-end (B4)	119,105
Total of Company’s guarantee(Namely total of the large two aforementioned)			
Total of guarantee approved in the Period (A1+B1)	86,000	Total of actual guarantee in the Period (A2+B2)	129,705
Total of guarantee approved at Period-end (A3+B3)	161,700	Total of actual guarantee at Period-end (A4+B4)	129,705
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+ B4)		78.56%	
Including:			
Amount of guarantee for shareholders, actual controller and its associated parties(C)		0	
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(D)		57,805	
Proportion of total amount of guarantee in net assets of the Company exceed 50%(E)		47,156	
Total guarantee amount of the abovementioned guarantees(C+D+E)		104,961	
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees		N/A	

(IX) Special explanation and independent opinion issued by independent directors on capital occupancy and external guarantee of related parties of the Company

According to ZJF No. 56 Notice (2003) on Standardizing Capital Current between Listed Company and Related Parties and External Guarantee of Listed Company, SZJFZ No. 338 Notice (2004) on Strengthening Capital Occupancy of Listed Company and Out-of-line Guarantee Information Disclosure as well as ZJF No. 120 Notice (2005) on Standardizing External Guarantee of Listed Company, and with knowledge and data inquiry of the Company, we issued the following special explanation and opinion for the current capital occupancy and external guarantee of related parties of the Company as semi-annual of 2011:

1. As at June 30, 2011, the current capital between the Company and its controlling shareholders, subsidiaries and other related parties all belong to normal non-operating current capital and no related parties occupy the Company's capital out of line.
2. As at June 30, 2011, the balance of external guarantee of the Company amounts to RMB 1,297,050,000 (belong to loan guarantee provided by the Company for its controlling subsidiaries and guarantee provided by controlling subsidiaries for other controlling subsidiaries). The Company and its controlling subsidiaries have not provided guarantee for its shareholders, other related parties, any non-legal unit or individual; earnestly implemented its obligation for disclosing information of external guarantee.

(X) Implementation of commitment issued by shareholders holding above 5% equity (include 5%) of Company

During the report period, the shareholders holding more than 5% (5% included) shares of the Company have not made commitment or previous commitment but lasting till the report period which brought significant influence to the Company's operation achievement and financial status.

(XI) Reception for investigation, communication and interview



During the report period, no reception for investigation, communication and interview occurred.

(XII) During the report period, no director, supervisor, senior executive, shareholder, actual controller and the Company has received investigation from CSRC, administrative punishment and public criticize from CSRC, punishment from other administrative department, public blame and justice compulsive measure from stock exchange.

(XIII) Index for the information of the Company

The designated newspapers for information disclosure are China Securities Journal, Securities Times, and Hong Kong Commercial Daily; designated website is Juchao Information Website (<http://www.cninfo.com.cn>).

Date	Content	Name and page of publishing press
2011-1-14	Notice on Resolution of 2011 the first Extraordinary Shareholders' General Meeting	China Securities Journal --B008; Securities Times --D13; Hong Kong Commercial Daily--A4
2011-1-15	Notice of Resignation of Deputy Chairman; Notice of Resignation of Supervisor; Resolution of Extraordinary Meeting of 5 th Session of the Board; Resolution of 31 st Meeting of 5 th Session of Supervisory	China Securities Journal --B008; Securities Times --B12; Hong Kong Commercial Daily--A18; China Securities Journal --B008
2011-1-31	Forecast of Performance for 2010	China Securities Journal --A28; Securities Times --C4; Hong Kong Commercial Daily--A5
2011-2-28	Notice of Clarification	China Securities Journal --A36; Securities Times --C8; Hong Kong Commercial Daily--A5
2011-3-22	Notice of Guarantee Expects to Loans from Zhuhai Commercial Bank to Shennandian (Zhongshan) Power Co., Ltd.	Securities Times --D24; Hong Kong Commercial Daily--A5; China Securities Journal --B004
2011-4-15	Resolution of 40 th Meeting of 5 th Session of the Board; Resolution of 33 rd Meeting of 5 th Session of the Supervisory; Notice of Convening the Annual Shareholders' General Meeting of 2010;	Securities Times --D46; China Securities Journal --D052; Hong Kong Commercial Daily--A28

Notice of the bank credit scale, external guarantee, bank loans for entrust of capital within the system or directly



	Quarterly for 2011	
	Annual Report of 2010 for SHENZHEN NANSHAN POWER CO.,LTD	Securities Times --D45; China Securities Journal --B501; Hong Kong Commercial Daily--A26
2011-4-15	Forecast of the Performance of 1 st Quarterly for 2011	Securities Times --D26; China Securities Journal --B052; Hong Kong Commercial Daily--A28
2011-4-23	Resolution of 41 st Meeting of 5 th Session of the Board; Resolution of 34 th Meeting of 5 th Session of the Supervisory	Securities Times; China Securities Journal --A17; Hong Kong Commercial Daily--A5
	Text of 1 st Quarterly Report of 2011; Full-Text of 1 st Quarterly Report of 2011;	Securities Times; China Securities Journal --A18; Hong Kong Commercial Daily--A5
2011-4-30	Resolution of the Extraordinary Meeting(by communication voting) of 5 th Session of the Board; Resolution of the Extraordinary Meeting(by communication voting) of 5 th Session of the Supervisory; Implementation of the Internal Control Standardized	Securities Times; China Securities Journal --A17; Hong Kong Commercial Daily--A9
2011-5-4	Resolution of 39 th Meeting of 5 th Session of the Board; Resolution of 32 nd Meeting of 5 th Session of the Supervisory; Notice of Convening the 2 nd Extraordinary Shareholders' General Meeting of 2011	Securities Times --D9; Hong Kong Commercial Daily--A12; China Securities Journal --B004
2011-5-11	Resolution of Annual Shareholders' General Meeting for 2010	Securities Times --D32; Hong Kong Commercial Daily--A17;



		China Securities Journal --B004
2011-5-18	Election of the Supervisor of Staff Representative	Securities Times ; Hong Kong Commercial Daily--A6; China Securities Journal
2011-5-26	Resolution of 2 nd Extraordinary Shareholders' General Meeting of 2011; Resolution of 1 st Meeting of 6 th Session of the Board; Resolution of 1 st Meeting of 6 th Session of the Supervisory	Securities Times --D24; China Securities Journal --A24; Hong Kong Commercial Daily--A6
2011-6-3	Resolution of 42 nd Meeting of 5 th Session of the Board	Securities Times --D36; Hong Kong Commercial Daily-- A5; China Securities Journal --B005

VI. Financial Report (Un-audited)

The 2011 Semi-annual Financial Report is un-audited (attached).

VII. Documents Available for Reference

- (I) Semi-annual Report of 2011 carried with the personnel signature of Legal Representative;
- (II) Accounting Statements carried with the signature and seals of the Legal Representative, General Manager and CFO;
- (III) All the originals of the Company's documents and public notices disclosed in Securities Times, China Securities Journal and Hong Kong Commercial Daily in the report period;
- (IV) Place for inspection: Secretariat of the Board of Director of the Company.

Board of Directors of
Shenzhen Nanshan Power Co., Ltd.
August 9, 2011



SHENZHEN NANSHAN POWER CO.,LTD

Accounting Statement & Annotations for Semi-annual of 2011

**Consolidated Balance Sheet**

Unit: RMB

Assets	2011-6-30	2010-12-31	Liabilities and owner's equity	2011-6-30	2010-12-31
Current assets:			Current liabilities:		
Monetary fund	639,580,595.19	601,386,814.04	Short-term loan	3,287,500,000.00	3,112,400,000.00
Bill receivable	-	700,000.00	Bill payable	38,049,000.00	-
Account receivable	935,570,314.10	518,392,276.69	Account payable	243,689,092.48	61,115,438.61
Account paid in advance	24,571,262.81	13,529,901.89	Account received in advance	23,090,662.53	39,274,341.26
Interest receivable	-	-	Remuneration payable	31,394,214.61	45,432,950.70
Dividend receivable	-	-	Tax payable	-483,528,913.35	-501,193,418.09
Other accounts receivable	23,397,718.50	20,450,149.23	Interest payable	64,122,312.85	59,348,039.27
Inventory	1,252,289,971.15	1,352,372,212.06	Dividend payable	-	-
Long-term stock investment due within one year	-	-	Other account payables	291,056,300.23	288,768,647.34
Other current assets	-	4,242,431.37	Long-term liabilities due within one year	200,000,000.00	50,000,000.00
	-		Other current liabilities	-	-
Total of current assets	2,875,409,861.75	2,511,073,785.28	Total of current liabilities	3,695,372,669.35	3,155,145,999.09
Non-current assets:			Non-current liabilities	-	
Long-term stock investment	314,231,776.82	306,208,274.30	Long-term borrowing	36,000,000.00	186,000,000.00
Investment real estate	5,093,387.77	5,308,769.98	Other non-current liabilities	5,350,000.00	5,350,000.00
Capital assets	2,205,733,408.78	2,169,226,270.73	Total of non-current liabilities	41,350,000.00	191,350,000.00
Project under construction	88,100,178.37	196,729,476.64	Total of liabilities	3,736,722,669.35	3,346,495,999.09
Disposal of capital assets	-	-	Owners' equity		
Intangible assets	62,743,827.01	64,236,931.51	Share capital	602,762,596.00	602,762,596.00
Long-term unamortized expenses	160,155.30	273,212.64	Capital reserve	363,629,927.51	363,629,927.51
Deferred income tax assets	4,624,405.14	4,624,405.14	Reserve surplus	332,908,397.60	332,908,397.60
Other non-current assets	21,731,198.78	21,273,223.68	Undistributed profit	351,685,700.04	436,541,567.35
Total of non-current assets	2,702,418,337.97	2,767,880,564.62	Translation difference in foreign currency statement	-	-
			Equity attributable to owners of the parent company	1,650,986,621.15	1,735,842,488.46
			Minority shareholders' equity	190,118,909.22	196,615,862.35



			Total of shareholders' equity	1,841,105,530.37	1,932,458,350.81
Total of assets	5,577,828,199.72	5,278,954,349.90	Total of liabilities and shareholders' equity	5,577,828,199.72	5,278,954,349.90

Balance Sheet of the Parent Company

Unit: RMB

Assets	2011-6-30	2010-12-31	Liabilities and owner's equity	2011-6-30	2010-12-31
Current assets:			Current liabilities:		
Monetary fund	169,579,571.56	269,369,131.18	Short-term loan	2,326,100,000.00	2,218,000,000.00
Bill receivable	-	-	Bill payable	-	-
Account receivable	545,703,102.53	277,107,630.12	Account payable	67,577,263.66	1,749,561.08
Account paid in advance	9,439,330.71	455,623.51	Account received in advance	21,934,195.45	14,586,000.00
Interest receivable	-	-	Remuneration payable	16,462,554.66	26,713,770.75
Dividend receivable	597,875,904.41	597,875,904.41	Tax payable	-430,669,385.70	-436,158,042.22
Other accounts receivable	1,057,565,531.44	894,247,309.68	Interest payable	4,053,707.78	3,720,714.47
Inventory	128,856,808.03	166,594,071.43	Dividend payable	-	-
Long-term stock investment due within one year	-	-	Other account payables	565,497,714.35	490,528,945.93
Other current assets	280,000,000.00	393,003,940.43	Long-term liabilities due within one year	-	-
			Other current liabilities		
Total of current assets	2,789,020,248.68	2,598,653,610.76	Total of current liabilities	2,570,956,050.20	2,319,140,950.01
Non-current assets:			Non-current liabilities		
Long-term stock investment	813,714,626.58	796,731,124.06	Long-term loan	-	-
Investment real estate	-	-	Other non-current liabilities	-	-
Fixed assets	284,475,368.18	316,444,713.69	Total of non-current liabilities	-	-
Construction in process	66,090,220.18	56,766,007.77	Total of liabilities	2,570,956,050.20	2,319,140,950.01
Disposal of capital assets	-	-	Owners' equity	-	-
Intangible assets	8,776,083.16	9,318,739.90	Share capital	602,762,596.00	602,762,596.00
Long-term unamortized expenses	120,804.92	171,594.44	Capital reserve	288,769,132.47	288,769,132.47
Deferred income tax assets	-	-	Reserve surplus	332,908,397.60	332,908,397.60
Other non-current assets	-	-	Undistributed profit	166,801,175.43	234,504,714.54
Total of non-current assets	1,173,177,103.02	1,179,432,179.86	Converted difference in Foreign Currency	-	-



			Statements		
			Total of shareholders' equity	1,391,241,301.50	1,458,944,840.61
Total assets	3,962,197,351.70	3,778,085,790.62	Total of liabilities and shareholders' equity	3,962,197,351.70	3,778,085,790.62

Consolidated Profit Statement

Unit: RMB

Items	Jan.-Jun. of 2011	Jan.-Jun. of 2010
I. Operation income	1,143,413,610.78	702,859,674.61
Less: operation cost	1,635,583,031.68	1,003,249,405.69
Operation tax and surcharge	3,850,355.62	2,971,470.22
Sales expense	396,202.63	464,946.47
Management expense	50,599,499.76	47,023,275.69
Accounting expense	89,911,857.60	59,239,993.66
Loss of assets impairment	-	-
Plus: gain of fair value change	-	-
Investment gain (loss)	-39,857,497.48	-32,231,888.28
Among: gain (loss) of investment into affiliated and joint enterprises	-39,857,497.48	-32,231,888.28
II. Operation profit (loss)	-676,784,833.99	-442,321,305.40
Plus: Non-operation income	589,314,683.18	171,419,645.98
Less: Non-operation expense	297,324.48	31,860.00
Among: Loss from disposal of non-current assets	162,698.07	1,840.00
III. Total of profit	-87,767,475.29	-270,933,519.42
Less: income tax expense	3,585,345.15	687,530.22
IV. Net profit	-91,352,820.44	-271,621,049.64
Net profit attributable to shareholders of parent company	-84,855,867.31	-255,073,535.78
Minority shareholders' equity	-6,496,953.13	-16,547,513.86
V. Earnings per share	-	-
(I) Basic earnings per share	-0.14	-0.42
(II) Diluted earnings per share	Not applicable	Not applicable
VI. Other consolidated incomes	-	-
VII. Total of consolidated incomes	-91,352,820.44	-271,621,049.64
Total of consolidated incomes attributable to shareholders of the parent company	-84,855,867.31	-255,073,535.78



Total of consolidated incomes attributable to minority shareholders	-6,496,953.13	-16,547,513.86
---	---------------	----------------

Profit Statement of Parent Company

Unit: RMB

Items	Jan. to Jun. of 2011	Jan. to Jun. of 2010
I. Operation income	442,608,095.42	167,055,044.81
Less: operation cost	694,282,683.32	294,907,340.61
Operation tax and surcharge	1,772,393.29	1,686,853.10
Sales expense	-	-
Management expense	19,283,461.96	7,828,022.18
Accounting expense	37,688,810.51	18,046,704.28
Loss of assets impairment	-	-
Plus: gain of fair value change	-	-
Investment gain (loss)	-39,857,497.48	-32,231,888.28
Among: gain (loss) of investment into affiliated and joint enterprises	-39,857,497.48	-32,231,888.28
III. Operation profit (loss)	-350,276,751.14	-187,645,763.64
Plus: Non-operation income	282,577,058.44	-
Less: Non-operation expense	3,846.41	-
Among: Loss from disposal of non-current assets	-	-
III. Total of profit	-67,703,539.11	-187,645,763.64
Less: Income tax expense	-	-
IV. Net profit	-67,703,539.11	-187,645,763.64
V. Earnings per share		
(I) Basic earnings per share	Not applicable	Not applicable
(II) Diluted earnings per share	Not applicable	Not applicable
VI. Other consolidated income	-	-
VII. Total of consolidated income	-67,703,539.11	-187,645,763.64

**Consolidated Cash Flow Statement**

Unit: RMB

Items	Jan. to Jun. of 2011	Jan. to Jun. of 2010
I. Net cash flow from operation activities		
Cash received from sales of products and supply of labor	1,418,009,918.58	954,715,452.71
Tax expense returns received	-	-
Cash received and related to other operation activities	75,542,660.32	35,519,595.88
Subtotal of cash inflows from operation activities	1,493,552,578.90	990,235,048.59
Cash paid for purchase of goods and acceptance of labor	1,321,170,701.32	909,385,409.09
Cash paid to or for staff	56,866,969.06	47,196,564.92
All tax paid	44,300,719.65	57,194,367.60
Cash paid and related to other operation activities	32,725,222.12	43,800,949.21
Subtotal of cash outflows from operation activities	1,455,063,612.15	1,057,577,290.82
Net cash flow from operation activities	38,488,966.75	-67,342,242.23
II. Cash flow from investment activities	-	-
Cash received from divestment	-	-
Cash received from investment returns	-	-
Net cash drawback from disposal of capital assets, intangible assets and other long-term assets	4,344,000.00	11,593,462.50
Net cash received from disposal of subsidiaries or other business units	-	-
Other investment-related cash received	-	-
Sub-total of cash inflows of investment activities	4,344,000.00	11,593,462.50
Cash paid for construction of fixed assets, intangible assets and other long-term assets	22,843,360.85	39,524,878.57
Cash paid for investment	47,881,000.00	60,457,857.00
Net cash received from payment of subsidiaries and other operational units	-	-
Other investment-related cash payment	-	-
Sub-total of cash outflows from investment activities	70,724,360.85	99,982,735.57
Net cash flow from investment activities	-66,380,360.85	-88,389,273.07
III. Cash flow from financing activities	-	-
Cash received from investment take-up	-	-
Cash received from obtaining borrowings	2,379,100,000.00	2,296,000,000.00
Cash received from other financing-related activities	-	-
Subtotal of cash inflow from financing activities	2,379,100,000.00	2,296,000,000.00
Cash paid for debts	2,204,000,000.00	2,043,120,000.00
Cash paid for dividend or profit distribution, or interest	109,011,750.54	71,236,958.66
Other funding-related cash payment	-	-
Subtotal of cash outflows from financing activities	2,313,011,750.54	2,114,356,958.66
Net cash flow from financing activities	66,088,249.46	181,643,041.34
IV. Influence of exchange rate fluctuation on cash and cash	-3,074.21	-2,624.45



equivalents		
V. Net increase of cash and cash equivalents	38,193,781.15	25,908,901.59
Plus: Balance of cash and cash equivalents at Period-beginning	591,386,814.04	356,362,100.63
VI. Balance of cash and cash equivalents at Period-end	629,580,595.19	382,271,002.22

