

Stock Code: 000037, 200037

Notice No.:2012-045

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

The Third Quarterly Report for 2012

I. Important Notes

Board of Directors and the Supervisory Committee of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or 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.

All directors of the Company are attended the Meeting for quarterly report deliberation.

Director Yang Haixian, Principal of the Company; GM Fu Bo, Person in Charge of Accounting Work; CFO Lu Xiaoping and Financial Director Huang Jian, Person in Charge of Accounting Organization (Accounting Officer) hereby confirm that the Financial Report of the Third Quarterly Report is true and complete.

II. Company Profile

(I) Major accounting data and financial indexes

Whether retroactive adjusted on previous financial report or not

☐ Yes ☒ No ☐ Not applicable

	2012.9.30	2011.12.31	Increase/decrease in this period-end over period-end of last year (%)	
Total assets (RMB)	5,359,397,387.03	5,452,746,682.91	-1.71%	
Owners' equities attributable to the shareholders of listed company (RMB)	1,553,784,500.30	1,753,371,551.83	-11.38%	
Share capital (Share)	602,762,596.00	602,762,596.00		
Net assets per share attributable to the shareholders of listed company (RMB/Share)	2.58	2.91	-11.34%	
	July- September of 2012	Increase/decrease over the same period of the last year (%)	January- September of 2012	Increase/decrease over the same period of the last year (%)
Total operating income (RMB)	325,208,774.15	-47.98%	1,031,050,972.71	-41.7%
Net profit attributable to the shareholders of listed company (RMB)	-93,847,614.89		-199,587,051.53	
Net cash flow arising from operating activities (RMB)	--	--	37,835,026.90	-81.43%
Net cash flow arising from operating activities per share (RMB/Share)	--	--		
Basic earnings per share (RMB/Share)	-0.16	60.39%	-0.33	39.21%
Diluted earnings per share (RMB/Share)				
Weighted average return on equity (%)	-5.86%		-12.07%	
Weighted average return on equity after deducting non-recurring gains and losses (%)	-6.03%		-13.91%	

Items and amount with non-recurring gains/losses deducted

√Applicable □ Not applicable

Item	Amount from year-begin to period-end (RMB)	Note
Gains and losses from disposal of non-current assets		
Tax refund or exemption out of authorization, with absence of official approval document or accidentally		
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)	2,582,264.04	
Fund occupation expenses received from non-financial enterprises that reckon into current gains/losses		
Income occurred when investment cost paid by enterprise for obtaining subsidiaries, associates and joint ventures are lower than its share in fair value of net realizable assets of invested units		
Gains and losses from exchange of non-monetary assets		
Gains and losses from entrusted investment or management assets		
Various asset impairment reserve provided for force majeure, such as natural disaster		
Gains/losses from debt reorganization		
Reorganization expenses, such as expenditure for allocation of employees and integration fee		
Gains and losses from excess of transaction which are conducted on a non-fair-valued basis over its fair value		
Current net gains and losses of subsidiaries occurred from combination under the same control commencing from period-begin to combination date		
Gains and losses from contingent events which has no relation with normal business of the Company		
Gains and losses from change of fair values of held-for-transaction financial assets and financial liabilities except for the effective hedge business related to normal business of the Company, and investment income from disposal of transactional financial assets and liabilities and financial assets available for sale		
Reversal of impairment reserve for account receivable with separate impairment testing		
gains/ losses from external entrustment loans		
Gains and losses arising from change of fair value of investment properties whose follow-up measurement are at fair value		
Affect upon current gains/losses arising from the one-off adjustment in subject to requirement of laws and rules in relation to taxation and accounting		
Income from entrusted custody operation		
Other non-operating income and expenditure except the abovementioned	437,905.94	
Other item that satisfied the definition of non-recurring gains and losses		
Influenced amount of minority shareholders' equity	-2,234,019.54	
Impact on income tax		
Import VAT refunds for natural gas	29,672,435.72	
Total	30,458,586.16	--

Explanation on "Other item that satisfied the definition of non-recurring gains and losses" and defined non-recurring gains and losses as recurring gain/loss according to natures and characteristic of self-operation status

Item	Amount involved (RMB)	Note

(II) Total shareholders at period-end and top ten shareholders

Total number of shareholders at the end of report period	40,368		
Particulars about the shares held by the top ten shareholders with unrestricted conditions			
Shareholders	Amount of unrestricted shares held at period-end	Type/amount of shares	
		Type	Amount
Shenzhen Guangju Industrial Co., Ltd.	100,769,712	RMB common share	100,769,712
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Domestically listed foreign share	92,123,248
SHENZHEN ENERGY (GROUP) CO., LTD.	65,106,130	RMB common share	65,106,130
BNP P P/PANDA INVESTMENT COMPANY LIMITED	49,426,518	Domestically listed foreign share	49,426,518
STATE GRID SHENZHEN ENERGY DEVELOPMENT (GROUP) CO., LTD.	35,422,960	RMB common share	35,422,960
Wang Lan	1,602,500	RMB common share	1,602,500
Jinbang Security Holding Co., Ltd	1,500,000	Domestically listed foreign share	1,500,000
Wu Suhua	1,351,400	RMB common share	1,351,400
Li Qing	1,280,937	RMB common share	1,280,937
Li Weiping	1,265,471	Domestically listed foreign share	1,265,471
Explanation on shareholders	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. Significant events

