

Stock Code: 000037, 200037

Stock Code: 2012-017

Short Form of the Stock: Shennandian A, Shennandian B

## Shenzhen Nanshan Power Co., Ltd.

### The First Quarterly Report 2012

(Full-Text)

#### §1 Important Notice

1.1 The Board of Directors and Supervisory Committee of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are not any fictitious statements, misleading information and important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

1.2 Financial Report for the 1<sup>st</sup> Quarterly Report of the Company has not been audited by CPA.

1.3 Chairman of the Board Yang Haixian, Person in Charge of accounting work Lu Xiaoping and Person in Charge of Accounting Organ (Accounting Supervisor) Huang Jian hereby confirm that the Financial Report enclosed in the 1<sup>st</sup> Quarterly Report is true and complete.

#### §2 Company Profile

##### 2.1 Main Accounting Data and Financial Indexes:

Unit: RMB

	At the end of the report period	At the end of the last year	Changes of increase/decrease (%)
Total assets (RMB)	5,290,472,853.62	5,452,746,682.91	-2.98%
Owners' equity attributable to shareholders of the listed company (RMB)	1,684,970,363.79	1,753,371,551.83	-3.90%
Total share capital (Share)	602,762,596.00	602,762,596.00	0.00%
Net asset per share attributable to shareholders of listed company (RMB/Share)	2.80	2.91	-3.78%
	In the report period	The same period of last year	Changes of increase/decrease (%)
Total operating income (RMB)	432,815,711.38	454,988,479.87	-4.87%
Net profit attributable to shareholders of the listed company (RMB)	-68,401,188.04	-79,839,433.69	-14.33%
Net cash flow arising from operating activities (RMB)	301,024,997.40	-11,164,998.07	-2,796.15%
Net cash flow arising from operating activities per share (RMB/Share)	0.50	-0.02	-2,600.00%
Basic earnings per share (RMB/Share)	-0.11	-0.13	
Diluted earnings per share (RMB/Share)	-0.11	-0.13	
Weighted average return on equity (%)	-3.99%	-3.16%	-0.83%

Weighted average return on equity after deducting non-recurring gains and losses (%)	-3.98%	-3.16%	-0.82%
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Items of non-recurring gains and losses

√ Applicable □ Inapplicable

Unit: RMB

Items of non-recurring gains and losses	Amount from year-begin to period-end	Remarks (If applicable)
Other non-operating income and expenditure except for the above items	53,256.74	
Total	53,256.74	-

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

Unit: Share

Total number of shareholders at the end of report period	44,372	
Particulars about the shares held by the top ten tradable shareholders with unrestricted conditions		
Full Name of shareholder	Amount of tradable shares with unrestricted conditions held at the end of report period	Type of shares
Shenzhen Guangju Investment Holding Co., Ltd	100,769,712	RMB ordinary shares
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Domestically listed foreign shares
SHENZHEN ENERGY GROUP CO., LTD.	65,106,130	RMB ordinary shares
BNP P P/PANDA INVESTMENT COMPANY LIMITED	49,426,518	Domestically listed foreign shares
STATE GRID SHENZHEN ENERGY DEVELOPMENT GROUP CO., LTD.	35,999,805	RMB ordinary shares
YAN TIAN GONG	3,270,000	Domestically listed foreign shares
Goldbond Securities holdings Limited	1,500,000	Domestically listed foreign shares
LI WEI PING	1,483,281	Domestically listed foreign shares
WU SHU HUA	1,351,400	RMB ordinary shares
Naito Security Co., Ltd.	1,212,486	Domestically listed foreign shares

## §3 Significant events

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

√ Applicable □ Inapplicable

1. Balance sheet
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Item	changes	main reasons
Account paid in advance	_252.02%_	account paid in advance for goods increased
Other account receivable	_ -83.02%_	equity transfer amount received
Account payable	_136.19%_	Account payable for goods increased
2. Profit Statement		
Item	changes	main reasons
Business tax and surcharge	_ 67.31%_	accrual business tax for internal transaction increased
Sales expenses	_ 37.94%_	business of sludge treatment increase the sales
Non-operation expenditure	_ -30.25%_	expenditure from disposal of assets decreased
Income tax	_ -99.39%_	income tax accrual decreased
3. Cash Flow Statement		
Item	changes	main reasons
Net cash flow arising from operation activities	_312.19 million yuan increased	_ electricity charge and subsidy income received increased
Net cash flow arising from investment activities	_140.6955 million yuan increased	_ equity transfer amount received
Net cash flow arising from financing activities	_ 379.8134 million yuan decreased	_ net financing amount decreased and financial cost increased

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

#### 3.2.1 Particular about Qualified Opinion

☒Applicable      ☐Inapplicable

Deloitte Touche Tohmatsu CPA LTD issued the unqualified auditor's report with paragraph of emphasized matter for the Company for year of 2011. In this report period, progress of events with qualified opinions concerned found in Annual Report of 2011 released dated 24 April 2012 (Notice No.: 2012-010).