Cash Flow Statement of the Parent Company

Unit: RMB

Items	Jan. to Jun. of 2011	Jan. to Jun. of 2010
I. Cash flow from operation activities		
Cash received from sales of products and supply of labor	729,133,218.02	506,963,574.90
Tax expense returns received	-	-
Cash received and related to other operation activities	299,082,095.79	152,163,679.44
Subtotal of cash inflows from operation activities	1,028,215,313.81	659,127,254.34
Cash paid for purchase of goods and acceptance of labor	696,657,561.65	450,688,125.74
Cash paid to or for staff	32,276,567.86	22,434,981.27
All tax paid	8,350,015.33	5,932,097.07
Cash paid and related to other operation activities	352,099,113.80	377,847,817.06
Subtotal of cash outflows from operation activities	1,089,383,258.64	856,903,021.14
Net cash flow from operation activities	-61,167,944.83	-197,775,766.80
II. Cash flow from investment activities		-
Cash received from divestment	-	-
Cash received from investment returns	-	-
Net cash drawback from disposal of capital assets, intangible assets and other long-term assets	-	-
Net cash received from disposal of subsidiaries or other business units	-	-
Cash received from relevant activities	-	-
Sub-total of cash inflows of investment activities	-	-
Cash paid for construction of fixed assets, intangible assets and other long-term assets	18,557,420.52	19,267,886.09
Cash paid for investment	56,841,000.00	60,457,857.00
Net cash received from payment of subsidiaries and other operational units	-	-
Other investment-related cash payment	-	-
Sub-total of cash outflows from investment activities	75,398,420.52	79,725,743.09
Net cash flow from investment activities	-75,398,420.52	-79,725,743.09
III. Cash flow from financing activities		
Cash received from investment take-up	-	-
Cash received from obtaining borrowings	1,532,100,000.00	1,430,000,000.00
Cash received from other financing-related activities	-	-
Subtotal of cash inflows from financing activities	1,532,100,000.00	1,430,000,000.00



Cash paid for debts	1,424,000,000.00	989,000,000.00
Cash paid for dividend or profit distribution, or interest	71,322,473.33	43,032,885.87
Other funding-related cash payment	-	-
Subtotal of cash outflows from financing activities	1,495,322,473.33	1,032,032,885.87
Net cash flow from financing activities	36,777,526.67	397,967,114.13
IV. Influence of exchange rate fluctuation on cash and cash equivalents	-720.94	-1,893.84
V. Net increase of cash and cash equivalents	-99,789,559.62	120,463,710.40
Plus: Balance of cash and cash equivalents at Period-beginning	269,369,131.18	35,564,935.05
VI. Balance of cash and cash equivalents at Period-end	169,579,571.56	156,028,645.45



Consolidated Statement of Changes in Owners' Equity

Unit: RMB

Items	Amount in Jan.-Jun.2011						Amount of 2010					
	Shareholders' equity attributable to the parent company				Minor shareholders' equity	Total of shareholders' equity	Shareholders' equity attributable to the parent company				Minor shareholders' equity	Total of shareholders' equity
	Share capital	Capital reserves	Surplus reserves	Retained profit			Share capital	Capital reserves	Surplus reserves	Retained profit		
I. Balance at the end of last year	602,762,596.00	363,629,927.51	332,908,397.60	436,541,567.35	196,615,862.35	1,932,458,350.81	602,762,596.00	363,629,927.51	332,908,397.60	547,986,755.29	208,604,106.24	2,055,891,782.64
Plus: Change of accounting policy	-	-	-	-	-	-	-	-	-	3,193,490.26	-3,193,490.26	-
Correction of previous errors	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of current year	602,762,596.00	363,629,927.51	332,908,397.60	436,541,567.35	196,615,862.35	1,932,458,350.81	602,762,596.00	363,629,927.51	332,908,397.60	551,180,245.55	205,410,615.98	2,055,891,782.64
III. Increase/decrease changed in Year	-	-	-	-84,855,867.31	-6,496,953.13	-91,352,820.44	-	-	-	-114,638,678.20	-8,794,753.63	-123,433,431.83
(I) Net profit	-	-	-	-84,855,867.31	-6,496,953.13	-91,352,820.44	-	-	-	-114,638,678.20	-8,794,753.63	-123,433,431.83
(II) Other consolidated income	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal of the above (I) and (II)	-	-	-	-84,855,867.31	-6,496,953.13	-91,352,820.44	-	-	-	-114,638,678.20	-8,794,753.63	-123,433,431.83
(III) Capital invested or reduced by shareholders	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital invested by shareholders	-	-	-	-	-	-	-	-	-	-	-	-
2. Share payment accounted into shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Dividend distribution to shareholders	-	-	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Internal settlement and transfer of shareholders' equity	-	-	-	-	-	-	-	-	-	-	-	-



1. Capital reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-	-	-
IV. Balance of end of this year	602,762,596.00	363,629,927.51	332,908,397.60	351,685,700.04	190,118,909.22	1,841,105,530.37	602,762,596.00	363,629,927.51	332,908,397.60	436,541,567.35	196,615,862.35	1,932,458,350.81

Statement of Changes in Owners' Equity (Parent Company)

Unit: RMB

Items	Amount in Jan.-Jun.2011					Amount of 2010				
	Share capital	Capital reserves	Surplus reserves	Retained profit	Total of shareholders' equity	Share capital	Capital reserves	Surplus reserves	Retained profit	Total of shareholders' equity
I. Balance at the end of last year	602,762,596.00	288,769,132.47	332,908,397.60	234,504,714.54	1,458,944,840.61	602,762,596.00	288,769,132.47	332,908,397.60	327,188,158.71	1,551,628,284.78
Plus: Change of accounting policy	-	-	-	-	-	-	-	-	-	-
Correction of previous errors	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of current year	602,762,596.00	288,769,132.47	332,908,397.60	234,504,714.54	1,458,944,840.61	602,762,596.00	288,769,132.47	332,908,397.60	327,188,158.71	1,551,628,284.78
III. Increase/decrease changed in Year	-	-	-	-67,703,539.11	-67,703,539.11	-	-	-	-92,683,444.17	-92,683,444.17
(I) Net profit	-	-	-	-67,703,539.11	-67,703,539.11	-	-	-	-92,683,444.17	-92,683,444.17
(II) Other consolidated income	-	-	-	-	-	-	-	-	-	-
Subtotal of the above (I) and (II)	-	-	-	-67,703,539.11	-67,703,539.11	-	-	-	-92,683,444.17	-92,683,444.17
(III) Capital invested or reduced by shareholders	-	-	-	-	-	-	-	-	-	-
1. Capital invested by shareholders	-	-	-	-	-	-	-	-	-	-
2. Share payment accounted into shareholders' equity	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-
(IV) Profit distribution	-	-	-	-	-	-	-	-	-	-



1.Withdrawl of surplus reserves	-	-	-	-	-	-	-	-	-	-
2. Dividend distribution to shareholders	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-
(V) Internal settlement and transfer of shareholders' equity	-	-	-	-	-	-	-	-	-	-
1. Capital reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transferred to share capital	-	-	-	-	-	-	-	-	-	-
IV. Balance of end of this year	602,762,596.00	288,769,132.47	332,908,397.60	166,801,175.43	1,391,241,301.50	602,762,596.00	288,769,132.47	332,908,397.60	234,504,714.54	1,458,944,840.61

II. Annotations of the financial statements

(I.) Company Profile

Shenzhen Nanshan Power Co., Ltd (hereinafter called as “Company”) was reorganized to be a joint-stock enterprise from a foreign investment enterprise in 1993, upon the approval of General Office of Shenzhen Municipal Government with Document Shen Fu Ban Fu No.897 in 1993. When transformed, the Company’s total capital was 103,000,000 Yuan with paper value per share 1 Yuan.

After approved by Document Shen Zhu Ban Fu No. 179 in 1993 issued by Shenzhen Securities Regulatory Office, the Company offered 40,000,000 RMB common shares and 37,000,000 foreign exchange shares listed in China respectively to domestic and overseas investors, which were listed in Shenzhen Securities Exchange respectively on Jul 1, 1994 and Nov 28, 1994. After the offering, the Company’s total capital increased to 180,000,000 Yuan. After several later dividend distributions and stock allotments, the Company’s capital increased to 602,762,596 Yuan on June 30, 2011.

The Company together with its subsidiaries (hereafter referred as the Company) is mainly engaged in businesses as production of power and heat, plant constructional, oil trader, property developmental, construction technology consultation and sludge drying.

No controlling shareholder and actual controller exist in the Company, Shenzhen Energy Corporation (hereafter referred as the Energy Group) is the first largest shareholder of the Company.

(II) Preparation basis of Financial Statements

1. Preparation basis of Financial Statements

The Company executes the Accounting Standard for Business Enterprises issued by MOF on February 15, 2006. Moreover, the Company disclosed relevant financial information complied with the Preparation Rules on Information Revelation for the Company with Securities Public Offering No. 15 – General Rules of Financial Report (Revised 2010)

The Company takes the accrual system as the bookkeeping basis of accounting auditory. In addition to some financial instruments of fair value measurement, the Financial Statements are measured on the basis of historic cost. As for the assets impairment, available is the corresponding impairment provision accrued in line with the relevant rules.

2. Declaration of obedience to corporate accounting principles

The Financial Statements are up to requirements of corporate accounting principles, and also a true and thorough reflection to the Company together with its financial information as consolidated financial position on 30th June 2011, and the Company together with its consolidated operation results, and consolidated cash flow in the first half of 2011.

3. Accounting period

The Group’s accounting year is Gregorian calendar year, namely from 1st January to 31st December.

4. Bookkeeping standard currency

RMB is the currency in the Group’s main business economic environment and the bookkeeping standard one, which is adopted in preparation of the financial statements.

5. Accounting methods for consolidation of enterprises under the same control or otherwise

The combination was divided into enterprise consolidation under the same control and the one not under the same control

5.1 Consolidation of enterprises under the same control

The enterprises involved in the consolidation are all under the final control of one party or parties and the control is not temporary. That is the corporate consolidation under the common control.

The difference between the book value of the net assets and the consideration value with total book value of stock is used for reserve adjustment while it is used for retained earnings adjustment as not sufficient for eat up part of reserve.

Directly related expenses for corporate combination are reckoned into the current loss/gain

5.2 Consolidation of enterprises not under the same control and goodwill

The enterprises involved in the consolidation are ones not under the same final control of the common party or parties before and after the consolidation. That is the corporate consolidation under the different control.

The consolidation cost is assets paid for and the liabilities responsible for the obtaining of the control right from the purchased party, together with the fair value of the equity instruments offered. For merger under different control done through multiple trades by step, the merger cost is the sum of consideration paid at purchased day and the fair value of equity of bought party before purchasing on purchased date. For equity of bought party held before purchasing, re-measured by fair value on purchased date, and the difference of fair value and its book value should reckoned into current investment income; For equity of bought party held before purchasing but with other consolidation income involved, the other consolidation income related to them should transferred into current investment income at purchased date.

Measured on fair value on the purchase day are the recognizable assets, liabilities or the contingent liabilities obtained in the consolidation and recognized as qualified. Measured by fair value is consolidation cost and recognized assets of the purchaser. The plus difference between fair values of the consolidation cost and the recognized net assets is recognized as business fame in form of an item of assets and calculated initially by cost while as for the minus one, firstly the measurements of consolidated cost and fair value of the recognizable assets, liabilities or contingent liabilities was checked, and the consolidated cost which was checked and less than the fair value of the net assets obtained from the purchased party is reckoned into current loss/gain.

Goodwill formed by enterprise consolidation will list independently in consolidation financial statement and measure by the cost after accumulated impairment provision deduction. Impairment test on goodwill should verify at end of the every year at least.

The test is taken in accordance with the relevant assets group or portfolio of groups. Namely, the book value of the fame is diluted reasonably into the relevant group from the purchase day; the assets loss is recognized if the sum receivable of the assets group or the portfolio of the diluted business fame is lower than the book value. The impairment loss abates the book value of the business fame diluted into the group or the portfolio firstly and then abates book value of other assets proportionally according to the proportion of the book value of other assets.

The recoverable sum is the higher one between the net of assets fair value less disposal expenses and the current value of the future cash flow. The assets fair value is determined by the sales agreement price in the fair trade. As for the assets not in the sales agreement but in the active market, their fair value is determined by the offering price of the purchaser; as for the assets neither in the agreement nor in the active market, their fair value is based on the best information receivable. The disposal expenses are composed of the law expense, relevant tax, cartage, and the actual direct expenses enable the assets to be available. The assets current value of future cash flow is determined according to the future expected cash flow in the continual use and the final disposal and the appropriate discount rate.

Goodwill impairment will be included in current loss and gains and not be written back in subsequent fiscal periods as soon as it was recognized.

6. Preparation methods for corporate consolidated statements

The scope is determined on the basis of control. The control is right to decide another enterprise's accounting and operation policies and obtain the interest according to the latter enterprise's operation.

For subsidiaries being disposed, their business result and cash flow before the disposal day (losing power of control day) have been appropriately demonstrated in the consolidated income statement and cash flow statement.

Subsidiaries added as merger of enterprises under different control, their operation results and cash flow from the beginning of purchasing day (gaining power of control day) have been appropriately demonstrated in the consolidated income statement and consolidated cash flow statement. And the comparison amount and period-begin amount in the consolidated financial statement shall not be adjusted.

Subsidiaries added as merger of enterprises under common control, their operation results and cash flow from the beginning of current term to the merger day have been appropriately demonstrated in the consolidated profit statement and consolidated cash flow statement.

The subsidiaries' main accounting policies and period are determined by the Company's uniform ones. All substantive accounts of transactions between the Company and its subsidiaries or among the subsidiaries are balanced out in consolidation.

The amount not attributable to the parent company is the minority shareholders' equity and is listed in the consolidated balance sheet as minority shareholders' equity. The amount attributable to minority shareholders' equity of current net loss/gains of subsidiaries is listed in the net profit item of consolidated profit as minority shareholders' equity.

When the share of losses attributable to the minor shareholders has exceeded their shares in the owners' equity at the beginning of term attributable to minority shareholders in the subsidiary, the balance shall offset the minor shareholders' equity.

Concerning the purchasing of minority shareholders' equity from subsidiary or the transaction of partial equity investment disposal without control rights loss in the subsidiary, calculated them as equity transaction. And reflect relevant equity changes in the subsidiary for adjusting the owners' equity attributable to parent company and book value of minority shareholders' equity. Difference between the adjusted amount on minority equity and fair value of consideration received/paid will adjust as capital reserve, adjust as income retained while capital reserve fail for off-setting.

For control rights loss in original subsidiary for partial equity investment disposal or other reasons, the remained equity should re-measured based on the fair value at date of control losses. The difference between the net assets of original subsidiary share by proportion held that sustainable calculated since purchased date and sum of consideration obtained by equity disposal and fair value of remain equity, reckoned into the current investment income of control rights loss. The other consolidation income related to original subsidiary's equity investment will transfer to current investment income while control rights loss.

7. Determination criteria of cash equivalent in cash flow statements

Cash is the corporate storage cash and deposits available for payment anytime. Cash equivalents are investment of short-term, strong mobility and easy transfer to known sum cash, and slight risk of value vibration.

8. Foreign currency exchange

The current rate of the trading day is adopted in the initial recognition of the foreign exchange.

Foreign monetary items are converted at the current rate on the assets/liabilities statements' day, for the exchange difference due to inconsistency of the current exchange rate on that day and in the initial recognition or on the last balance sheet day, in addition to: (1) the foreign specific borrowing difference up to the

capitalization conditions reckoned into the relevant assets cost via capitalization; (2) difference of the hedging instruments for avoidance of the foreign exchange risk handled by the hedging accounting methods; (3) difference of the non-monetary items and from the changes of the book value of financial assets in addition to the diluted cost all reckoned into the current loss/gain.

Non-monetary items measured in historical cost are still measured by sum on the bookkeeping standard currency at the current exchange rate. The items measured by the fair value are converted at the current rate on the fair value recognition day. The difference is dealt as the fair value change and reckoned into the current loss/gain or recognized as the other consolidated income and reckoned into the reserve.

9. Financial instruments

Being party of the Contract of Financial Instruments, the Company recognized a financial assets or financial liabilities. At initial recognition, financial assets and financial liabilities are measured by fair value.

Concerning the financial assets and financial liabilities that measured by fair value but with variation reckoned into current gains/loss, relevant transaction expense counted into gains/loss directly; for other category financial assets and financial liabilities, relevant transaction expense counted into initial recognition amount.

9.1 Recognition of fair value

The fair value is sum for assets exchange or debts payment between the trading parties. As for instrument in active market, the fair value is adopted according to the quotation in the active market. As for the instruments not in the active market, the fair value is recognized by the estimation technology. The technology is composed of the price in the latest fair trade, fair value according to the fundamentally same instruments, cash flow discount and stock price-setting model.

9.2 Actual interest rate

Actual interest rate is the method for calculation of amortized cost and interest income/expenditure of every period by actual interest rate of financial assets or financial liabilities (a set of financial assets or financial liabilities included). Discount the future cash flow of financial assets/liabilities that in predicted continuance or applicable shorter terms to the rate used in current book value of financial assets/liabilities consider as the actual interest rate.

While calculating actual interest rate, the Company will predict the future cash flow (without future credit loss consideration) on base of all contract clause of financial assets/liabilities consideration, take the vary expenses, belong to actual interest rate that paid/received between contract parties, transaction expenses & discount and premium as well as into consideration.

9.3 Classification, reorganization and measurement of financial assets

On initial confirmation, the financial assets are divided into: financial assets measured by fair value and of which the changes are recognized to be current profit/loss, receivables, tradable financial assets and held-to-maturity investments. The financial assets are bought or sold by the regular way, and recognized or terminated to be recognized according to the trading day accounting.

The assets are loans and account receivable.

Loan and the account receivable

The assets are the un-derivative financial assets without quotation in the active market, steady or recognizable recoverable sum. The assets are composed of bill receivable, account receivable, receivable equity and other account receivable.

The actual interest rate and the diluted cost are adopted in the follow-up measurement of loan and account receivable. Gain or loss is reckoned into the current gain/loss upon the recognition termination, impairment or dilution.

9.4 Impairment of financial assets

Except for financial assets accounted at fair value and variation accounted into current gain/loss account, the Company undertake inspection on the book value of other financial assets at each balance sheet day, whenever practical evidence showing that impairment occurred with them, impairment provisions are provided. The practical evidence of impairment for financial assets refers to the items that has influence on the predicted future cash flow of financial assets, and the influences could be measured reliably by the enterprise which were actually occurred after the initial recognition of financial assets.

Objective evidence for impairment of financial assets is composed of the following events observable:

- (1) Severe financial difficulties of offering party or debtor;
- (2) Breach of the contract, as in payment of interest or principal or payment overdue;
- (3) Recession making for debtors by creditors inconsideration of economic or legal factors;
- (4) Probable bankruptcy or other financial restructuring of debtors;
- (5) Incapability of trading the financial assets in the market as the offering party's substantive financial difficulties;
- (6) Incapability of recognize whether cash flow of certain assets decreases or not but the discovery after the general evaluation that as can be measured, the expected future cash flow surely decreases since the initial recognition, including:
 - Gradual worsening of the debtor's solvency for the group financial assets
 - Incidents of the probable chance to cause the group financial assets unable to be paid in the debtors' country or district;
- (7) Material unfavorable changes in the debtor's operation environment of technology, market, economy and law;
- (8) Severe or permanent fall-down in fair value of equity instrument investment;
- (9) Other objective evidence to prove the impairment of the financial assets.

- Loss of impairment of financial assets measured by diluted cost

Loss of impairment of financial assets measured by diluted cost is written down into the present value of future expected cash flow (un-occurred future credit losses excluded) that converted by original actual interest rate of the financial assets. The written-down sum is recognized as the impairment loss and reckoned into the current loss/gain. After the recognition of impairment of the above assets, if there is practical evidence to show that the asset has recovered, which is related to events following up the loss, the previous impairment loss is taken back. The book value of the assets transferred back into the impairment loss is not above the diluted cost supposedly un-accrued on the transfer day.

The Company performs impairment test separately on individual financial assets with major amounts; for financial assets without major amounts, the Company performs impairment test separately or inclusively in a group of financial assets with similar characteristics of risks. Those financial assets (individual financial assets with or without major amounts) tested separately with no impairment found shall be tested again along with the group of financial assets with similar risk characteristics. Financial assets confirmed for impairment individually shall not be tested along with the group of financial assets with similar risk characteristics.

9.5 transfer of financial assets

As for the financial assets up to the following conditions, the recognition termination is available: (1) Termination of the contract right to take the cash flow of the financial assets; (2) transferred to the transferring-in party nearly all risk and compensation; (3) all risk and compensation neither transferred nor retained, and with the give-up of the control over the financial assets.

As for financial assets of almost all risk and compensation neither transferred nor retained, and without the give-up of the control over the financial assets, it was recognized according to the extension of the continual entry into the transferred financial assets and relevant liabilities are correspondingly recognized. The continual entry into the transferred financial assets is risk level which the enterprise faces up to due to the assets changes.

As for the whole transfer of the financial assets up to the recognition termination conditions, the book value of the transferred assets, together with the difference between the consideration value and the accumulative total of the fair value change of the other consolidated income, is reckoned into the current gain/loss.

As for the partial transfer of the financial assets up to the recognition termination conditions, the book value of the transferred assets is diluted on the relative fair value between the terminated part and the un-terminated part; and reckoned into the current loss/gain is the difference between the sum of the consideration value and the accumulative sum of the valuation change ought to be diluted into the recognition termination part but into the other consolidated income, and the above diluted book value, is reckoned into the current loss/gain.

9.6 Categorizing, recognition and measuring of financial liabilities

Financial liabilities or equity instrument is recognized by the substance of financial instrument listed in contract and the definition of financial liabilities and equity instrument for the financial instruments issued by the Company.

At initial recognition, financial liabilities are classified into financial liabilities measured by fair value with changes counted into current gains/losses and other financial liabilities.

Financial liabilities of the Company refer to other financial liabilities.

Other financial liabilities

The follow-up measurement by the cost is taken on the derivative financial liabilities which is hooked with the stock instrument without the quotation in the active market and the reliable measurement, and settled by handing over the stock instrument. The follow-up measurement at the actuarial rate and by the diluted cost is taken on the other financial liabilities.

9.7 Termination recognition of financial liabilities

Only is released the whole or part of the current duties, the termination of the liabilities or part of it is available. The Group (the creditor) signed the agreement with the debtor: the existing liabilities are replaced by the bearing of the new liabilities; and the contract terms are fundamentally different of the new liabilities and the existing ones; the termination of the recognition of the existing ones is available; and the recognition of new ones is available.

As for the whole or partial termination of the recognition of the liabilities, the difference between the book value of the part of recognition termination and the consideration value paid (including the non-cash assets transferred out or the liabilities newly beard) is reckoned into the current loss/gain.

9.8 Balance-out between the financial assets and liabilities

As the Company has the legal right to balance out the financial liabilities by the net or liquidation of the financial assets, the balance-out sum between the financial assets and liabilities is listed in the balance sheet. In addition, the financial assets and liabilities are listed in the balance sheet without being balanced out.

9.9 Stock instrument

The stock instrument is the contract to prove the holding of the surplus stock of the assets with the deduction of all liabilities in the Company. When issuing other stock instruments, the consideration value received in offering with the deduction of trading expense is used for increasing the shareholders' equity. The Company's all distribution (shares dividend excluded) to the holders of the stock instrument will decrease the shareholders' equity. The Company does not recognize the fair value change sum of the stock instrument.

10. Account receivable

10.1 Accounts receivable with significant amount and single provision for bad debt

Determination basis and amount standard of items with single significant amount	The single account receivable above RMB 2 million is recognized as single substantive account receivable
Accrual methods of bad account preparation for single substantive account receivable	The Company takes the independent impairment test on the single substantive account. As for the account receivable without the impairment in the test, it is included in the account receivable portfolio of the similar credit risk characters for the impairment test. As for the account receivable with the recognition of impairment loss, it is not included in the account receivable portfolio of the similar credit risk characters for the impairment test

10.2 providing of bad debt provisions on account receivable by combination

Recognition basis of combination	
account receivable with individual minor amount and with individual major amount but without impairment found after separately testing	The Company believed that the account receivable with individual minor amount and with individual major amount but without impairment found after separately testing has a lower credit risk. The Company withdrwal no bad debt provision unless evidence of major credit risk on certain account receivable been found.

10.3 account receivable with individual minor amount but withdrwal bed bedt provision singly

Reasons for bad bedt provision singly	If there is evidence proving that the credit risk of certain account receivable is big, the bad debt provision for account receivable should be accrued individually.
Methods for bad debt provision	Specific Identification Method

11. Inventory

11.1 Categories of inventory

The Company's inventory mainly consists of fuels, raw materials and developing products in process. The inventory is measured initially by cost. The cost for developing products consists of the land transfer capital, supporting infrastructure expenditure, construction installation projects expenditure, the loan expense before the completion of the development projects and the other relevant expenses in the development. Other inventory cost consists of the purchase cost, process cost, and other expenditure enables the inventory to arrive at the present place and the sate to occur.

11.2 Valuation method of inventory delivered

The actual cost of the property development products delivered is recognized by the individual valuation method. The actual cost of other inventories delivered is recognized by the weighted average method.

11.3 Recognition basis of net realizable value of inventory, and accrual methods of preparation for inventory depreciation

On the balance sheet day, the inventory is measured by the lower one between the cost and the net realizable value. As the net realizable value is lower than the cost, the inventory depreciation provision is accrued. The net realizable value is balance of the estimated sale price less the estimated forthcoming cost upon the completion, the estimated sale expense, and the relevant tax in the daily activities. Upon the recognition of net realizable value of the inventory, the concrete evidence is based on and the purpose of holding the inventory and the influence of events after the balance sheet day are considered.

As for the inventory of large sum and lower price, the inventory depreciation provision is accrued by the inventory categories. As for the inventory related to the product series produced and sold in the same district, of the same or similar final use or purpose and impossible to be separated from the other items, the provision is consolidated and accrued. The provision for other inventory is accrued by the difference between the cost and net realizable value.

Upon the accrual of the inventory depreciation provision, if the previous influence factors on the inventory deduction disappeared, which resulted in the net realizable value being higher than its book value; the accrual is transferred back within the previous accrual of the provision and reckoned into the current gain/loss.

11.4 Inventory system

The inventory system is perpetual inventory system.

12. Long-term equity investment

12.1 Recognition of investment cost

For the long-term equity investment formed by corporate merger, if it is the long-term equity investment obtained from the corporate merger under the same control, the share of book value of owner's equity on the merger date shall be taken as the investment cost. The merger cost of long-term equity investment obtained through the corporate merger under different control shall be taken as the investment cost of long-term equity investment. Concerning the corporate merger under different control with many transactions, the long-term equity investment cost refers to the total amount of book value of equity investment on purchasee held before the purchased day and newly added investment cost in purchased day. The other equity investment besides the long-term equity investment formed by corporate merger shall conduct initial measurement according to its cost.

12.2 Follow-up measurement and gain/loss recognition

12.2.1. Long-term equity investment checked by the cost

As for the long-term equity investment without the common control over or significant influence on the invested units, the quotation in the active market and a reliable measurement of the fair value, it is measured by the cost. In addition, long-term equity investment to subsidiary of the Company adopted the cost method for calculation in financial statement. Subsidiary refers to the invested units that control by the Company.

Upon the cost check, the investment is valued on the initial cost. In addition to the actual prices or the announced but yet undistributed cash dividend or profit in consideration valuation, the current investment return is recognized by the announced cash dividend or profit by the invested units.

12.2.2. Long-term equity investment checked by the equity

Investment to associated enterprise and joint ventures by the Company adopted equity method for calculation. Associated enterprise refers to the invested units that the Company has significant influence on it while joint venture refers to the invested units that controlled by the Company and other investors together.

When equity basis is adopted, if the initial cost of the long-term equity investment is greater than the share of fair value of the receiver's recognizable net asset, the initial investment cost of the long-term equity investment will not be adjusted; if the initial cost of the long-term equity investment is less than the share of fair value of the receiver's recognizable net asset, the balance shall be counted into current income account, and the cost of long-term equity investment shall be adjusted.

When equity basis is adopted, investment gain/loss of the current term is the share of net gains or losses of the investment receiver of the current year. Recognition of the share of net gains or losses of the investment receiver shall be on the basis of fair value of recognizable asset of the receiver when the investment was made, and recognized after adjustment on the net profit of the receiver in accordance with the Company's accounting

policies and accounting period. For the gain/loss due to unrealised internal trade between the Company and co-operations, the share of the Company in this gain/loss shall be neutralized, and investment gains shall be recognized upon them. But the losses from unrealised trade between the Company and investment receivers which are regarded as losses from asset transferring shall not be neutralized. Change of equities of the investment receiver other than net gains or losses shall be counted into shareholders' equity, and the book value of long-term equity investment shall be adjusted correspondingly and recognized as other miscellaneous income and recorded in capital reserves.

Recognition of the share of net loss by the investment receiver shall be limited to when the book value of long-term equity investment and other long-term equity forms substantial net investment has been reduced to zero. Beside, if the Company is responsible for other losses of the investment receiver, predicted liability shall be recognized upon the prediction of responsibilities and recorded into current investment loss account. If the receiver realized net profit in the period thereafter, the share of gains is recovered after making up of share of losses which has not been recognized.

12.2.3 Disposal of long-term equity investment

When disposal of long-term equity investment, the difference between the book value and actual price received shall be accounted into current gains/losses. For long-term equity investment accounted on equity basis, the part originally accounted into shareholders' equity is carried over to current gains/losses at corresponding rate when disposed.

12.3 Recognition standards the common control over and significant influence on the invested units

Controlling power means the power over the firm's financial and operational decision-making, and can obtain profit from the operation of such firm. Mutual control means the controlling power on particular activity hold together with others against particular contract, and shall only take effect when all of the investment parties has collective affirmative opinions on the major financial or operational issues. Significant influence means the power to participate in decision-making but cannot control or collectively control the same. At considering of substantial control or significant influence of a firm, the potential voting right factors such as current convertible bonds or executable subscription options have been considered.

12.4 Impairment testing and basis of impairment provision

Impairment testing is performed on the long-term equity investment at each balance sheet date. In case of there is evidence showing impairment has occurred, the recoverable amount shall be assessed. If the recoverable amount is lower than the book value, the impairment provision shall be provided at the difference and accounted into current income account.

Once the impairment loss of a long-term equity investment is recognized, it shall not be written back in subsequent fiscal periods.

13. Investment real estate

Investment real estate is defined as the real estate with the purpose to earn rent or capital appreciation or both, including the rented land use rights and the land use rights which are held and prepared for transfer after appreciation, the rented buildings.

Investment real estate is measured according to the initial cost. The follow-up expenses that are related to investment real estate, if the economic interests related to the assets are is likely to inflow cost and its costs can be reliably measured, shall be included in the cost of investment real estate. The other follow-up expense shall be included in the current gains/losses.

The Company adopts the cost model to have follow-up measurements of the investment real estate, and to conduct depreciation or amortization according to the policies that are in consistent with the land use rights.

Impairment testing is performed on investment real estate at each balance sheet day. When evidence showing that impairment has occurred, the recoverable value shall be assessed. Assessment of recoverable value is based on individual asset. If the recoverable value was hard to evaluate separately, it shall be decided along with the group of assets it belongs to. If the recoverable value of an asset is lower than its book value, the balance shall be provided for impairment provision and accounted into current gains/losses.

Once impairment of investment real estate was recognized, it will not be written back in the subsequent fiscal periods.

The difference of the income from the sale, transfer, dispose of the investment real estate deducting the book value and relevant taxes shall be included in the gains and losses of the current period.

14. Fixed assets

14.1 Recognition conditions for the fixed assets

Fixed assets is defined as the tangible assets which are held for the purpose of producing goods, providing services, lease or for operation & management, and have more than one fiscal year of service life. The fixed assets recognized on the condition of economy benefit probably in-flow into the Company and the cost should measured reliably only. Initial measurement shall be conducted on fixed assets according to the actual cost when obtain them and also considering the expected costs for disposal.

Concerning the follow-up expenses related to fixed assets, if the relevant economy benefit of fixed assets probably in-flow into the Company and can be measured reliably, reckoned into cost of fixed assets and terminated the recognition of the book value of the parts that been replaced. Others follow-up expenses should reckoned into current gains/losses while occurred.

14.2 Depreciation of various fixed assets

From the next month since reaching the intended use state, depreciations on fixed assets shall be accounted by using the method of average life length except the steam turbine generating unit that accounted by withdrawal the working volume method.

Life expectancy, expected net impairment value and annual depreciation rate of all assets are as follows:

Item	Life expectancy	Salvage value rate	Annual depreciation rate
Houses and buildings	20 years	10%	4.50%
Equipment (fuel machinery group excluded)	10 years	10%	9%
Equipment--fuel machinery group (note)		10%	The work quantity method
Transportation tools	5-10 years	10%	9%-18%
Other equipment	5 years	10%	18%

Estimated salvage value refers to the amount of value retrieved after deducting of predicted disposal expense when the expected using life of a fixed asset has expired and in the expected state of termination.

Note: Steam turbine generating unit that accounted by withdrawal the working volume method, the specifications are as follows:

Name	Fixed assets	Depreciation sum (RMB/hour)
The Company	No.1 Power Group	4,225.09
	No.3 Power Group	4,401.76

	No.7 Power Group	4,407.11
Shenzhen New Power Industrial Co., Ltd. (New Power Company)	No.10 Power Group	3,954.47
Shenzhen Nanshan Power (Zhongshan) Co., Ltd ("Zhongshan Power")	No.1 Power Group	1,911.87
	No.2 Power Group	688.66
	No.3 Power Group	1,902.68
	No.4 Power Group	693.18
Shennandian (Dongguan) Weimei Co., Ltd ("Weimei Power Company")	No.1 Power Group	2,009.43
	No.2 Power Group	585.11
	No.3 Power Group	1,980.18
	No.4 Power Group	585.08

14.3 Impairment test on fixed asset and providing of impairment provision

Impairment testing is performed on fixed asset at each balance sheet day. When evidence showing that impairment has occurred, the recoverable value shall be assessed. Assessment of recoverable value is based on individual asset. If the recoverable value was hard to evaluate separately, it shall be decided along with the group of assets it belongs to. If the recoverable value of an asset is lower than its book value, the balance shall be provided for impairment provision and accounted into current gains/losses.

Once fixed asset impairment is recognized, it shall not be written back in subsequent fiscal periods.

14.4 Other remarks

The Company rechecks, at least at the end of each year, the useful life, estimated net residual value, and total hours of power generation of gas turbine generator units and depreciation method of fixed assets. In case of any change to the above said items, it will be treated as change of accounting estimate

Terminated the recognition of fixed assets that in the status of disposal or pass through the predicted usage or without no economy benefits arising from disposal. Income from treatment of fixed asset disposing, transferring, discarding or damage, the balance after deducting of book value and relative taxes is recorded into current income account.

15. Construction-in-progress

Cost of construction in process is determined at practical construction expenditures, including all expenses during the construction, capitalized loan expenses before the construction reaches useful status, and other relative expenses. No depreciation accrued on construction in progress. It is transferred to fixed asset as soon as the construction reaches the useful status.

Impairment testing is performed on construction in process at each balance sheet day by the Company. When evidence showing that impairment has occurred, the recoverable value shall be assessed. Assessment of recoverable value is based on individual asset. If the recoverable value was hard to evaluate separately, it shall be decided along with the group of assets it belongs to. If the recoverable value of an asset is lower than its book value, the balance shall be provided for impairment provision and accounted into current gains/losses.

Once impairment of construction in progress impairment is recognized, it shall not be written back in subsequent fiscal periods.

16. Borrowing expenses

Borrowing expenses that can be directly attributed for purchasing or construction of assets that are complying with capitalizing conditions start to be capitalized when the payment of asset and borrowing expenses have already occurred, and the purchasing or production activities in purpose of make the asset usable have started; Capitalizing will be terminated as soon as the asset that complying with capitalizing conditions has reached its usable or saleable status. The other borrowing expenses are recognized as expenses when occurred.

Interest expenses practically occurred at the current term of a special borrowing are capitalized after deducting of the bank saving interest of unused borrowed fund or provisional investment gains; Capitalization amounts of common borrowings are decided by the weighted average of exceeding part of accumulated asset expenses over the special borrowing assets multiply the capitalizing rate of common borrowings adopted. Capitalization rates are decided by the weighted average of common borrowings.

17. Intangible assets

17.1 Intangible assets

Intangible assets including land-use right and rights of patent etc

The intangible assets are subject to initial measurement at cost. Those intangible assets with limited useful life are evenly amortized on straight basis from the date when they become useable to the end of expected useful life. The intangible assets with un-certain service life should not be amortized.

The useful life and amortization method of intangible asset with limited useful life is rechecked at the end of the period.

17.2 Impairment test method of intangible assets & calculation method of depreciation reserve

The Company checks, on every balance sheet date, whether the intangible asset with certain useful life shows evidence of possible depreciation. If any, its recoverable amount will be estimated. The recoverable amount of assets is estimated on the basis of individual asset. If it is difficult to estimate the recoverable amount of individual asset, the recoverable amount of asset group will be determined on the basis of the belonging asset group of the assets. If the recoverable amount of the assets is less than its book value, the assets depreciation reserve will be accrued according to their balance and counted in the current gains/losses.

The intangible assets with uncertain service life and those not yet up to the serviceable condition are subject to impairment test annually whether there is evidence of depreciation.

Once intangible asset impairment loss was recognized, shall not be written back in subsequent fiscal periods.

18. Long-term expenses to be amortized

Long-term amortizable expenses are those already occurred and amortizable to the current term and successive terms for over one year. Long-term amortizable expenses are evenly amortized to the benefit period.

19. Predicted liabilities

Responsibilities connected to contingent issues are the current liability undertaken by the Company and the liability has the probability of result in financial benefit outflow and the responsibility can be measured reliably for its value.

At balance sheet day, with reference to the risks, uncertainty and periodic value of currency that connected to the contingent issues, the predicted liabilities are measured according to the best estimation on the payment to fulfil the current responsibility. If the monetary value has significant influence, than recognized the best estimation amount based on discount of predicted future cash flow.

If the expenses for clearing of predictive liability is fully or partially compensated by a third party, and the compensated amount can be definitely received, it is recognized separated as asset. The compensated amount shall not be greater than the book value of the predictive liability.

20. Recognition of income

20.1 Goods sales revenue

When significant risks and rewards of ownership of goods have been transferred to buyer, no continuous management right regularly related to ownership is retained, no effective control is conducted on goods sold, moreover, amount of income may be measured in a reliable way, relevant economic profit may have flown into enterprise and relevant incurred cost or to be incurred may be measured in a reliable way, implementation of goods sales revenue will be confirmed.