#### 3.2.2 Particular about fund offered to shareholder or its related parties by the Company and external guarantee with procedure violation

☐Applicable      ☒Inapplicable

#### 3.2.3 Particular about the significant contract of routine operation signed and implemented

☐Applicable      ☒Inapplicable

#### 3.2.4 Other

☒Applicable      ☐Inapplicable

In reporting period, according to requirement of "Notice of Standardized Pilot of Internal Control for Listed Companies in Shenzhen Municipal" from Shenzhen Security Regulatory Bureau, the Company exercising vary establishment of internal control orderly. Process of internal control for 1<sup>st</sup> quarter of the year are as:

1. Completed preparation and confirmation of the internal control manual
2. Exercising reformation of internal control defects, and prepared "Reformation Report of Internal Control Defects for Shen Nan Dian";
3. Prepare the testing for system internal control and start from 1<sup>st</sup> of April;
4. Completed formation of self-assessment report of internal control for year of 2011

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

Commitments make within the report period or persisted to the period by listed company and its director, supervisor and senior executives, shareholder with over 5 percent shares held and its actual controller

☐Applicable      ☒Inapplicable

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

☒Applicable      ☐Inapplicable

**3.5 Other significant events which need explanations**

**3.5.1 Particulars about securities investment**

☐Applicable      ☒Inapplicable

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

No investors' field research, telephone communication and written inquiries are received in the report period.

**3.6 Derivatives investment**

☐Applicable      ☒Inapplicable

**3.6.1 Particulars about derivatives investment held at the end of report period**

☐Applicable      ☒Inapplicable

**§4. Appendix**

**4.1 Balance sheet**

Prepared by Shenzhen Nanshan Power Co., Ltd.      March 31, 2012      Unit: RMB

Items	Balance at period-end		Balance at year-begin	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	678,469,855.51	363,999,645.23	695,095,052.12	303,150,447.89
Settlement provisions				
Capital lent				
Transaction finance asset				
Notes receivable				
Accounts receivable	859,548,258.43	582,895,188.80	934,640,019.03	646,023,065.42
Accounts paid in advance	111,154,679.36	508,816.72	31,576,397.23	489,676.70
Insurance receivable				
Reinsurance receivables				
Contract reserve of reinsurance receivable				
Interest receivable				
Dividend receivable		654,140,866.58		654,140,866.58
Other receivables	21,154,468.59	1,718,867,641.86	124,599,842.72	1,525,724,625.88
Purchase restituted finance asset				
Inventories	1,258,763,273.94	100,950,721.57	1,258,195,597.25	112,185,828.84
Non-current asset due within one year				
Other current assets				205,000,000.00
Total current assets	2,929,090,535.83	3,421,362,880.76	3,044,106,908.35	3,446,714,511.31

Non-current assets:				
Granted loans and advances				
Finance asset available for sales				
Held-to-maturity investment				
Long-term account receivable				
Long-term equity investment	37,315,000.00	536,797,849.76	37,315,000.00	536,797,849.76
Investment real estate	4,761,373.69		4,872,045.07	
Fixed assets	2,179,078,835.81	313,115,205.41	2,227,103,579.26	327,435,225.16
Construction in progress	50,179,777.97	36,549,164.69	46,866,969.48	36,184,921.10
Engineering material				
Disposal of fixed asset				
Productive biological asset				
Oil and gas asset				
Intangible assets	62,978,185.23	10,306,495.42	63,807,538.62	10,658,977.27
Expense on Research and Development				
Goodwill				
Long-term expenses to be apportioned	83,313.80	83,313.80	95,810.84	95,810.84
Deferred income tax asset	3,714,114.31		3,714,114.31	
Other non-current asset	23,271,716.98		24,864,716.98	
Total non-current asset	2,361,382,317.79	896,852,029.08	2,408,639,774.56	911,172,784.13
Total assets	5,290,472,853.62	4,318,214,909.84	5,452,746,682.91	4,357,887,295.44
Current liabilities:				
Short-term loans	2,934,000,000.00	1,574,000,000.00	3,265,824,953.89	1,880,824,953.89
Loan from central bank				
Absorbing deposit and interbank deposit				
Capital borrowed				
Transaction financial liabilities				
Notes payable	33,800,000.00		43,820,200.00	
Accounts payable	507,207,804.35	395,892,996.19	214,748,889.66	145,440,717.47
Accounts received in advance	15,490,399.16	14,586,000.00	14,586,000.00	14,586,000.00
Selling financial asset of repurchase				
Commission charge and commission payable				
Wage payable	25,967,650.94	11,985,911.39	32,691,674.04	16,426,938.52
Taxes payable	-521,469,322.24	-407,376,227.17	-521,900,793.90	-414,050,692.13
Interest payable	74,522,097.28	3,462,044.67	75,462,594.51	5,585,474.16