20.2 Revenue from Providing Labor Service

Under the condition of service providing business can be estimated in a reliable way, relevant economic benefit is likely to flow into enterprise, completion degree of business may be estimated in a reliable way and relevant incurred cost and to be incurred may be measured in a reliable way, the revenue from labor service providing recognized. Relevant service revenue may be confirmed by the Company as percentage-of-completion method on balance sheet date. Completion degree of service business will be determined as share of incurred service cost in estimated general cost.

If result of service providing business can't be estimated in a reliable way, service revenue should be confirmed as amount of incurred service cost expected to be compensated, where incurred service cost is taken as period charge. If no compensation is expected for incurred service cost, income won't be confirmed.

21. Government grant

Government subsidies are those monetary and/or non-monetary assets obtained from the government by free. Government subsidies are recognized when satisfied the attached qualification of government grant and receivable on hand.

Those government grants of monetary assets are measured at the amount received or receivable. Non-monetary government grants are measured at fair value. If no fair value is available, nominal amount will be adopted. Government subsidies measured at nominal amount are accounted into current gains/losses directly.

Asset-related government grants are recognized as deferred income and accounted into current gains/losses evenly upon their service life.

Those income-related government grants used to neutralize relative expenses and losses of successive periods are recognized as deferred income and accounted into current income at the period when the expenses are recognized; those used to neutralize relative expenses and losses which have already occurred are accounted into current gains/losses directly.

If confirmed government grant needs to be surrendered, for government grant with relevant balance of deferred income, book balance of relevant deferred income will be offset while remnant will be included in current profit and loss. On the contrary, for government grant without relevant deferred income, it will be directly in current gain and loss.

22 Deferred income tax asset/ deferred income tax liability

Income tax expense includes current income tax and deferred income tax.

22.1 Current income tax

On balance sheet date, current income tax liability (or asset) formed during and before current period will be measured as amount of income tax payable (or repayable) as specified by tax law.

22.2 Deferred income tax asset & deferred income tax liability

For balance of book value of some asset/liability item and its tax base, or temporary difference derived from balance of book value and tax base of the item, which is not confirmed as asset or liability but tax base can be fixed as specified by tax law, deferred income tax asset & deferred income tax liability will be confirmed in balance sheet liability approach.

Generally, all temporary difference shall be recognized as relevant deferred income tax. But concerning the deductible temporary difference, relevant deferred income tax asset may be confirmed subject to amount of taxable income which is likely to be acquired to deduct deductible loss and taxation decrease in the future. Furthermore, for taxable temporary difference, which is related to initial recognition for goodwill and asset or liability produced by transaction which neither is business combination nor affects accounting profit and taxable income (or deductible loss), relevant deferred income tax liability won't be confirmed.

For deductible loss and taxation decrease which can be carried over to following fiscal year, relevant deferred income tax asset may be confirmed subject to amount of taxable income which is likely to be acquired to deduct deductible loss and taxation decrease in the future.

The Company recognized deferred income tax liabilities arising from taxable temporary differences of investment related between the subsidiaries, associated enterprise and joint ventures, unless the Company control time of switch-back on temporary differences and the difference will not be switch-back probably in predicted future. For those deductible temporary differences related to investment with subsidiaries, associated enterprise and joint ventures, the Company have deferred income tax assets recognized on the condition of temporary differences might probably carry-back in predicted future and in the future, have the probability obtained taxable amount that should be deducted the deductible temporary differences.

At the balance sheet day, those deferred income tax assets and income tax liabilities, according to the tax law, calculation will be on tax rate applicable to retrieving period of assets or clearing of liabilities.

Other current income tax and deferred income tax or income reckoned into current gains/loss except the followed: the current income tax and deferred income tax related to the transaction and event of other consolidation income or shareholders' equity reckoned, counted into other consolidation income or shareholders' equity together with the book value of goodwill adjusted of deferred income tax arising from enterprise merger.

At the balance sheet day, verification will be performed on the book value of deferred income tax assets. If it is not possible to obtain enough taxable income to neutralize the benefit of deferred income tax assets, then the book value of the deferred income tax assets shall be reduced. Whenever obtaining of taxable income became possible, the reduced amount shall be restored.

When accounting with net amount is a stipulated rights, and tending to account with net amount or acquire of asset and clearing of debts are performed simultaneously, the income tax asset and liabilities of the current term are accounted at net amount after neutralization.

When accounting of income tax asset and liabilities of current term with net amount is the stipulated rights, and the income tax asset and liabilities are related to the same subject recognized by the same taxation authority, or to the different subjects but within each period of writing back the deferred income tax asset and liabilities with great importance, and tending to account with net amount or acquire of asset and clearing of debts are performed simultaneously, the income tax asset and liabilities of the current term are accounted at net amount after neutralization.

23. Operational leasing and financial leasing

Finance lease is to virtually transfer all risks and rewards related to ownership of asset. Leases other than finance lease are operating leases.

23.1 Lease business with the Company as the rentee

The rental is reckoned into the relevant assets cost or the current loss/gain in the linear way. The initial direct expenses are reckoned into the current gain/loss, or the actual rental into the current loss/gain.

23.2 Lease business with the Company as the rentor

The rental is reckoned into the relevant assets cost or the current loss/gain in the linear way. The initial direct substantive expenses are capitalized and reckoned into the current gain/loss, or the actual rental into the current loss/gain. The initial direct small expenses are reckoned into the current actual gain/loss, or the actual rental into the current loss/gain.

24. Other Main Accounting Policies, Estimations and Preparation Method

24.1 Employee wages

Except for the compensation for labor contract termination, the payable employee wages in the accounting period of service provided by employee of the Company were recognized as liabilities.

The Company participates in social security system for employee set up by government department as specified, including basic pension insurance, medical insurance, and housing fund and other systems. Expenses involved will be included in relevant cost of asset and current profit and loss when actually incurred.

The Company will sever labor relation with employee prior to expiration of labor contract, or encourage employee to voluntarily accept layoff and put forward suggestion on compensation. If we have formulated formal plan for severing labor relation or put forward voluntary layoff suggestion and plan to put into effect meanwhile the plan and suggestion can't be withdrawn unilaterally, estimated liability produced by compensation for severing labor relation with employee will be confirmed and included in current profit and loss.

24.2 Debt restructures

24.2.1. Obligation of recording debt restructuring as debtor

For debt liquidated with cash, balance between book value of debt to be restructured and amount of actual payment will be included in current gain and loss. On the contrary, for debt liquidated with non-cash asset, balance between book value of debt to be restructured and fair value of non-cash asset transferred will be included in current gain and loss. Balance between fair value of non-cash asset transferred and book value of debt to be restructured will be included in current gains and loss.

When debt is transferred to capital, balance between book value of debt to be restructured and fair value of loaner's share derived from disclaim will be included in current gains and loss.

When other terms of debt are modified, fair value of debt after modification will be taken as entry value of restructured debt. Balance between book value of debt prior to restructuring and debt restructured will be included in current gain and loss.

When combination of multiple modes is applied, book value of debt to be restructured will be offset by cash for payment, fair value of non-cash asset transferred and fair value of loaner's share successively, then applicable method under modification mentioned above will be applied.

24.2.2. Obligation of recording debt restructuring as loaner

For debt liquidated with cash, balance between book balance of credit to be restructured and cash received

will be included in current gain and loss. On the contrary, for debt liquidated with non-cash asset, balance between book balance of credit to be restructured and fair value of non-cash asset received will be included in current gain and loss.

When debt is transferred to capital, balance between fair value of loaner's share and book balance of credit to be restructured will be included in current gain and loss.

When other terms of debt are modified, fair value of credit after modification will be taken as book value of credit to be restructured. Balance between book balance of debt prior to restructuring and book value of credit restructured will be included in current gain and loss.

When combination of multiple modes is applied, book balance of credit to be restructured will be offset by cash received, fair value of non-cash asset received and fair value of loaner's share successively, applicable method under modification mentioned above will be applied.

When depreciation reserve has been accrued in credit to be restructured, accrual depreciation reserve will be offset by balances above. Remnant after offset will be included in current gain and loss.

(III) Taxes

1. Main taxation items and its tax rate

Taxation items	Calculation bases	Tax rate
VAT	Balance of current output tax deducting current input tax	Output tax calculated based on the 13% or 17% of the sales volume regulated by Tax Law
Business tax	Income of business	3% or 5%
City maintenance tax	VAT and business tax actually paid	7%
Education surtax	VAT and business tax actually paid	5%
Enterprise income tax (Note 1)	Taxable income	16.5% to 25%
Real estate tax	Calculated by the original value of real estate deducting 30%; rent income of the real estate	1.2% for the remaining sum of real estate; 12% for the rent income of the real estate
Land-use tax of town	Land occupation actually area	RMB 4.00 per Square meter

Note1: Tax rate of the enterprise income tax for the Company and its subsidiaries are shown as follows:

Name of the Company and its subsidiaries	Tax rate of enterprise income tax	
	2011	2010
The Company	24%	22%
Shenzhen New Power Industrial Co., Ltd. (New Power)	24%	22%
Shennan Power Gas Turbine Engineering Technique Co., Ltd. ("Engineering Co.,")	24%	22%
Shenzhen Xiepu Fuel Supply Co., Ltd.	24%	22%

(“Xiefu Fuel Supply”)		
Shennandian Environment Protection (“Environment Co.,”)	24%	22%
Zhongshan Power Grid	24%	22%
Weimei Power Grid	24%	22%
SHENNAN ENERGY (SINGAPORE) PTE LTD (“Shennan Singapore”)	20%	20%
Zhongshan Shenzhong Real Estate Development Co., Ltd. (“Shenzhong Development Co.,”)	25%	25%
Zhongshan Shenzhong Real Estate Investment Property Co., Ltd. (“Shenzhong Property Investment”)	25%	25%
Huidong Xiefu Harbour Comprehensive Development Co., Ltd. (“Huidong Xiefu Co.,”)	25%	25%
Huidong Harbour Development Co., Ltd. (“Huidong Harbour Co.,”)	25%	25%
HONG KONG SYNDISOME CO., LIMITED (“Syndisome Co.,”)	16.50%	16.50%

The Company, New Power, Engineering Co., Xiefu Fuel Supply and Environment Co., are the enterprise that established in the special economic zone. Zhongshan Power Grid and Weimei Power Grid are the foreign-investment enterprises that engaged in the manufacture of energy. The applicable income tax rate of the abovementioned subsidiaries and the Company was 15% before 1 January 2008. Since 1 January 2008, the tax rate will gradually turns to 25% in five years. The Company and abovementioned subsidiaries apply 24% tax rate in the report period.

2. Taxes preferential and approvals

Tax	Name of the company	Relevant regulation and policies basis	Approval institution	Approval documents	Exemption range	Period of validity
Enterprise income tax	Weimei Power Grid	Enterprise Income Tax Law of People’s Republic of China and Notice of Transition Preferential Policy on Enterprise Income Tax from State Council. (State IssueNo.39 [2007])	Inapplicable	Inapplicable	Two years free-tax and three years half-taxes on enterprise income tax since 2008.	2008.1.1~2012.12.31
Enterprise income tax	Zhongshan Power Grid	Enterprise Income Tax Law of People’s Republic of China and Notice of Transition Preferential Policy on Enterprise Income Tax from State Council. (State IssueNo.39 [2007])	Inapplicable	Inapplicable	Two years free-tax and three years half-taxes on enterprise income tax since 2008.	2008.1.1~2012.12.31

(IV) Enterprise merger and Consolidated Financial Statement

Particular about subsidiaries

1. Subsidiaries obtained through establishment or investment

Unit: RMB

Full name of the subsidiaries	Type of subsidiaries	Register place	Business nature	Register capital	Business scope	Actual investment ending Jun. 30 of 2011	Other item balance of net investment towards subsidiaries	Proportion shares held (%)	Proportion of voting right (%)	Consolidated statement Yes/No
Xiefu Fuel Supply Co., (note)	Limited Liability	Shenzhen	Trading	53,300,000.00	Self-business of fuel and agent for import-export	26,650,000.00	N/A	50	50	Yes
New Power Co.,	Jointed enterprise(H. K-capital)	Shenzhen	Power generation	113,850,000.00	Technical development on wasted-heat usage, power generation by wasted-heat and fuel power	113,850,000.00	N/A	100	100	Yes
Zhongshan Power Grid	Jointed enterprise(H. K-capital)	Zhongshan	Power generation	396,800,000.00	Fuel power and power generation by wasted-heat	317,440,000.00	N/A	80	80	Yes
Engineering Co.,	Jointed enterprise(H. K-capital)	Shenzhen	Engineering consultation	10,000,000.00	technical consultation and relevant maintenance and inspection on running equipments for the union cycle power station by fuel gas and steam	13,520,000.00	N/A	100	100	Yes
Weimei Power Grid	Jointed enterprise(H. K-capital)	Dongguan	Power generation	35,040,000.00 USD	Establishment and operation of natural gas power station	208,102,049.76	N/A	70	70	Yes
Environment Co.,	Jointed enterprise(H. K-capital)	Shenzhen	Engineering	79,000,000.00	Sludge drying	79,004,403.00	N/A	100	100	Yes
Huidong Xiefu Co.,	Limited Liability	Shenzhen	Pier operation	8,620,000.00	Establishment and operation of comprehensive pier and its affiliated facilities	6,465,001.00	N/A	84	84	Yes
Huidong Harbor Co.,	Limited Liability	Shenzhen	Pier operation	10,000,000.00	Establishment and operation of general cargo pier, oil product pier, oil depot and affiliated facilities	5,500,000.00	N/A	55	55	Yes

Note: the Company holds 50% equity of the Xiefu Fuel Supply, and occupied majority voting rights in Xiefu Fuel Supply. Therefore, collected Xiefu Fuel Supply into the consolidated scope for actually controlling owned by the Company.

2. Subsidiaries obtained through merger under no common control

Unit: RMB

Full name of the subsidiaries	Type of subsidiaries	Register place	Business nature	Register capital	Business scope	Actually invested capital at period-end	Other item balance of net investment towards subsidiaries	Proportion shares held (%)	Proportion of voting right (%)	Consolidated statement Yes/No
Shennan Singapore Co.,	Limited Liability	Singapore	Trading	1,500,000.00 SGD	gas turbine and its spares and fuel agents	1,500,000.00 SGD	-	100	100	Yes
Shenzhong Development Co.,	Limited Liability	Zhongshan	Real estate development	177,800,000.00	real estate investment, property management, sales of self-owned commercial houses, rental and investment	-	-	75	75	Yes
Shenzhong Property Investment ”	Limited Liability	Zhongshan	Real estate development	60,000,000.00	real estate investment, property management, sales of self-owned commercial houses, rental and investment	-	-	75	75	Yes
Syndisome Co., (note 1)	Limited Liability	Hong Kong	Import-export trading	200,000.00 HKD	import-export trading	200,000.00 HKD	-	100	100	Yes

Note: On December 5, 2008, ShenNan Singapore Company and ShenYe Investment and Management Co., Ltd signed the Share Transfer Agreement on the Purchase and Selling 2000 Shares of the Common Stock of HONGKONGSYNDISOME CO., LIMITED, (Hein after referred to as ShenYe Investment Company), ShenNan Singapore Company is to transfer 100% stock right which it has of Syndisome Company to ShenYe Investment Company at the consideration of 393,885,100.00 Hong Kong dollar. According to this Transfer Agreement, ShenYe Investment Company should pay 1,000,000.00 Hong Kong dollars on the date of transfer agreement, and pay the remaining transfer money within the six months after the date. Up to the approval day of this financial statements, ShenYe Investment Company hasn't yet paid 392,885,100.00 Hong Kong dollar of the remaining transfer money, so the Company still possess the actual control right over Syndisome Company, therefore will include it into the Consolidation scope of the Consolidation financial statements.

(V) Notes to Consolidated Financial Statement

1. Monetary capital

Unit: RMB

Items	2011-6-30			2010-12-31		
	Amount of foreign currency	Exchange Rate	Amount of RMB	Amount of foreign currency	Exchange Rate	Amount of RMB
Cash:						
RMB	-	-	216,660.79	121,987.47	1.00	121,987.47
HKD	82,656.91	0.83	68,737.49	82,656.91	0.85	70,332.77
USD	10,822.53	6.47	70,039.07	995.22	6.62	6,591.04
EUO	1,017.87	9.36	9,528.48	1,017.87	8.81	8,963.88
Bank savings:						
RMB	-	-	505,756,546.40	575,020,508.91	1.00	575,020,508.91
HKD	5,335,635.82	0.83	4,437,114.75	5,369,706.06	0.85	4,569,082.89
USD	1,538,888.47	6.47	9,959,070.60	1,658,289.85	6.62	10,982,356.19
SGD	70,879.81	5.24	371,714.99	22,144.87	5.12	113,361.80
Other monetary capital:						
RMB (Note)	-	-	118,686,412.80	10,488,747.90	1.00	10,488,747.90
USD	737.04	6.47	4,769.83	737.04	6.62	4,881.19
Total			639,580,595.19			601,386,814.04

Note: was the guarantee margin and credit card savings. As at 30 June 2011, the restrained margin amounting to RMB 10,000,000.00 (RMB 10,000,000 as at 31 December 2010).

2. Note receivable

Unit: RMB

Type	2011-6-30	2010-12-31
Bank Acceptance Bill	-	700,000.00

At the end of report period, the note receivable in advance decrease 100% over year-begin, mainly caused by the due of note receivable in this period.

3. Account receivable

(1) Account receivable classified according to types:

Unit: RMB

Type	2011-6-30				2010-12-31			
	Balance at book		Bad debt provision		Balance at book		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Account receivable with individual	10,426,731.34	1.11%	4,580,704.34	92.13%	12,135,091.34	2.32%	4,580,704.34	37.75%

major amount and withdrawal bad debt provision independently								
Accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	928,468,451.10	98.72%	-	0.00%	508,090,413.69	97.08%	-	-
Account receivable with individual minor amount but withdrawal bad debt provision independently	1,646,915.10	0.18%	391,079.10	7.87%	3,138,555.10	0.6%	391,079.10	12.46%
Total	940,542,097.54	100.00%	4,971,783.44	100.00%	523,364,060.13	100%	4,971,783.44	0.95%

The Group recognized account receivable with over RMB 2 million (RMB 2 million included) as significant single amounts.

Age analysis of account receivable:

Unit: RMB

Age	2011-6-30				2010-12-31			
	Amount	Proportion (%)	Bad debt provision	Book value	Amount	Proportion (%)	Bad debt provision	Book value
Within 1year	928,865,562.10	98.76%	-	928,865,562.10	508,292,525.93	97.12%	-	508,292,525.93
1 to 2years	300,000.00	0.03%	15,000.00	285,000.00	-	-	-	-
2 to 3years	6,263,319.00	0.67%	626,043.00	5,637,276.00	6,358,317.76	1.21%	641,043.00	5,717,274.76
Over 3 years	5,113,216.44	0.54%	4,330,740.44	782,476.00	8,713,216.44	1.67%	4,330,740.44	4,382,476.00
Total	940,542,097.54	100.00%	4,971,783.44	935,570,314.10	523,364,060.13	100%	4,971,783.44	518,392,276.69

(2) Account receivable with individual minor amount but withdrawal bad debt provision independently at period-end:

Unit: RMB

Content of account receivable	Balance of Book	Withdrawal amount of bad debt provision	Withdrawal proportion (%)	Reasons
Account of engineering receivable	1,646,915.10	391,079.10	23.75%	Un-recover partially for overdue

(3) There are no account receivable of the shareholders who hold over 5 % (5% included) voting rights in report period.