Dividend payable				
Other accounts payable	334,185,774.08	1,060,550,102.23	358,597,380.00	1,064,365,847.79
Reinsurance payables				
Insurance contract reserve				
Security trading of agency				
Security sales of agency				
Non-current liabilities due within 1 year	50,000,000.00		50,000,000.00	
Other current liabilities				
Total current liabilities	3,453,704,403.57	2,653,100,827.31	3,533,830,898.20	2,713,179,239.70
Non-current liabilities:				
Long-term loans	26,000,000.00		26,000,000.00	
Bonds payable				
Long-term account payable				
Special accounts payable				
Projected liabilities				
Deferred income tax liabilities				
Other non-current liabilities	5,037,916.65		5,104,791.66	
Total non-current liabilities	31,037,916.65		31,104,791.66	
Total liabilities	3,484,742,320.22	2,653,100,827.31	3,564,935,689.86	2,713,179,239.70
Owner's equity (or shareholders' equity):				
Paid-in capital (or share capital)	602,762,596.00	602,762,596.00	602,762,596.00	602,762,596.00
Capital public reserve	363,629,927.51	288,769,132.47	363,629,927.51	288,769,132.47
Less: Inventory shares				
Reasonable reserve				
Surplus public reserve	332,908,397.60	332,908,397.60	332,908,397.60	332,908,397.60
Provision of general risk				
Retained profit	385,669,442.68	440,673,956.46	454,070,630.72	420,267,929.67
Balance difference of foreign currency translation				
Total owner's equity attributable to parent company	1,684,970,363.79	1,665,114,082.53	1,753,371,551.83	1,644,708,055.74
Minority interests	120,760,169.61		134,439,441.22	
Minority interests	1,805,730,533.40	1,665,114,082.53	1,887,810,993.05	1,644,708,055.74
Total owner's equity	5,290,472,853.62	4,318,214,909.84	5,452,746,682.91	4,357,887,295.44

## 4.2 Profit statement

Prepared by Shenzhen Nanshan Power Co., Ltd.

Jan.-Mar. 2012

Unit: RMB

Items	Amount in this period	Amount in last period
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	Consolidation	Parent Company	Consolidation	Parent Company
I. Total operating income	432,815,711.38	190,594,298.26	454,988,479.87	209,505,493.33
Including: Operating income	432,815,711.38	190,594,298.26	454,988,479.87	209,505,493.33
Interest income				
Insurance gained				
Commission charge and commission income				
II. Total operating cost	748,813,540.33	304,341,885.63	702,178,453.15	367,542,200.83
Including: Operating cost	669,915,764.47	278,081,758.04	633,682,028.70	336,383,237.65
Interest expense				
Commission charge and commission expense				
Cash surrender value				
Net amount of expense of compensation				
Net amount of withdrawal of insurance contract reserve				
Bonus expense of guarantee slip				
Reinsurance expense				
Operating tax and extras	1,726,019.81	1,396,470.09	1,031,640.79	738,487.20
Sales expenses	287,581.15		208,486.26	
Administration expenses	24,989,853.86	10,554,361.74	24,381,992.12	11,652,589.23
Financial expenses	51,894,321.04	14,309,295.76	42,874,305.28	18,767,886.75
Losses of devaluation of asset				
Add: Changing income of fair value(Loss is listed with "-")				
Investment income (Loss is listed with "-")			-16,728,157.24	-16,728,157.24
Including: Investment income on affiliated company and joint venture			-16,728,157.24	-16,728,157.24
Exchange income (Loss is listed with "-")				
III. Operating profit (Loss is listed with "-")	-315,997,828.95	-113,747,587.37	-263,918,130.52	-174,764,864.74
Add: Non-operating income	233,985,916.13	134,156,400.00	184,369,384.32	82,198,600.00
Less: Non-operating expense	23,607.37	2,785.84	33,846.41	3,846.41
Including: Disposal loss of non-current asset				
IV. Total Profit (Loss is listed with "-")	-82,035,520.19	20,406,026.79	-79,582,592.61	-92,570,111.15
Less: Income tax	44,939.46		7,336,373.37	
V. Net profit (Net loss is listed with "-")	-82,080,459.65	20,406,026.79	-86,918,965.98	-92,570,111.15

Net profit attributable to owner's equity of parent company	-68,401,188.04	20,406,026.79	-79,839,433.69	-92,570,111.15
Minority shareholders' gains and losses	-13,679,271.61		-7,079,532.29	
VI. Earnings per share				
i. Basic earnings per share	-0.11		-0.13	
ii. Diluted earnings per share	-0.11		-0.13	
VII. Other consolidated income				
VIII. Total consolidated income	-82,080,459.65	20,406,026.79	-86,918,965.98	-92,570,111.15
Total consolidated income attributable to owners of parent company	-68,401,188.04	20,406,026.79	-79,839,433.69	-92,570,111.15
Total consolidated income attributable to minority shareholders	-13,679,271.61		-7,079,532.29	

Concerning the enterprise consolidation under common control occurred in the period; the merged party realized net profit before consolidation amounting to RMB00.00.

#### 4.3 Cash flow statement

Prepared by Shenzhen Nanshan Power Co., Ltd. Jan.-Mar. 2012 Unit: RMB

Items	Amount in this period		Amount in last period	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Cash flows arising from operating activities:				
Cash received from selling commodities and providing labor services	648,812,849.64	323,709,231.00	574,247,943.86	304,663,477.00
Net increase of customer deposit and interbank deposit				
Net increase of loan from central bank				
Net increase of capital borrowed from other financial institution				
Cash received from original insurance contract fee				
Net cash received from reinsurance business				
Net increase of insured savings and investment				
Net increase of disposal of transaction financial asset				
Cash received from interest, commission charge and commission				
Net increase of capital borrowed				
Net increase of returned business capital				
Write-back of tax				



received				
Other cash received concerning operating activities	171,144,186.43	477,764,857.40	8,223,931.53	195,327,306.37
Subtotal of cash inflow arising from operating activities	819,957,036.07	801,474,088.40	582,471,875.39	499,990,783.37
Cash paid for purchasing commodities and receiving labor service	459,716,776.66	115,066,044.66	518,447,655.41	268,815,611.15
Net increase of customer loans and advances				
Net increase of deposits in central bank and interbank				
Cash paid for original insurance contract compensation				
Cash paid for interest, commission charge and commission				
Cash paid for bonus of guarantee slip				
Cash paid to/for staff and workers	30,200,830.03	17,438,062.54	35,301,493.20	21,862,044.10
Taxes paid	8,629,147.25	3,839,356.92	9,017,438.38	4,955,860.61
Other cash paid concerning operating activities	20,385,284.73	352,463,357.46	30,870,286.47	189,612,325.59
Subtotal of cash outflow arising from operating activities	518,932,038.67	488,806,821.58	593,636,873.46	485,245,841.45
Net cash flows arising from operating activities	301,024,997.40	312,667,266.82	-11,164,998.07	14,744,941.92
II. Cash flows arising from investing activities:				
Cash received from recovering investment	106,342,100.00	106,342,100.00		
Cash received from investment income				
Net cash received from disposal of fixed, intangible and other long-term assets				
Net cash received from disposal of subsidiaries and other units				
Other cash received concerning investing activities				
Subtotal of cash inflow from investing activities	106,342,100.00	106,342,100.00		
Cash paid for purchasing fixed, intangible and other long-term assets	22,945,634.47	15,195,678.77	9,417,997.99	6,519,918.93
Cash paid for investment			47,881,000.00	56,841,000.00

Net increase of mortgaged loans				
Net cash received from subsidiaries and other units				
Other cash paid concerning investing activities				
Subtotal of cash outflow from investing activities	22,945,634.47	15,195,678.77	57,298,997.99	63,360,918.93
Net cash flows arising from investing activities	83,396,465.53	91,146,421.23	-57,298,997.99	-63,360,918.93
III. Cash flows arising from financing activities				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' investment by subsidiaries				
Cash received from loans	770,000,000.00	435,000,000.00	1,675,600,000.00	878,600,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities				
Subtotal of cash inflow from financing activities	770,000,000.00	435,000,000.00	1,675,600,000.00	878,600,000.00
Cash paid for settling debts	1,101,824,953.89	741,824,953.89	1,645,000,000.00	905,000,000.00
Cash paid for dividend and profit distributing or interest paying	65,914,040.04	36,139,740.61	48,525,552.51	31,672,098.44
Including: Dividend and profit of minority shareholder paid by subsidiaries				
Other cash paid concerning financing activities				
Subtotal of cash outflow from financing activities	1,167,738,993.93	777,964,694.50	1,693,525,552.51	936,672,098.44
Net cash flows arising from financing activities	-397,738,993.93	-342,964,694.50	-17,925,552.51	-58,072,098.44
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-67,665.61	203.79	-1,588.54	-103.89
V. Net increase of cash and cash equivalents	-13,385,196.61	60,849,197.34	-86,391,137.11	-106,688,179.34
Add: Balance of cash and cash equivalents at the period -begin	629,318,992.12	303,150,447.89	591,386,814.04	269,369,131.18
VI. Balance of cash and cash equivalents at the period -end	615,933,795.51	363,999,645.23	504,995,676.93	162,680,951.84

#### 4.4 Auditor's report

Auditor's opinions: Un-audited

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