(4) Top 5 companies in account receivables

Unit: RMB

Name of the company	Relationship between the Company	Amount	Age	Proportion in total account receivable (%)
Bureau of Finance of Shenzhen Municipality	Government institution	402,652,045.62	Within 1 year	42.81%
Finance Bureau of Dongguan	Government institution	160,216,341.40	Within 1 year	17.03%
Guangdong Power Grid Corporation of Shenzhen Bureau	Non-related client	142,419,266.01	Within 1 year	15.14%
Guangdong Power Grid Corporation	Non-related client	121,639,636.76	Within 1 year	12.93%
Bureau of Finance of Zhongshan Municipality	Government institution	99,029,138.80	Within 1 year	10.53%
Total		925,956,428.59		98.45%

(5) Period-end accounts receivable increased by 80.485 over year-begin mainly due to subsidies for fuel power increased.

4. Account paid in advance

(1) Account paid in advance classified according to age:

Unit: RMB

Age	2011-6-30		2010-12-31	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	23,966,176.11	97.54%	12,746,630.59	94.21%
1 to 2 years	290,003.98	1.18%	542,468.58	4.01%
2 to 3 years	21,504.71	0.09%	21,224.71	0.16%
Over 3 years	293,578.01	1.19%	219,578.01	1.62%
Total	24,571,262.81	100.00%	13,529,901.89	100%

(2) Top 5 companies in account paid in advance:

Unit: RMB

Name of the company	Relationship	Amount	Duration	Reasons for
---------------------	--------------	--------	----------	-------------

	between the Company			unsettlement
Shenzhen Nangang Power Project Co., Ltd	Non-related supplier	9,034,000.00	Within 1year	Purchase paid in advance
Shenzhen Dapeng LNG Sales Co., Ltd	Non-related supplier	6,525,887.12	Within 1year	Natural gas fee paid in advance
Shenzhen Xishun Industry Development Co., Ltd	Non-related supplier	3,074,637.62	Within 1year	Natural gas fee paid in advance
Xinjiang Guanghui LNG Development Co., Ltd Branch in Qishan	Non-related supplier	1,591,651.15	Within 1year	Natural gas fee paid in advance
Xinjiang Guanghui LNG Development Co., Ltd Transportation Branch in Qishan	Non-related supplier	1,002,312.35	Within 1year	Natural gas fee paid in advance
Total		21,228,488.24		

(3) There are no account paid in advance of the shareholders who hold over 5 % (5% included) voting rights in report period.

(4) Reporting period-end accounts paid in advance increased by 81.61% over year-begin mainly due to fuel fess paid in advance.

5. Other account receivable

(1) Other account receivable classified according to type:

Unit: RMB

Type	2011-6-30				2010-12-31			
	Book amount		Bad debt provision		Book amount		Bad debt provision	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Account receivable with individual major amount and withdrawal bad debt provision independently	26,237,404.46	49.21%	26,237,404.46	87.68%	26,237,404.46	52.08%	26,237,404.46	100%
Accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	18,992,690.29	35.62%	0.00	0.00%	18,742,661.50	37.21%	-	-
Account	8,091,938.69	15.18%	3,686,910.48	12.32%	5,394,398.21	10.71%	3,686,910.48	68.35%

receivable with individual minor amount but withdrawal bad debt provision independently								
Total	53,322,033.44	100.00%	29,924,314.94	100.00%	50,374,464.17	100%	29,924,314.94	59.4%

The Group recognized other account receivable with over RMB 2 million (RMB 2 million included) as significant single amounts.

Other account receivable classified according to age:

Unit: RMB

Age	2011-6-30				2010-12-31			
	Amount	Proportion (%)	Bad debt provision	Book value	Amount	Proportion (%)	Bad debt provision	Book value
Within 1 year	17,122,527.47	32.11%	-	17,122,527.47	14,174,958.20	28.14%	-	14,174,958.20
1 to 2 years	4,352,781.54	8.16%	-	4,352,781.54	4,352,781.54	8.64%	-	4,352,781.54
2 to 3 years	81,091.50	0.15%	-	81,091.50	81,091.50	0.16%	-	81,091.50
Over 3 years	31,765,632.93	59.57%	29,924,314.94	1,841,317.99	31,765,632.93	63.06%	29,924,314.94	1,841,317.99
Total	53,322,033.44	100.00%	29,924,314.94	23,397,718.50	50,374,464.17	100%	29,924,314.94	20,450,149.23

(2) Period-end account receivable with individual minor amount but withdrawal bad debt provision independently:

Unit: RMB

Content of other account receivable	Book balance	Withdrawal amount of bad debt provision	Withdrawal proportion (%)	Reasons
Shenzhen Gaiya Environment Technology Co., Ltd	1,496,448.19	1,496,448.19	100.00%	Unrecovered for overdue
Other	6,595,490.50	2,190,462.29	33.21%	Unrecovered for partial overdue
Total	8,091,938.69	3,686,910.48	45.56%	

(3) There are no other account receivable of the shareholders who hold over 5 % (5% included) voting rights in report period.

(4) Top 5 companies in other account receivable

Unit: RMB

Name of the company	Relationship between the Company	Amount	Duration	Proportion in total other account receivable (%)
Huiyang Kangtai Industrial Co.,	Project cooperation party	14,311,626.70	Over 3 years	26.84%
Shenzhen Dapeng LNG Sales Co., Ltd	Non-related client	10,032,000.00	Within one year	18.81%
Shenzhen Nanshan Investment Management Company	Non-related client	5,895,738.00	Over 3 years	11.06%
JINAN POWER EQUIPMENT	Non-related client	3,560,000.00	Over 3 years	6.68%

FACTORY				
Income tax advance for another	Inapplicable	2,470,039.76	Over 3 years	4.63%
Total		36,269,404.46		68.02%

6. Inventory

(1) Classification of inventory

Unit: RMB

projects	2011-6-30			2010-12-31		
	Book balance	Depreciation provision	Book value	Book balance	Depreciation provision	Book value
Fuels	30,446,511.42	400,686.44	30,045,824.98	164,666,409.63	3,121,172.54	161,545,237.09
Raw materials	154,183,988.83	17,199,322.54	137,040,994.29	144,530,444.66	17,199,322.49	127,331,122.17
Land Space Needed to Development	1,130,806,783.73	45,603,631.85	1,085,203,151.88	1,109,099,484.65	45,603,631.85	1,063,495,852.80
Total	1,315,437,283.98	63,203,640.83	1,252,289,971.15	1,418,296,338.94	65,924,126.88	1,352,372,212.06

In the balance of inventory at period-end, amount for loan pledge totally to RMB 234,171,184.79 (as at 31 December 2010: RMB 229,163,561.16).

In the balance of inventory at period-end, the capitalizing loan expenses amounting to RMB 145,453,033.22 (as at 31 December 2010: RMB 124,204,731.24). The capitalizing loan expense of this year was RMB 21,248,301.98 and the capitalizing rate was 5.31%.

(2) Depreciation provision of inventory

Unit: RMB

Inventory type	2010-12-31	Accruing amount at this year	Decrease in this year		Book balance ending 2011-6-30
			Reversal	Charge-off	
Fuels	3,121,172.54	-	-	2,720,486.05	400,686.49
Raw materials	17,199,322.49	-	-	0.00	17,199,322.49
Development cost of real estate	45,603,631.85	-	-	0.00	45,603,631.85
Total	65,924,126.88	-	-	2,720,486.05	63,203,640.83

7. Other current assets

Other current assets shown by category:

Unit: RMB

Category	2011-6-30			2010-12-31		
	Amount	Devaluation provision	Net amount	Amount	Devaluation provision	Net amount
Long-term assets held for sale	-	-	-	5,875,631.20	1,633,199.83	4,242,431.37

Period-end other current assets decreased by 100% over year-begin mainly due to Shenzhong Development

Company sold cogeneration equipment.

8. Investment for affiliated enterprises

Unit: RMB

Invested company	The Company Proportion of share holding (%)	Voting rights in invested company Proportion of voting right held by the Company (%)	2011-6-30 Total assets	2011-6-30 Total liabilities	2011-6-30 Total net assts	Jan.-Jun of 2011 Total income	Jan.-Jun of 2011 Net profit (loss)
Affiliated enterprises							
Jiangxi CPI Xinchang Power Generation Co., Ltd. (Jiangxi Xinchang for short)	30%	30%	4,464,167,187.19	3,890,014,599.43	574,152,587.76	1,214,937,820.40	-139,368,268.36

9. Long-term equity investment

Details of long-term equity investment:

Unit: RMB

Invested company	Calculati on method	Initial investment cost	2010-12-31	Increase/decre ase(+,-)	Balance ending Jun. 30 of 2011	Proportion of share holding in invested company (%)	Proportion of voting rights in invested company (%)	Explanation on the incongruity in share holding proportion and voting proportion in invested company	Impairment provision	Impairm ent provision of accruing this year	Cash bonus this year
Jaingxi Xinchang Co.,	Equity method	286,285,715.0 0	227,103,274.30	-39,857,497.4 8	187,245,776.8 2	30%	30%	-	-	-	-
Petro-Chemic al Co.,	Cost method	2,500,000.00	2,500,000.00		2,500,000.00	4%	4%	-	2,500,000.00	-	-
Shenzhen Energy Environment	Cost method	41,790,000.00	41,790,000.00	47,881,000.00	89,671,000.00	10%	10%	-	-	-	-

Co., Ltd.											
CPI Jiangxi Nuclear Power Co., Ltd.	Cost method	37,315,000.00	37,315,000.00		37,315,000.00	5%	5%	-	-	-	-
Total		421,986,115.00	308,708,274.30	8,023,502.52	316,731,776.82				2,500,000.00	-	-
Less: devaluation provision			2,500,000.00	-	2,500,000.00						
Net amount of long-term equity investment			306,208,274.30	8,023,502.52	314,231,776.82						

10. Investment real estate

Unit: RMB

Item	2010-12-31	Increased this year	Decreased this year	2011-6-30
I. Total original book value	9,708,014.96	-	-	9,708,014.96
1. House, buildings	9,708,014.96	-	-	9,708,014.96
2. Land-use right	-	-	-	-
II. Total accumulated depreciation and accumulated amortization	4,399,244.98	215,382.21	-	4,614,627.19
1. House, buildings	4,399,244.98	215,382.21	-	4,614,627.19
2. Land-use right	-	-	-	-
III. Total net book value of investment real estate	5,308,769.98		-	5,093,387.77
1. House, buildings	5,308,769.98		-	5,093,387.77
2. Land-use right	-			-
IV. Total depreciation provision of investment real estate	-			-
1. House, buildings	-			-
2. Land-use right	-			-
V. Total book value of investment real estate	5,308,769.98	-	-	5,093,387.77
1. House, buildings	5,308,769.98	-	-	5,093,387.77
2. Land-use right	-	-	-	-

11. Fixed assets

(1) Change of fixed assets

Unit: RMB

Items	2010-12-31	Increased this year	Decreased this year	2011-6-30
I. Total original book value:	4,220,935,520.11	140,904,312.47	529,397.65	4,361,310,434.93
Including: House and buildings	447,729,795.72	-	-	447,729,795.72
Machinery equipment	3,675,038,036.84	140,406,377.61	521,597.65	3,814,922,816.80
Transportation means	33,968,349.80	400,167.00	-	34,368,516.80
Other equipment	64,199,337.75	97,767.86	7,800.00	64,289,305.61
II. Total accumulated depreciation:	2,018,728,112.00	104,352,084.82	484,308.05	2,122,595,888.77
Including: House and buildings	185,153,139.13	7,470,207.39	-	192,623,346.52
Machinery equipment	1,754,084,729.67	95,365,577.25	477,288.05	1,848,973,018.87
Transportation means	27,898,786.75	556,002.89	-	28,454,789.64
Other equipment	51,591,456.45	960,297.29	7,020.00	52,544,733.74
III. Total net book value of fixed assets	2,202,207,408.11			2,238,714,546.16
Including: House and buildings	262,576,656.59			255,106,449.20

Machinery equipment	1,920,953,307.17			1,965,949,797.93
Transportation means	6,069,563.05			5,913,727.16
Other equipment	12,607,881.30			11,744,571.87
IV. Total impairment provision	32,981,137.38	-	-	32,981,137.38
Including: House and buildings	25,686,723.89	-	-	25,686,723.89
Machinery equipment	7,030,159.76	-	-	7,030,159.76
Transportation means	85,146.84	-	-	85,146.84
Other equipment	179,106.89	-	-	179,106.89
V. Total book value of fixed assts	2,169,226,270.73	-	-	2,205,733,408.78
Including: House and buildings	236,889,932.70	-	-	229,419,725.31
Machinery equipment	1,913,923,147.41	-	-	1,958,919,638.17
Transportation means	5,984,416.21	-	-	5,828,580.32
Other equipment	12,428,774.41	-	-	11,565,464.98

Note: including, RMB 17,179,080.82 increased due to purchase, RMB 123,725,231.65 increased due to transfer in of construction in process, and RMB 529,397.65 decreased mainly due to disposal.

(2)Temporary stranded fixed assets

Unit: RMB

Items	Original book value	Accumulated depreciation	Impairment provision	Net book value
Balance at period-begin:	466,268,043.17	405,890,620.56	8,329,271.25	52,048,151.36
Including: House and buildings	2,489,600.00	94,720.48	2,394,879.52	-
Machinery equipment	463,752,743.17	405,792,912.04	5,932,755.20	52,027,075.93
Transportation means	3,200.00	-	200.00	3,000.00
Other equipment	22,500.00	2,988.04	1,436.53	18,075.43
Balance ending 2011-6-30	466,242,343.17	405,887,632.52	8,327,634.72	52,027,075.93
Including: House and buildings	2,489,600.00	94,720.48	2,394,879.52	-
Machinery equipment	463,752,743.17	405,792,912.04	5,932,755.20	52,027,075.93
Transportation means	-	-	-	-
Other equipment	-	-	-	-

(3)Fixed assets with un-finished property certificate

Unit: RMB

items	Original value	Net value	Reason for un-finished property certificate	Prediction of the property certificate finished
Booster station	11,416,072.09	8,126,583.98	Acceptance of project completion still in process	2011
Steam turbine plant	4,221,136.27	3,073,472.20		
Chemical water building	7,050,395.16	5,095,904.86		
Treatment plant of residue	1,357,924.60	990,691.19		
Pump house of fire-protection	709,475.99	517,311.03		
Recycle pump house	4,487,508.99	3,260,059.88		

Comprehensive building	7,076,356.29	5,332,035.89		
Production maintenance building	9,860,653.25	8,218,360.53		
Administration building	10,138,618.59	8,449,849.99		
Total	56,318,141.23	43,064,269.55		

12. Project in construction

(1) Particulars about projects in construction:

Unit: RMB

Items	2011-6-30			2010-12-31		
	Book balance	Provision for devaluation	Book net amount	Book balance	Provision for devaluation	Book net amount
Oil to Gas Works	41,909,353.41	14,790,696.15	27,118,657.26	41,087,274.71	14,790,696.15	26,296,578.56
Comprehensive building projects of recycling economy	16,608,825.06	-	16,608,825.06	13,255,379.33	-	13,255,379.33
Heat and power projects of recycling economy	7,478,636.05	-	7,478,636.05	7,160,526.05	-	7,160,526.05
Equipment Improvement Project	11,680,335.40	-	11,680,335.40	9,684,185.63	-	9,684,185.63
Cogeneration of heat and electricity Project	10,847,011.94	-	10,847,011.94	8,882,713.73	-	8,882,713.73
Technical transformation projects	7,070,194.51	-	7,070,194.51	2,505,000.00	-	2,505,000.00
Sludge drying project	4,987,004.53	-	4,987,004.53	126,728,860.05	-	126,728,860.05
Others	2,309,513.62	-	2,309,513.62	2,216,233.29	-	2,216,233.29
Total	102,890,874.52	14,790,696.15	88,100,178.37	211,520,172.79	14,790,696.15	196,729,476.64

(2) Changes of significant projects in construction

Unit: RMB

Budget Number	2010-12-31	Increase of this year	Transferred fixed assets	Other decrease	Proportion of project investment in budget (%)	Project progress	Budget Number	2011-6-30
Oil to Gas Works	153,200,000.00	41,087,274.71	822,078.70	-	-	27.36%	27.36%	41,909,353.41
Comprehensive building projects of recycling economy	35,000,000.00	13,255,379.33	3,353,445.73	-	-	47.45%	47.45%	16,608,825.06
Heat and power projects of recycling economy	30,000,000.00	7,160,526.05	318,110.00	-	-	24.93%	24.93%	7,478,636.05
Equipment Improvement Project	-	9,684,185.63	1,996,149.77	-	-		0.00%	11,680,335.40
Cogeneration of heat and electricity Project	45,700,000.00	8,882,713.73	1,964,298.21	-	-	23.74%	23.74%	10,847,011.94
Technical transformation projects	9,380,000.00	2,505,000.00	4,565,194.51	-	-	75.38%	75.38%	7,070,194.51
Sludge drying project	346,337,000.00	126,728,860.05	1,983,376.13	123,725,231.65	-	1.44%	1.44%	4,987,004.53
Others	-	2,216,233.29	93,280.33	-	-			2,309,513.62
Total		211,520,172.79	15,095,933.38	123,725,231.65	-			102,890,874.52

(3) Provision for devaluation of projects in construction

Unit: RMB

Item	2010-12-31	Increase of this year	Decrease of this year	2011-6-30	Reason for accruing
Oil to gas project	14,790,696.15	-	-	14,790,696.15	

13. Intangible assets

Unit: RMB

Items	2010-12-31	Increase of this year	Decrease of this year	2011-6-30
I. Total book original value	95,836,143.29	-	-	95,836,143.29
Including: land use right	95,600,235.88	-	-	95,600,235.88
Software	235,907.41	-	-	235,907.41
II. Total accumulated amortization	26,484,148.07	1,493,104.50	-	27,977,252.57
Including: land use right	26,274,255.40	1,475,225.58	-	27,749,480.98
Software	209,892.67	17,878.92	-	227,771.59
III. Total net value of Intangible assets	69,351,995.22			67,858,890.72
Including: land use right (Note 5)	69,325,980.48			67,850,754.90
Software	26,014.74			8,135.82
IV. Total provision for devaluation	5,115,063.71	-	-	5,115,063.71
Including: land use right	5,115,063.71	-	-	5,115,063.71
Software	-	-	-	-
V. Total book value of intangible assets	64,236,931.51		-	62,743,827.01
Including: land use right	64,210,916.77		-	62,735,691.19
Software	26,014.74	-	-	8,135.82

14. Long-term expense prepaid

Unit: RMB

Item	2010-12-31-	Increase amount of this year	Amortization amount of this year	Other decrease amount	2011-6-30
Improvements expenses of fixed assets from operating lease	273,212.64	-	113,057.34	-	160,155.30

15. Deferred income tax assets

Unit: RMB

Items	2011-6-30	2010-12-31
Deferred income tax assets:		
Provision for bad debts of accounts receivable	983,843.73	983,843.73
Other provision for bad debts of accounts receivable	1,012,702.11	1,012,702.11
Provision for inventory devaluation	749,081.41	749,081.41
Staff salary payable	1,014,310.56	1,014,310.56
Provision for devaluation of long-term equity investment	625,000.00	625,000.00

Other	239,467.33	239,467.33
Total	4,624,405.14	4,624,405.14

16. Particulars about provision for assets devaluation

Unit: RMB

Items	2010-12-31	Increase of this year	Decrease of this year		2011-6-30
			Rewind	Resellers	
I. Provision for bad debts	34,896,098.38	-	-	-	34,896,098.38
II. Provision for inventory devaluation	65,924,126.88	-	-	2,720,486.10	63,203,640.78
III. Provision for devaluation of long-term equity investment	2,500,000.00	-	-	-	2,500,000.00
IV. Provision for fixed assets devaluation	32,981,137.38	-	-	-	32,981,137.38
V. Provision for projects in construction	14,790,696.15	-	-	-	14,790,696.15
VI. Provision for intangible assets devaluation	5,115,063.71	-	-	-	5,115,063.71
VII. Other devaluation provision	1,633,199.83	-	-	-	1,633,199.83
Total	157,840,322.33	-	-	2,720,486.10	155,119,836.23

17. Short-term loan

Unit: RMB

Items	2011-6-30	2010-12-31
Pledge loan	937,000,000.00	700,000,000.00
Credit loan	2,350,500,000.00	2,412,400,000.00
Total	3,287,500,000.00	3,112,400,000.00

18. Notes payable

Unit: RMB

Category	2011-6-30	2010-12-31
Bank acceptance bill	38,049,000.00	-

Period-end notes payable increased by 100% over year-begin mainly due to bank acceptance drafts increased of this period.

19. Accounts payable

(1) Particulars about accounts payable is as follow:

Unit: RMB

Items	2011-6-30	2010-12-31
CNOOC Gas & Power Group Co., Ltd.	215,981,341.93	41,806,080.04
Shenzhen Nangang Power Project Co., Ltd	5,455,302.00	9,160,098.52

Zhanjiang Hengyuan Transport Co., Ltd	4,546,077.54	1,502,327.83
Shenzhen Xishun Industry Transport Co., Ltd	1,186,177.69	141,178.41
Thermal Equipment Co., Ltd. Wuxi family	1,162,469.80	1,362,469.80
Huasheng Filters (Shenzhen) Co., Ltd.	493,800.00	680,680.33
Langkun Mechanical and Electrical Co., Ltd. Shenzhen	1,836,000.00	-
Xinhui Electric Control Equipment Factory Co., Ltd. in Jiangmen City	1,388,000.00	-
Fushun Huyou Energy Equipment Factory	1,253,000.00	-
Guangzhou Star River Electronics Technology Co., Ltd.	1,049,650.00	-
Other	9,337,273.52	6,462,603.68
Total	243,689,092.48	61,115,438.61

(2) Accounts payable in this reporting period exclude payments for shareholders whose 5% (including 5%) voting right equity was held by the Company.

(3) There exists no notes payable with above 1 year account age in the group.

(4) Accounts payable at the end of reporting period increased by 298.74% compared to the one at year-begin, mainly due to increased natural gas fuel accounts payable.

20. Accounts received in advance

(1) Particulars about accounts received in advance

Unit: RMB

Item	2011-6-30	2010-12-31
Project accounts received in advance	422,000.00	24,210,498.66
Transfer amount for unit capacity received in advance	14,586,000.00	14,586,000.00
sale of fuel oil received in advance	8,082,662.53	477,842.60
Total	23,090,662.53	39,274,341.26

(2) Accounts received in advance in this reporting period exclude payments from shareholders whose 5% (including 5%) voting right equity was held by the Company.

(3) Accounts received in advance at reporting period-end decreased by 41.21% compared to the one at year-begin, mainly due to decreased projects accounts.

21. Staff salary payable

Unit: RMB

Items	2010-12-31	Increase of this year	Decrease of this year	2011-6-30
I. Salary, bonus, grants and subsidies	35,136,058.44	45,822,079.98	55,863,123.44	25,095,014.98
II. Welfare fees for staffs	-	-	-	-
III. Social insurance premium	795,465.82	4,352,109.56	4,044,925.41	1,102,649.97
Including: medical insurance	126,913.93	1,017,286.24	991,345.38	152,854.79
Old-age insurance	570,135.63	3,195,336.85	2,945,692.44	819,780.04
Unemployment insurance	36,930.79	49,084.29	41,868.97	44,146.11
Work injury insurance	59,996.94	80,141.63	57,603.64	82,534.93

Maternity insurance	1,488.53	10,260.55	8,414.98	3,334.10
IV. Housing fund	1,828,835.46	1,566,872.85	2,509,119.60	886,588.71
VI. Union funds and employee education expenses	1,715,337.35	1,070,903.32	802,359.43	1,983,881.24
VI. Annuity	5,926,920.26	272,740.48	3,880,226.74	2,319,434.00
VII. Others	30,333.37	3,200.00	26,887.66	6,645.71
Total	45,432,950.70	53,087,906.19	67,126,642.28	31,394,214.61

Period-end salary payable decreased by 30.9% over year-begin mainly due to salaries accrued in previous years had been paid.

22. Tax payable

Unit: RMB

Items	2011-6-30	2010-12-31
Value-added tax	-486,359,771.70	-516,271,620.82
Operating tax	991,824.60	2,038,956.43
Corporate Income Tax	-4,099,276.12	8,069,776.38
Personal Income Tax	2,917,087.72	1,646,774.92
Land use fees	1,107,682.34	1,137,583.80
Real Estate Tax	1,473,605.31	1,770,165.58
Others	439,934.50	414,945.62
Total	-483,528,913.35	-501,193,418.09

23. Interest payable

Unit: RMB

Item	2011-6-30	2010-12-31
Long-term loan interest with principal of installed interest payment and due repayment of seed capital	-	204,536.00
Interest payable of short-term loan	64,122,312.85	59,143,503.27
Total	64,122,312.85	59,348,039.27

24 Other accounts payable

(1). Particulars about other accounts payable:

Unit: RMB

Item	2011-6-30	2010-12-31
Zhongshan Xingzhong Group Co., Ltd.('Xingzhong Group')	182,152,108.65	182,152,108.65
Zhongshan Finance Bureau	24,321,200.00	24,321,200.00
Project expense	11,636,542.90	15,750,790.11
Temporary option contract amount	13,905,656.99	13,905,656.99
Insurance premium	4,495,703.06	7,384,578.88
Shenzhen South Harbor Power Engineering Co., Ltd.	-	6,417,095.00

Grants for Board of Directors	-	2,928,060.85
Nanjing South Harbor Power Equipment Installation Co., Ltd.	1,806,600.00	2,719,200.00
Hangzhou Boiler Plant Engineering Materials Co., Ltd.	2,564,600.00	2,486,189.74
Shenzhen Custom	-	2,200,000.00
Wuxi Shijia Heat Energy Equipment Co., Ltd.	-	1,088,000.00
Others	50,173,888.63	27,415,767.12
Total	291,056,300.23	288,768,647.34

(2) Condition of balance of other accounts payable in this reporting period of units which held 5% (including 5%) voting right equity of the Company

25. Non-current liabilities due within one year

(1) Particulars about non-current liabilities due within one year:

Unit: RMB

Items	2011-6-30	2010-12-31
Non-current liabilities due within 1 year	200,000,000.00	50,000,000.00

(2) Particulars about long-term loan due within one year:

Unit: RMB

Items	2011-6-30	2010-12-31
Guarantee loans	200,000,000.00	50,000,000.00

(3) The top five long-term loans due within one year

Unit: RMB

Loan unit	Loan start date	Loan termination date	Currency	Rate (%)	2011-6-30
HXB Shenzhen Branch	2009-09-01	2011-09-01	RMB	5.76	50,000,000.00
HXB Shenzhen Branch	2010-04-01	2012-04-01	RMB	5.76	50,000,000.00
HXB Shenzhen Branch	2010-04-01	2012-04-01	RMB	coterminous rate down by 10%	100,000,000.00

(4) Period-end non-current liabilities due within 1 year increased by 300% over year-begin mainly due to long-term loan due within 1 year increased.

26. Long-term loan

(1) Category of long-term loan

Unit: RMB

Items	2011-6-30	2010-12-31
Pledge loan	36,000,000.00	186,000,000.00

(2) Top 5 units with largest long-term loan

Unit: RMB

Credit units	Commencement date of loan	Ending date of loan	Currency	Rate (%)	2011-6-30
China Merchants Bank, Jingtian Branch in Shenzhen	2009-11-6	2017-9-20	RMB	5.35	36,000,000.00

(3) Reporting period-end long-term loan decreased by 80.65% over year-begin mainly due to long-term loan was transferred to long-term liabilities due within 1 year.

27. Other non-current liabilities

Unit: RMB

Items	2011-6-30	2010-12-31
Treasury subsidies for sludge drying	5,100,000.00	5,100,000.00
Support fund of recycling economy for sludge drying	250,000.00	250,000.00
Total	5,350,000.00	5,350,000.00

28. Share capital

Unit: RMB

Items	Amount at period-begin	Change of this year			Amount at period-end
		Bonus issue	Others	Subtotal	
The first half year of 2011:					
I. Shares with selling restriction					
1. Holding shares of State 1	-	-	-	-	-
2. Holding shares of State-owned legal person	-	-	-	-	-
3. Other domestic shares	12,993.00	-	-	-	12,993.00
4. Shares with foreign ownership	-	-	-	-	-
Total shares with selling restriction	12,993.00	-	-	-	12,993.00
II. Shares without selling restriction					
1. RMB ordinary shares	338,895,157.00	-	-	-	338,895,157.00
2. Domestically listed foreign shares	263,854,446.00	-	-	-	263,854,446.00
3. Overseas listed foreign shares	-	-	-	-	-
4. Others	-	-	-	-	-
Total shares without selling restriction	602,749,603.00	-	-	-	602,749,603.00
III. Total shares	602,762,596.00	-	-	-	602,762,596.00

Year 2010:					
I. Shares with selling restriction					
1. Holding shares of State 1	-	-	-	-	-
2. Holding shares of State-owned legal person	-	-	-	-	-
3. Other domestic shares	12,993.00	-	-	-	12,993.00
4. Shares with foreign ownership	-	-	-	-	-
Total shares with selling restriction	12,993.00	-	-	-	12,993.00
II. Shares without selling restriction					
3. RMB ordinary shares	338,895,157.00	-	-	-	338,895,157.00
4. Domestically listed foreign shares	263,854,446.00	-	-	-	263,854,446.00
3. Overseas listed foreign shares	-	-	-	-	-
4. Others	-	-	-	-	-
Total shares without selling restriction	602,749,603.00	-	-	-	602,749,603.00
III. Total shares	602,762,596.00	-	-	-	602,762,596.00

29. Capital Surplus

Unit: RMB

Items	Amount of year-begin	Increase of this year	Decrease of this year	Amount of period-end
The first half year of 2011:				
Capital premium	233,998,444.00	-	-	233,998,444.00
Including: invested capital by investors	215,487,650.42	-	-	215,487,650.42
Difference arising from purchasing equity of minority shareholders	18,510,793.58	-	-	18,510,793.58
Other capital surplus	129,631,483.51	-	-	129,631,483.51
Including: transferring from capital surplus in original system	129,631,483.51	-	-	129,631,483.51
Total	363,629,927.51	-	-	363,629,927.51
Year 2010:				
Capital premium	233,998,444.00	-	-	233,998,444.00
Including: invested capital by investors	215,487,650.42	-	-	215,487,650.42
Difference arising from purchasing equity of minority	18,510,793.58	-	-	18,510,793.58

shareholders				
Other capital surplus	129,631,483.51	-	-	129,631,483.51
Including: transferring from capital surplus in original system	129,631,483.51	-	-	129,631,483.51
Total	363,629,927.51	-	-	363,629,927.51

30. Surplus reserves

Unit: RMB

Items	Amount of year-begin	Increase of this year	Decrease of this year	Amount of period-end
The first half year of 2011:				
Legal surplus reserve	310,158,957.87	-	-	310,158,957.87
Discretionary surplus reserve	22,749,439.73	-	-	22,749,439.73
Total	332,908,397.60	-	-	332,908,397.60
Year 2010:				
Legal surplus reserve	310,158,957.87	-	-	310,158,957.87
Discretionary surplus reserve	22,749,439.73	-	-	22,749,439.73
Total	332,908,397.60	-	-	332,908,397.60

31. Retained profit

Unit: RMB

Items	Amount
The first half year of 2011:	
Undistributed profit at year-begin	436,541,567.35
Add: net profit attributable to shareholders of parent company	-84,855,867.31
Undistributed profit at period-end	351,685,700.04
Year 2010:	
Before adjustment: retained profit at end of last year	547,986,755.29
Adjustment: total retained profit at year-begin(Note 1)	3,193,490.26
After adjustment: retained profit at year-begin	551,180,245.55
Add: net profit attributable to shareholders of parent company	-114,638,678.20
Undistributed profit at period-end	436,541,567.35

32. Operating income, operating cost

(1) Operating income

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Main business income	1,029,131,736.95	701,624,196.24
Other business income	114,281,873.83	1,235,478.37
Operating cost	1,635,583,031.68	1,003,249,405.69

(2) Main business (sub-industry)

Unit: RMB

Industry	Jan-Jun of 2011		Jan-Jun of 2011	
	Operating income	Operating cost	Operating income	Operating cost
Energy Industry	975,927,223.18	1,469,258,727.45	695,703,196.24	998,624,839.08
Engineering labors and services	25,285,653.00	22,570,289.17	5,921,000.00	3,808,437.37
Other income	27,918,860.77	35,468,879.49	-	-
Total	1,029,131,736.95	1,527,297,896.11	701,624,196.24	1,002,433,276.45

(3) Main business (sub-products)

Unit: RMB

Industry	Jan-Jun of 2011		Jan-Jun of 2010	
	Operating income	Operating cost	Operating income	Operating cost
Electricity sales	971,615,982.72	1,462,635,685.41	690,711,341.40	991,958,211.09
Heat sales	4,311,240.46	6,623,042.04	4,991,854.84	6,666,627.99
Sale of fuel oil	26,688,890.47	23,005,762.19	-	-
Engineering labors and services	25,285,653.00	22,570,289.17	5,921,000.00	3,808,437.37
Other income	1,229,970.30	12,463,117.30		
Total	1,029,131,736.95	1,527,297,896.11	701,624,196.24	1,002,433,276.45

(5) Condition of operating income of top 5 clients

Unit: RMB

Clients	Operating income	Proportion in total operating income (%)
Guangdong Power Grid Corporation	973,344,986.88	85.13%
Shenzhen Xiyang Petrochemical Co., Ltd.	49,664,804.55	4.34%
Guangdong Yongli Company	67,843,298.77	5.93%
Sundram Company	25,285,653.00	2.21%
Zhongshan Zhenyang Company	9,348,615.38	0.82%
Total	1,125,487,358.58	98.43%

33. Operating tax and addition

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Operating tax	2,093,553.47	2,545,108.31
Urban maintenance and construction tax	1,204,934.89	340,332.20
Others	551,867.26	86,029.71
total	3,850,355.62	2,971,470.22

34. Management expenses

Unit: RMB

Items	Jan. to Jun. of 2011	Jan. to Jun. of 2010
-------	----------------------	----------------------

Salary	18,689,743.50	16,921,273.61
Taxes	4,535,903.08	4,351,712.66
Leasing expenses	3,361,253.08	3,237,755.35
Entertainment expense	2,441,391.68	2,431,155.90
Expenses for agency appointment	2,395,745.99	2,302,153.81
Vehicles expenses	1,931,408.77	1,862,307.77
Expenses from the Board	3,969,555.99	1,730,092.90
Housing accumulation fund	513,495.80	1,617,843.60
Depreciation expense	1,141,879.78	1,336,059.97
Amortization of intangible assets	1,137,209.46	677,569.49
Verification expense for projects	56,749.00	0.00
Enterprise annuity	103,020.48	885,559.46
Environmental expense	948,713.70	862,015.66
Sundry expenses	814,932.34	769,846.25
Expenses for enterprise culture	858,945.87	719,490.80
Property expense	790,048.00	677,202.00
Office expenses	193,231.74	135,959.85
Charge of endowment insurance	841,411.77	1,008,947.21
Communication charge	375,862.55	391,280.16
Business traveling charge	443,283.72	309,196.57
Stock charge	308,687.40	161,287.80
Medical insurance	317,577.98	318,889.26
Labor union expense	357,837.30	369,734.75
Educational charge for employee	172,643.60	138,124.80
Long-term expense for amortized	100,089.54	105,900.48
Inventory loss	-90,552.07	106,997.11
Other	3,889,429.71	3,594,918.47
Total	50,599,499.76	47,023,275.69

35. Financial expenses

Unit: RMB

Items	Jan. to Jun. of 2011	Jan. to Jun. of 2010
Interest expenditure	86,123,937.29	59,807,556.07
Minus: capitalized interest expenses	6,772.10	8,646.14
Minus: interest income	1,622,061.46	1,918,004.42
Exchange differential	-49,893.26	-8,161.70
Other	5,466,647.13	1,367,249.85
Total	89,911,857.60	59,239,993.66

36. Investment income

(1) Particulars about investment income

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
-------	-----------------	-----------------

Long-term equity investment income calculated by cost method	-	-
Long-term equity investment income calculated by equity method	-39,857,497.48	-32,231,888.28
Total	-39,857,497.48	-32,231,888.28

(2) Long-term equity investment income calculated by equity method

Unit: RMB

Invested units	Jan-Jun of 2011	Jan-Jun of 2010
Jiangxi Xinchang Company	-39,857,497.48	-32,231,888.28

37. Non-operating income

(1) Particulars about non-operating income

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Governmental subsidies	516,078,289.40	139,518,326.56
Refund on value added tax of natural gas import	70,689,758.96	31,621,243.63
Refund on customs fines	2,200,000.00	-
Disposal of waste and old materials	314,687.82	-
Other	31,947.00	280,075.79
Total	589,314,683.18	171,419,645.98

(2) Particulars about governmental subsidies

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Income from fuel subsidies	236,819,900.00	-
Subsidies income of fuel processing fee	279,258,389.40	139,518,326.56
Total	516,078,289.40	139,518,326.56

38. Non-operating expense

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Gains and loss of disposal of fixed assets	162,698.07	1,840.00
Donation from the day of Helping the poor and caring for the needy	100,000.00	-
Others	34,626.41	30,020.00
Total	297,324.48	31,860.00

39. Calculation process of basic income per share and diluted income per share

Calculating basic income per share, the profit attributable to shareholders of parent company:

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
-------	-----------------	-----------------

Current net profit attributable to shareholders of parent company	-84,855,867.31	-255,073,535.78
Including: net profit attributable to constant operation	-84,855,867.31	-255,073,535.78
Net profit attributable to ending operation	-	-

Calculating basic income per share, denominator is weighted average number of general shares externally issued. The calculation process is as follow:

Unit: share		
Items	Jan. to Jun. of 2011	Jan. to Jun. of 2010
Share amounts of externally issued general shares at year-begin	602,762,596.00	602,762,596.00
Add: weight amounts of general shares issued in this year	-	-
Less: weight amount of general shares repurchased	-	-
Weight amount of general shares externally issued at period-end	602,762,596.00	602,762,596.00

Income per share

Unit: RMB		
Items	Jan-Jun of 2011	Jan-Jun of 2010
Calculating according to net profit attributable to shareholders of parent company:		
Basic income per share	-0.14	-0.42
Diluted income per share	Not applicable	Not applicable
Calculating according to net profit of constant operation attributable to shareholders of parent company:		
Basic income per share	-0.14	-0.42
Diluted income per share	Not applicable	Not applicable
Calculating according to net profit of ending operation attributable to shareholders of parent company:		
Basic income per share	Not applicable	Not applicable
Diluted income per share	Not applicable	Not applicable

40. Statement on items of cash flow sheet

(1) Other received cash related to operating activities

Unit: RMB		
Items	Jan-Jun of 2011	Jan-Jun of 2010
Received import tax refund of natural gas	70,689,758.96	31,621,243.63
Others	4,852,901.36	3,898,352.25
Total	75,542,660.32	35,519,595.88

(2) Other payments of cash related to operating activities

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Expense for engaging intermediaries	1,918,079.19	2,342,529.31
Expense for Board of Directors	3,945,555.99	2,855,342.30
Lease fees	4,054,517.70	3,032,322.00
Communication fees	2,525,925.68	2,418,347.60
Fleet costs	2,143,162.13	2,047,506.44
Corporation culture costs	845,956.87	706,633.80
Telecommunication costs	451,665.16	436,080.02
Environment costs	159,143.92	4,920,055.50
Early expense of recycle economy	772,800.67	529,017.06
Payment for disposal tax of terminal depot by agent buyer	-	4,083,659.00
Payment for loans of Finance Bureau by Shenzhong Development	-	7,772,394.67
Compensation for settlement of staffs of Zhongshan Guangzhong	-	1,567,958.00
Supplementary pension	3,308,907.73	-
Others	12,599,507.08	11,089,103.51
Total	32,725,222.12	43,800,949.21

41. Supplementary information of cash flow sheet

(1) Supplementary information of cash flow sheet

Unit: RMB

Supplementary information	Jan-Jun of 2011	Jan-Jun of 2010
I. Operating activities cash flow transferred from net profit:		
Net profit	-91,352,820.44	-271,621,049.64
Add: provision for assets devaluation	-	-
Fixed assets depreciation	103,867,776.77	86,122,666.82
Intangible assets amortization	1,493,104.50	1,382,426.86
Amortization of long-term prepaid accounts	113,057.34	105,900.48
Loss (gains) of disposal of fixed assets, intangible assets and other long-term assets	346,634.82	-1,630.00
Loss from scrap of fixed assets	-	-
Finance expense (income)	89,065,557.60	81,955,864.98
Investment loss (income)	39,857,497.48	32,231,888.28
Decrease of deferred income tax assets (increase)	-	-
Decrease of inventory (increase)	100,082,240.91	19,925,834.63
Decrease of operating accounts receivable (increase)	-420,110,752.49	-77,533,696.33
Decrease of operating accounts payable (increase)	215,126,670.26	60,089,551.69
Others	-	-
Net amount of cash flow arising from operating activities	38,488,966.75	-67,342,242.23
II. Significant investment and financing activities un-related to		

income and expense of cash:		
Debts transferring to assets	-	
Convertible bonds due within 1 year	-	
Fixed assets financed by leasing	-	
III. Net change of cash and cash equivalent:		
Period-end balance of cash and cash equivalent	629,580,595.19	382,271,002.22
Less: year-begin balance of cash and cash equivalent	591,386,814.04	356,362,100.63
Net increase amount of cash and cash equivalent	38,193,781.15	25,908,901.59

(2) Constitution of cash and cash equivalent

Unit: RMB

Items	2011-6-30	2010-12-31
I. Cash	629,580,595.19	382,271,002.22
Including: inventory cash	301,367.43	280,686.83
Bank deposit which can be used for payment at any time	510,588,045.13	281,495,811.39
Other currency capital which can be used for payment at any time	118,691,182.63	494,504.00
II. Year-end balance of cash and cash equivalent	629,580,595.19	382,271,002.22

(VI) Related party and related transaction

1. Parent company of the Company

Share holding proportion of any shareholder of the Company didn't reach 50%, and couldn't form a holding relationship of the Company through any methods. The Company has no parent company.

2. Subsidiaries of the Company

Detail of subsidiaries sees in Note (IV).

3. Joint venture of the Company

Details of joint ventures of the Company see in Note (V).

4. Other related parties of the Company

Other related parties name	Relationship between the Company	Organization code
SHENZHEN GUANGJU INVESTMENT CO., LTD (Guangju Holding for short)	Shareholders have major influence on the Company	192170273
BNP P P/PANDA INVESTMENT COMPANY LIMITED	Shareholders have major influence on the Company	Inapplicable
HONGKONG NAM HOI (INTERNATIONAL) LTD	Shareholders have major influence on the Company	Inapplicable
STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) CO., LTD. (State Grid for short)	Shareholders have major influence on the Company	71529249X
Energy Group	Shareholders have major influence on the Company	192189185
Dongguan Weimei Pottery Industrial Park Co., Ltd. (Weimei Pottery for short)	Minority shareholders of the subsidiaries	72919361X

Xingzhong Group	Minority shareholders of the subsidiaries	733112675
Guanzhong Investment Company	Minority shareholders of the subsidiaries before Sep. 30 of 2009	733096986
Shenzhen Mawan Power Co., Ltd.(Mawan Power for short)	Subsidiaries of Energy Group	618816706
Shenzhen Moon Bay Oil Port Co., Ltd. ("Moon Bay Oil Company")	Subsidiary of energy group	618849428
Shenzhen Energy Group Co., Ltd. ("Energy Company")	Subsidiary of energy group	19224115-8
Directors of the Company and other senior executives	Key management staff	Inapplicable

5. Merger and related transaction of parent company

Merger

(1) Related transaction of commodities purchase, labor service received/provided

Unit: RMB

Related parties	Transaction type	Transaction content	Price setting principal and strategy procedures	Jan.-June 2011		Jan.-June 2010	
				Amount	Proportion in amount of similar transaction (%)	Amount	Proportion in amount of similar transaction (%)
Mawan Power Company	Labor service received	Usage fee of oil pipeline	Reference to the market price or based on the price from executives department	-	-	231,126.66	100%
Yueliang Bay Fuel Company	Labor service received	Usage fee of pier	Reference to the market price or based on the price from executives department	-	-	876,663.67	100%

(2)Offering capital of related parties

Unit: RMB

Related parties	Amount of offering	Commencement date	Maturity Date	Balance at 30 June 2011	Note
Borrowing					
Xinzhong Group	125,316,816.85	2008.11.19	2010.12.31	125,316,816.85	Due, the extension is in process
Xinzhong Group	23,750,000.00	2009.10.15	2010.12.31	23,750,000.00	
Xinzhong Group	16,250,000.00	2009.03.27	2010.12.31	16,250,000.00	
Xinzhong Group	14,335,291.80	2008.12.29	2010.12.31	14,335,291.80	
Xinzhong Group	2,500,000.00	2009.03.27	2010.12.31	2,500,000.00	

(3) Account receivable of related parties

Unit: RMB

Items	Related parties	Balance of Jun. 30 of	Balance of Dec. 31 of
-------	-----------------	-----------------------	-----------------------

		2011	2010
Other accounts payable	Xingzhong Group	182,152,108.65	182,152,108.65
Accounts received in advance	Energy Holding	14,586,000.00	14,586,000.00
Interest payable	Xingzhong Group	37,427,297.93	32,106,381.85

Parent company

(1) Related transaction of commodities purchase, labor service received/provided

Unit: RMB

Related parties	Transaction content	Price setting principal and strategy procedures	Jan. to Jun. of 2011		Jan. to Jun. of 2010	
			Amount	Proportion in amount of similar transaction (%)	Amount	Proportion in amount of similar transaction (%)
Xiefu Fuel Supply Company	Fuel purchase	Reference to the market price or based on the price from executives department	-	-	11,185,594.06	9.38%
Xiefu Fuel Supply Company	Storage and transportation fee	Reference to the market price or based on the price from executives department	3,658,557.18	100.00%	10,155,584.63	100%
New Power Company	Fuel purchase	Reference to the market price or based on the price from executives department	55,592,816.04	36.90%	253,160,447.98	100%
Mawan Power Company	Usage of oil pipeline	Reference to the market price or based on the price from executives department	-	-	231,126.66	100%
Yueliang Bay Fuel Company	Usage fee of pier	Reference to the market price or based on the price from executives department	-	-	876,663.67	100%
New Power Company	Usage fee of Smoke& Gas	Reference to the market price or based on the price from executives	1,340,495.71	100%	992,918.40	100%

		department				
New Power Company	Labor service fee of machinery units' entrusted	Reference to the market price or based on the price from executives department	8,670,931.00	100%	13,026,305.00	100%

Statement of commodity selling/ labor service provided

Unit: RMB

Related parties	Contents of related transactions	Pricing methods and decision making procedures of related transactions	Jan. to Jun. of 2011		Jan. to Jun. of 2010	
			Amount	Proportion in the amount of similar transactions (%)	Amount	Proportion in the amount of similar transactions (%)
New Power Co., Ltd	Use-charge of smoke	Accord to the price released by the authority or refer to the market price	1,270,272.00	100%	992,918.40	100%
New Power Co., Ltd	Entrust labor for unit operation	Accord to the price released by the authority or refer to the market price	8,670,931.00	100%	13,026,305.00	100%
New Power Co., Ltd	Sale s of heat power	Accord to the price released by the authority or refer to the market price	1,412,094.17	100%	72,815.19	100%
Weimei Power Co., Ltd	Sales of materials	Accord to the price released by the authority or refer to the market price	289,524.05	100%	632,788.47	100%

(2) Related entrusted

Unit: RMB

Name of consigner	Name of entrusted	Transaction type	Asset trust	Date of beginning	Due date	recognized basis of entrusted income	Trust income confirmed at the period
New Power Company	The Company	Trusteeship income	Power generation unit of 2#,10# and 11#	2011.01.01	2011.6.30	Calculated based on the RMB 0.025/kwh of the generation volume	8,670,931.00
New Power Company	The Company	Trusteeship income	Power generation unit of 2#,10# and 11#	2010.01.01	2010.6.30	Calculated based on the RMB 0.025/kwh of the generation volume	13,026,305.00

New Power Company	The Company	Cost-allocation	Power generation unit of 2#,10# and 11#	2011.01.01	2011.6.30	Allocated based on electrical energy of new power machine set	8,320,523.17
New Power Company	The Company	Cost-allocation	Power generation unit of 2#,10# and 11#	2010.01.01	2010.6.30	Allocated based on electrical energy of new power machine set	18,775,700.38
New Power Company	The Company	Expenses-allocation	Power generation unit of 2#,10# and 11#	2011.01.01	2011.6.30	Allocated based on electrical energy of new power machine set	9,541,067.55
New Power Company	The Company	Expenses-allocation	Power generation unit of 2#,10# and 11#	2010.01.01	2010.6.30	Allocated based on electrical energy of new power machine set	19,177,994.38

(3) Related guarantee

Guarantee provided

Unit: RMB

Assurance Provider	Guarantee received	Guarantee amount	Guarantee beginning date	Guarantee due date	Impletion of guarantee or not
The Company	Weimei Power Co., Ltd	60,000,000.00	2010.02.01	2012.02.01	No
The Company	Weimei Power Co., Ltd	40,000,000.00	2010.04.01	2012.04.01	No
The Company	Weimei Power Co., Ltd	120,000,000.00	2011.01.26	2012.01.26	No
The Company	Weimei Power Co., Ltd	80,000,000.00	2011.02.12	2012.02.12	No
The Company	Weimei Power Co., Ltd	10,000,000.00	2011.02.14	2012.02.12	No
The Company	Weimei Power Co., Ltd	90,000,000.00	2011.02.22	2012.02.12	No
The Company	Weimei Power Co., Ltd	80,000,000.00	2011.01.14	2011.07.14	No
The Company	Weimei Power Co., Ltd	100,000,000.00	2010.12.29	2011.12.29	No
The Company	Weimei Power Co., Ltd	20,000,000.00	2011.01.10	2012.01.10	No
The Company	Zhongshan Power Co., Ltd	100,000,000.00	2011.01.19	2012.01.19	No
The Company	Zhongshan Power Co., Ltd	50,000,000.00	2011.01.24	2012.01.19	No
The Company	Zhongshan Power Co., Ltd	50,000,000.00	2011.01.25	2012.01.19	No
The Company	Zhongshan Power Co., Ltd	100,000,000.00	2011.01.21	2012.01.21	No
The Company	Zhongshan Power Co., Ltd	50,000,000.00	2009.09.01	2011.09.01	No

	Ltd				
The Company	Zhongshan Power Co., Ltd	50,000,000.00	2010.04.01	2012.04.01	No
The Company	Zhongshan Power Co., Ltd	20,000,000.00	2011.04.08	2012.04.08	No
The Company	Zhongshan Power Co., Ltd	2,960,000.00	2011.04.14	2011.10.14	No
The Company	Zhongshan Power Co., Ltd	3,330,000.00	2011.04.25	2011.10.25	No
The Company	Zhongshan Power Co., Ltd	4,760,000.00	2011.05.05	2011.11.05	No
The Company	Zhongshan Power Co., Ltd	6,743,000.00	2011.05.11	2011.11.11	No
The Company	Zhongshan Power Co., Ltd	4,400,000.00	2011.05.13	2011.11.13	No
The Company	Zhongshan Power Co., Ltd	7,128,000.00	2011.05.13	2011.11.13	No
The Company	Zhongshan Power Co., Ltd	8,728,000.00	2011.05.13	2011.11.13	No
The Company	Zhongshan Power Co., Ltd	5,000,000.00	2010.10.28	2011.10.28	No
The Company	Zhongshan Power Co., Ltd	35,000,000.00	2010.11.05	2011.11.05	No
The Company	Environmental Protection Co., Ltd	20,000,000.00	2010.08.02	2011.08.02	No
The Company	Environmental Protection Co., Ltd	7,000,000.00	2011.03.25	2012.03.25	No
The Company	Environmental Protection Co., Ltd	36,000,000.00	2009.11.06	2017.09.20	No
The Company	New Power Company	30,000,000.00	2011.06.30	2012.06.30	No

(4) Lending money of related party

Unit: RMB

Related parties	Amount of lending money	Commencement date	Maturity Date	Balance at period-end	Note
Borrowing					
Engineering Company	60,000,000.00	2009.11.20	2011.11.17	60,000,000.00	Entrusted loan
Offering					
Shenzhong Development Company	70,040,000.00	2009.10.14	2010.03.31	70,040,000.00	Overdue, in process of extension
Shenzhong Development Company	48,750,000.00	2009.04.25	2010.03.31	48,750,000.00	Overdue, in process of extension

Shenzhong Development Company	7,500,000.00	2009.04.05	2010.03.31	7,500,000.00	Overdue, in process of extension
Shenzhong Development Company	375,950,450.55	2009.11.18	2010.03.31	375,950,450.55	Overdue, in process of extension
Shenzhong Development Company	43,005,307.50	2009.12.28	2010.03.31	43,005,307.50	Overdue, in process of extension
Shenzhong Development Company	46,280,000.00	2009.01.01	2009.12.31	46,280,000.00	Overdue, in process of extension
Weimei Power Company	63,080,000.00	2010.07.26	2011.07.26		Entrust the bank to release the loan to the related parties and paid on Mar. 30, 2011
Zhongshan Power Company	50,000,000.00	2009.03.25	2010.03.31	50,000,000.00	Overdue, in process of extension
Zhongshan Power Company	40,437,227.87	2008.09.26	2010.03.31	40,437,227.87	Overdue, in process of extension
Zhongshan Power Company	28,000,000.00	2009.01.11	2010.03.31	28,000,000.00	Overdue, in process of extension
Zhongshan Power Company	19,623,969.20	2008.10.30	2010.03.31	19,623,969.20	Overdue, in process of extension
Zhongshan Power Company	25,000,000.00	2009.12.24	2010.12.23		Entrust the bank to release the loan to the related parties and paid on Jan. 13, 2011
Zhongshan Power Company	180,000,000.00	2010.04.14	2012.04.14	180,000,000.00	Entrust the bank to release the loan to the related parties
Zhongshan Power Company	50,000,000.00	2010.06.12	2011.06.12		Entrust the bank to release the loan to the related parties and paid on Jun. 12, 2011
Zhongshan Power Company	40,000,000.00	2010.09.20	2011.09.19	40,000,000.00	Entrust the bank to release the loan to the related parties
Zhongshan Power Company	35,000,000.00	2010.09.28	2011.09.27	35,000,000.00	Entrust the bank to release the loan to the related parties
Zhongshan Power Company	100,000,000.00	2011.01.18	2011.02.28		Entrust the bank to release the loan to the related parties and paid on Mar. 23,

					2011
Zhongshan Power Company	25,000,000.00	2011.03.02	2012.03.01	25,000,000.00	Entrust the bank to release the loan to the related parties
Zhongshan Power Company	25,000,000.00	2011.04.26	2012.04.25	25,000,000.00	Financial assistance
Zhongshan Power Company	25,000,000.00	2011.04.27	2012.04.25	25,000,000.00	Financial assistance
Zhongshan Power Company	40,000,000.00	2011.06.02	2012.06.02	40,000,000.00	Financial assistance
Zhongshan Power Company	50,000,000.00	2011.06.10	2012.06.10	50,000,000.00	Financial assistance

(5) Payment for the use of state funds

Unit: RMB

Related parties	Transaction type	Transaction content	Price setting principal	Jan-June 2011		Jan-June 2010	
				Amount	Proportion in amount of similar transaction (%)	Amount	Proportion in amount of similar transaction (%)
Engineering company	for the use of state funds	Interest expenses	Note	1,180,500.00	1.76%	1,127,495.00	4.18%
Zhongshan Power Company	for the use of state funds	Interest income	Note	14,573,326.22	44.32%	8,197,913.80	30.38%
Weimei Power Company	for the use of state funds	Interest income	Note	1,032,217.76	3.14%	1,859,237.50	6.89%
Shenzhong Development Company	for the use of state funds	Interest income	Note	17,279,288.97	52.54%	15,796,573.00	58.55%

Note: payment for the use of state funds is calculated according to loan rate of current capital of peer banks.

(6) Account receivable of related parties

Account receivable from related parties

Unit: RMB

Items	Related parties	2011-6-30	2010-12-31
Other account receivable	Xiefu fuel Supply Company	6,279,375.00	6,280,847.20
	Zhongshan Power Company	326,394,031.93	181,927,622.99
	Weimei Power Company	8,103,250.17	7,778,446.81
	Shenzhong Development Company	710,337,484.77	693,061,355.80

	Shennan Singapore Company	138,660.87	31,072.34
	Xingshengde Company	30,900.01	19,596.65
Dividend receivable	New Power Company	597,875,904.41	597,875,904.41
Other current liabilities	Zhongshan Power Company	280,000,000.00	329,923,940.43
	Weimei Power Company	-	63,080,000.00

Account payable to related parties

Unit: RMB

Item	Related parties	2011-6-30	2010-12-31
Account received in advance	Energy Company	14,586,001.00	14,586,001.00
Account payable	Server Supplying Co., Ltd.	1,829,278.59	849,814.37
Other account payable	Server Supplying Co., Ltd.	1,006,921.50	1,030,238.37
	New Power Co., Ltd	546,745,402.95	470,222,997.74
	Engineering Co., Ltd	116,880.71	115,528.80
	Syndisome Company	1,728,383.30	1,768,797.13
Short-term loans	Engineering Co., Ltd	60,000,000.00	60,000,000.00

(VII) Contingency

In March 2009, the Company and Just-run Company entered into a Contract Confirmation (hereafter referred to as “the Confirmation”) with contract numbers of 165723967102.11 and 165723968102.11.

The first confirmation is valid from March 3rd, 2008 to December 31st, 2008, constituted by three options contracts. When the floating price (that is, the arithmetic average of the closing settlement prices of light crude future contracts of New York Mercantile Exchange at that month within every decision validity) is higher than 63.50 U.S. dollars / barrel, the Company will receive 300,000 U.S. dollars of income per month (200,000 barrels × 1.50 U.S. dollars / barrel); When the floating price is 62.00-63.50 U.S. dollars / barrel, the Company will obtain the income of (the floating price -62.00 USD / barrel) × 200,000 barrels per month; when the floating price is less than 62.00 U.S. dollars / barrel, the company will pay Just-run Company an amount equivalent to (62.00 U.S. dollars / barrel - the floating price) × 400,000 barrels per month.

The second confirmation is valid from January 1st, 2009 to October 31st, 2010, constituted by three options contracts, Just-run Company has a right to choose whether to implement before 18:00 on December 30th, 2009. When the floating price is higher than 66.50 U.S. dollars / barrel, the Company will receive 340,000 U.S. dollars of income per month (200,000 barrels × 1.70 U.S. dollars / barrel); when the floating price is 64.80-66.50 U.S. dollars / barrel, the Company will receive a monthly income of (the floating price -64.80 U.S. dollars / barrel) × 200,000 barrels; when the floating price is lower than 64.50 U.S. dollars / barrel, the Company will pay Just-run Company an amount equivalent to (64.50 U.S. dollars / barrel – the floating price) × 400,000 barrels.

From Apr.2008 to Oct.2008, based on the above confirmations, Just-run Company pays to the Company with US\$ 2.10 million (equivalent to RMB 14,352,083.46), the Company includes it into "other payables" item after receives this payment.

On November 6th, 2008, Just-run Company writes to the Company. They deems that the Company intends to not perform transaction in the notice issued by the Company on October 21st, 2008 and the statement of the meeting held by the Company on October 29th, 2008, which has constituted a breach of contract, and Just-run Company announces the termination of the transaction. The Company replies Just-run Company that the company has never made any statement not intend to continue to perform transactions, and deems that Jierun Company's unilateral termination of the contract and refuse of paying the A/C payable under the first confirmation as of October, 2008 has constituted a breach of contract, so the Company announces the termination of the transaction. Although both sides terminate the transaction confirmation for different reasons, there are no differences about the termination reality of confirmation and transactions. After the transaction terminated, Just-run Company sends a letter to request the Company to compensate for the transaction termination loss, while sends another letter to express the hope to resolve the disputes by the commercial way. The company replies Just-run Company that the Company does not accept claims for loss compensations, while sends a separate letter to agree to peace talks. Then both sides do several rounds of consultations and negotiations, but no agreement has reached. On November 27th, 2009, the Company receives a letter of Allen & Overy LLP, which describes above matters and requires the Company to compensate Just-run with a total of US\$79,962,943.00 and the interests of US\$3,736,958.66 as of November 27th, 2009. The Company replies on January 25th, 2010, which shows that the Company did not accept claims for loss compensation. On Mar. 31 of 2011, Just-run Company sent another letter to the Company which claimed that they are willing to coordinate with the Company continuously as for USD 79,962,943.00 we owed them and interests from the day of Nov. 6 of 2008, and invated the Company to raise up suggestion on this matter, meanwhile Just-run Company stressed to remain all the rights on this matter. The Company replied them with a letter on Apr. 6 of 2011 which showed we didn't accept requirements from Just-run Company about compensation for loss, and agreed to answer their invitation and negotiate based on equality without influence on rights of both parties. If senior management team failed to agreement, both parties may solve the debate in judicial way. The Board of Directors of the Company deems:

- (1) Two confirmations and the transactions have been terminated by both parties;
- (2) There are many uncertainties for the progress of this matter, so it is not possible to estimate the future resolving methods and results at this stage;
- (3) As the final result cannot be estimated reasonable and reliable, the Company should not confirm it as accrued liabilities in the first half of 2011 financial statements.

The Board of Directors of the Company will promptly review the relevant accounting operation according to the progress of the above matters.

(VIII) Commitment

1. Capitalization commitment

Unit: RMB

Item	2011-6-30	2010-12-31
Signed capital expenditure commitment which was still not recognized in financial statements		

-Construction commitment of long-term assets	30,286,322.68	22,732,380.01
-External investment commitment	-	-
Total	30,286,322.68	22,732,381.00

(2) Commitment on operating lease

Till the balance sheet day, the condition of irrevocable operating lease contract the Group externally signed is as follow:

Unit: RMB

Item	2011-6-30	2010-12-31
Minimum lease payments of irrevocable operating lease:		
The first year after balance sheet day	6,155,280.29	4,394,861.29
The second year after balance sheet day	1,376,850.00	1,376,850.00
The third year after balance sheet day	1,389,536.63	1,389,536.63
Subsequent years	66,437,026.43	66,616,466.43
Total	75,358,693.34	73,777,714.35

(IX) Segment report

According to the internal organization structural, management requirements and internal reporting systems of the Company, the operation business of the group is classified into 5 reporting segments, i.e. power and heat supply, fuel trade, sludge drying, real estate development and other relevant business. Management of the Company regularly evaluates the operation results of the reporting segments, so as to decide to distribute resources to them and evaluate their achievements.

The segment report information is disclosed according to the accounting policies and measuring standards adopted by all segments when reporting to the management and such measuring bases are kept consistent with the accounting and measuring bases upon preparation of the financial statements.

Unit: RMB

Items	Power and heat supply		Fuel trade		Real estate development		Sludge drying		Other related business		Inter-segment offset		Total	
	Current year	Last year	Current year	Last year	Current year	Last year	Current year	Last year	Current year	Last year	Current year	Last year	Current year	Last year
Business income														
Foreign trade income	1,085,765,305.72	697,288,301.61	32,261,352.16	-349,627.00	-	-	101,299.90	-	25,285,653.00	5,921,000.00			1,143,413,610.78	702,859,674.61
Inter-segment trade income	14,744,742.05	40,252,924.27	-	44,327,057.09	-	-	-	-	-	-	-14,744,742.05	-84,579,981.36	-	-
Total segment business income	1,100,510,047.77	737,541,225.88	32,261,352.16	43,977,430.09	-	-	101,299.90	-	25,285,653.00	5,921,000.00	-14,744,742.05	-84,579,981.36	1,143,413,610.78	702,859,674.61
Adjusted items:	-76,159,038.29	-259,951,213.86	1,445,944.93	-1,249,703.09	-6,686,319.93	-7,517,007.69	-11,290,248.98	-	2,021,499.00	753,514.48	2,900,687.98	-2,969,109.26	-87,767,475.29	-270,933,519.42

Income tax	2,480,334.38	492,222.27	246,885.42	-	-	-	-	858,125.35	195,307. 95	-	-	3,585,345.15	687,530.22
<u>Net</u>	-78,639,372.6	-260,443,4	1,199,059.5	-1,249,703	-6,686,31	-7,517,007.	-11,290,24	1,163,373.6	558,206.		-2,969,109.	-91,352,820.	-271,621,04
<u>profit</u>	7	36.13	1	.09	9.93	69	8.98	5	53	2,900,687.98	26	44	9.64

(X). Note to main items of parent company's financial statements

1. Accounts receivable

(1) Accounts receivable classifying according to the category:

Unit: RMB

Category	2011-6-30				2010-12-31			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Account receivable with individual major amount and withdrawal bad debt provision independently	-	-	-	-	-	-	-	-
Accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	545,703,102.53	100%	-	-	277,107,630.12	100%	-	-
Account receivable with individual minor amount but withdrawal bad debt provision independently	-	-	-	-	-	-	-	-
Total	545,703,102.53	100%	-	-	277,107,630.12	100%	-	-

(2) Accounts receivable classifying according to the account age:

Unit: RMB

Account age	2011-6-30				2010-12-31			
	Amount	Proportion (%)	Provision for bad debts	Book value	Amount	Proportion (%)	Provision for bad debts	Book value
Within 1 year	545,700,213.53	100.00%	-	545,700,213.53	277,104,741.12	100%	-	277,104,741.12
1-2years	-	-	-	-	-	-	-	-
2-3years	2,889.00	-	-	2,889.00	2,889.00	-	-	2,889.00
Above 3 years	-	-	-	-	-	-	-	-
Total	545,703,102.53	100.00%	-	545,703,102.53	277,107,630.12	100%	-	277,107,630.12

(3) Balance of account receivables excludes the debts of the shareholders who hold over 5% (including 5%) of voting share of our company in this reporting period.

(4) Particulars about top 5 units owing accounts receivable

Unit: RMB

Content of accounts receivable	Book balance	Amount of bad debt provision	Provision ratio (%)	Reason
Subsidies for fuel gas-fired power fees receivable	402,652,045.62	-	-	Within 1 year
Electricity tariff receivable	142,419,266.01	-	-	Within 1 year
Hot water fees receivable	631,790.90	-	-	Within 1 year
Total	545,703,102.53	-	-	

2. Other accounts receivable

(1) Other accounts receivable classifying according to the category:

Unit: RMB

Category	2011-6-30				2010-12-31			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)	Amount	Proportion (%)
Account receivable with individual major amount and withdrawal bad debt provision independently	22,677,404.46	2.10%	22,677,404.46	94.17%	22,677,404.46	2.47%	22,677,404.46	100%
Accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	1,056,240,981.91	97.65%	-	-	892,922,760.15	97.23%	-	-
Account receivable with individual minor amount but withdrawal bad debt provision independently	2,729,502.62	0.25%	1,404,953.09	5.83%	2,729,502.62	0.3%	1,404,953.09	51.47%
Total	1,081,647,888.99	100.00%	24,082,357.55	100.00%	918,329,667.23	100%	24,082,357.55	2.62%

Other accounts receivable classifying according to the account age:

Unit: RMB

Account age	2011-6-30				2010-12-31			
	Amount	Proportion (%)	Provision for bad debts	Book value	Amount	Proportion (%)	Provision for bad debts	Book value
Within 1 year	219,015,867.00	20.25%	-	219,015,867.00	55,697,645.24	6.06%		55,697,645.24
1-2years	261,428,722.35	24.17%	-	261,428,722.35	261,428,722.35	28.47%		261,428,722.35
2-3years	100,975,970.51	9.34%		100,975,970.51	100,975,970.51	11%		100,975,970.51
Above 3 years	500,227,329.13	46.25%	24,082,357.55	476,144,971.58	500,227,329.13	54.47%	24,082,357.55	476,144,971.58
Total	1,081,647,888.99	100.00%	24,082,357.55	1,057,565,531.44	918,329,667.23	100%	24,082,357.55	894,247,309.68

(2) Other account receivable with individual minor amount but withdrawal bad debt provision independently:

Unit: RMB

Other accounts receivable	Book balance	Amount of accruing provision for bad debts	Accruing proportion	Reason
Deposit receivable	2,729,502.62	1,404,953.09	0.16%	

(3) Balance of other account receivables excludes the debts of the shareholders who hold over 5% (including 5%) of voting share of our company in this reporting period.

(4) Particulars about top 5 units owing other accounts receivable

Unit: RMB

Units	Relationship with the Company	Amount	Age limit	Total proportion in accounts receivable (%)
Shenzhong Development Company	Subsidiary of the Company	710,337,484.77	Above 3 years	65.67%
Zhongshan Power Company	Subsidiary of the Company	326,394,031.93	1 to 2 years	30.18%
Huiyang County Kangtai Industrial company	Project partners	14,311,626.70	Above 3 years	1.32%
Weimei Power Company	Subsidiary of the Company	8,103,250.17	Within 1 year	0.75%
Xiefu Oil Supply Company	Subsidiary of the Company	6,279,375.00	2 to 3 years	0.58%
Total		1,065,425,768.57		98.50%

3. Long-term equity investment

Unit: RMB

Invested units	Calculation method	Original investment cost	Balance at 2010-12-31	Increase and decrease	Balance 2011-6-30	Equity holding proportion in invested units	Voting right proportion in invested units (%)	Reason for difference between equity holding proportion and voting right proportion	Provision for devaluation	Accrued provision for devaluation of this year	Cash dividend of this year
Xiefu Oil Supply Company	Cost method	26,650,000.00	26,650,000.00	-	26,650,000.00	50	50	-	-	-	-
New Electricity Company	Cost method	71,270,000.00	71,270,000.00	-	71,270,000.00	75	75	-	-	-	-
Zhongshan Electricity Power Company	Cost method	218,240,000.00	218,240,000.00	-	218,240,000.00	55	55	-	-	-	-
Engineering Company	Cost method	6,000,000.00	6,000,000.00	-	6,000,000.00	60	60	-	-	-	-
Weimei Electricity Company	Cost method	115,319,049.76	115,319,049.76	-	115,319,049.76	40	40	-	-	-	-
Shennan Singapore	Cost method	6,703,800.00	6,703,800.00	-	6,703,800.00	100	100	-	-	-	-

Company											
Environment Company	Cost method	46,340,000.00	46,340,000.00	8,960,000.00	55,300,000.00	70	70	-	-	-	-
Shenzhong Development Company	Cost method	-	-	-	-	75	75	-	-	-	-
Shenzhong Property Company	Cost method	-	-	-	-	75	75	-	-	-	-
Energy Environmenta l Corporation	Cost method	41,790,000.00	41,790,000.00	47,881,000.00	89,671,000.00	10	10	-	-	-	-
Jiangxi Nuclear Power Company	Cost method	37,315,000.00	37,315,000.00		37,315,000.00	5	5	-	-	-	-
Jiangxi Xinchang Company	Equity method	286,285,715.00	227,103,274.30	-39,857,497.48	187,245,776.82	30	30	-	-	-	-
Total		855,913,564.76	796,731,124.06	16,983,502.52	813,714,626.58				-	-	-
Less: devaluation provision			-	-	-						
Net amount of long-term equity investment			796,731,124.06	16,983,502.52	813,714,626.58						

4. Operating income and operating cost

(1) Operating income

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Main business income	389,625,979.86	144,086,307.60
Other business income	52,982,115.56	22,968,737.21
Operating cost	694,282,683.32	294,907,340.61

(2) Main business (Sub-industry)

Unit: RMB

Industry	Jan-Jun of 2011		Jan-Jun of 2010	
	Operating income	Operating cost	Operating income	Operating cost
Energy Industry	389,625,979.86	654,210,959.97	144,086,307.60	294,259,059.56

(3) Main business (Sub-products)

Unit: RMB

Industry	Jan-Jun of 2011		Jan-Jun of 2010	
	Operating income	Operating cost	Operating income	Operating cost
Electricity sales	387,043,743.56	650,250,151.84	143,161,046.58	292,167,488.02
Heat sales	2,582,236.30	3,960,808.13	925,261.02	2,091,571.54
Total	389,625,979.86	654,210,959.97	144,086,307.60	294,259,059.56

5. Investment income

(1) Particulars about investment income

Unit: RMB

Items	Jan-Jun of 2011	Jan-Jun of 2010
Long-term equity investment income calculated by cost method	-	-
Long-term equity investment income calculated by equity method	-39,857,497.48	-32,231,888.28
Total	-39,857,497.48	-32,231,888.28

(2) Long-term equity investment income calculated by equity method

Unit: RMB

Invested units	Jan-Jun of 2011	Jan-Jun of 2010
Jiangxi Xinchang Company	-39,857,497.48	-32,231,888.28

6. Supplementary information of cash flow sheet

Unit: RMB

Supplementary information	Jan-Jun of 2011	Jan-Jun of 2010
1. Net profit transferred to cash flow of operating activities:		
Net profit	-67,703,539.11	-187,645,762.64
Add: provision for assets devaluation	-	-

Fixed assets depreciation	33,240,256.10	22,539,592.88
Intangible assets amortization	468,527.22	431,697.75
Long-term accounts prepaid amortization	50,789.52	56,600.46
Loss of disposal of fixed assets, intangible assets and other long-term assets	-	-
Scrap loss of fixed assets	-	-
Financial expense (income)	66,915,573.91	43,805,893.79
Investment loss (income)	39,857,497.48	32,231,888.28
Decrease of deferred income taxes assets (Increase)	-	-
Decrease of inventory (Increase)	37,737,263.40	13,263,352.52
Decrease of operating accounts receivable(Increase)	-315,449,413.54	-121,558,372.43
Increase of operating accounts payable (Decrease)	143,715,100.19	-900,656.41
Other	-	-
Net amount of cash flow arising from operating activities	-61,167,944.83	-197,775,765.80
2. Significant investment and financing activities unrelated to cash income and expense:		
Debts transferred to assets	-	-
Convertible Bonds due within 1 year	-	-
Fixed assets financed by leasing	-	-
3. Net changes in cash and cash equivalents:		
Period-end balance of cash and cash equivalents	169,579,571.56	156,028,645.45
Less: period-begin balance of cash and cash equivalent	269,369,131.18	35,564,935.05
Amount of increase of cash and cash equivalent	-99,789,559.62	120,463,710.40

(X) Supplementary information

1. Particulars about current non-recurring gains and loss

Unit: RMB

Item	Amount of this year	Amount of last year
Loss and gains of disposal of non-current assets		-1,840.00
Government subsidies included in current gains and loss (excluding those closely in accordance with corporation business and enjoyed according to fixed amount under national united standard)	-	-
Gains and loss from debts restructure	-	-
Impairment reversal of accounts receivable with single devaluation test	-	-
Other operating income and expense excluding the above	72,907,122.30	250,055.79
Influence amount of income taxes	-3,488,388.29	-

Influence amounts of minority shareholders (after tax)	-7,421,370.20	-59,553.95
Total	61,997,363.80	188,661.84

2. Return on equity and earnings per share

Unit: RMB

Profit in reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to ordinary shareholders of the Company	-5.01%	-0.14	Not applicable
Net profit attributable to ordinary shareholders of the Company deducting non-recurring gains and loss	-8.67%	-0.24	Not applicable