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

√Applicable □Not applicable

(1) Items in profit statement			
Items	+/- Changed	Main reasons	
Operating income	-41.70%	Deduction of generating capacity	
Operating cost	-35.53%	Deduction of generating capacity while fuel cost soaring	
Business taxes	-43.48%	City construction tax and education surcharge decreased	
Sales expenses	98.82%	More sales expenses from subordinate enterprise, which was newly put into production	
Investment income	-100.00%	Has investment losses in last period while no such losses occurred in this period	
Non-operating income	-32.96%	Decline of generation subsidy; y-o-y decrease of nature gas tax rebate	
Non-operating expenditure	-90.50%	Decline of donation	
Income tax expenses	-69.39%	Less income tax in subordinate enterprise	

(2) Items in balance sheet			
Items	+/- Changed	Main reasons	
Account paid in advance	56.36%	More account paid in advance for suppliers	
Other account receivable	-81.01%	Equity transfer amount received	
Long-term equity investment	32.16%	More investment in nuclear power project in this period	
Long-term expenses to be appropriate	-39.13%	Expenses amortization	
Note receivable	-76.45%	less bank acceptance bill in purchasing of raw materials	
Account payable	67.83%	Payable to suppliers increased	
Account received in advance	52.69%	Account received in advance for construction increased	
Long-term liability due within 1 year	-100.00%	Due long-term loans are paid	
Long-term loans	-38.46%	Long-term loans transfer to long-term liability due within 1 year	
Other non-current liability	685.25%	Deferred income for technology reform increased	
Retained profit	-43.96%	Deficit in operation in this period	
(3) Items in cash flow statement			
Items	+/- Changed	Main reasons	
Net cash flow arising from operating activities	RMB 165.9387 million decreased	Less power income for less generating; y-o-y decline of generation subsidiary and nature gas purchase rebate	
Net cash flow arising from investment activities	RMB 154.7936 million increased	The equity transfer amount received from Xinchang Company in period; expenditure of long-term assets purchasing decreased	
Net cash flow arising from financing activities	RMB 75.2464 million increased	More capital invested from minority shareholders in Zhongshan Company	
	2012.1-9	2011.1-9	+/- amount
Net cash flow arising from operating activities	3,783.50	20,377.37	-16,593.87
Net cash flow arising from investment activities	4,379.71	-11,099.65	15,479.36
Net cash flow arising from financing activities	-7,213.31	-14,737.95	7,524.64
Net cash flow per share arising from operating activities (RMB)	0.06	0.34	-0.28

(II) Progress of significant events, their influences, and analysis and explanation of their solutions

1. Qualified opinion

√Applicable □Not applicable

In year 2011, Deloitte Touche Tohmatsu CPAs Co., Ltd. issued qualified auditor's report with paragraph of emphasized matters for the Company. During the report period, the matter involved in non-standard qualified opinion has no any progress. (More details found in notice of No.: 2012-010 published on 24 April 2012)

2. Particular about fund offers to controlling shareholders or associated parties and external guarantee that against the regulation.

☐Applicable ☒Not applicable

3. Particular about signing and implementation on significant contracts of ordinary management.

☒Applicable ☐Not applicable

1. As for the Assets Custody Operation Contract in Connection with Burning Machine-Stream Joint Cycle Heat Power Generation Machine Sets entered into in February 2003, the Company was entrusted to operate and manage the power generation machine sets owned by its wholly-owned subsidiary New Power Company. During the reporting period, other than such custody for New Power Company, the Company didn't trust, contract and lease any asset of other company, nor was any asset of listed company trusted, contracted and leased by other company.

2. As considered and approved in the 4th extraordinary general meeting for 2010 of the Company, the Company and Dongguan branch of Shenzhen Nanshan Power Co., Ltd were enter into natural gas purchase contracts with Guangdong Trade Branch of CNOOC Gas & Power Group (Guangdong Branch of CNOOC) respectively. In particular, the term of the contract of the Company (wholly-owned Nanshan Power Plant) was 2 years (January 2011 – December 2012). Totally 280,000 tons of gas are in contract for year of 2012 and 137,000 tons gas have used; and that of Dongguan branch of Shenzhen Nanshan Power Co., Ltd. was 3 years (January 2011 – December 2013), details of which were disclosed in the announcements No. 2010-048,050 and 058; the gas in contract amount as 130,000 tons for year of 2012 and 57,100 tons of gas have used. In reporting period, no gas provided due to the deduction of power generated in plan, the Company is proactively communication with the gas supplier CNOOC presently.

4. Other

☐Applicable ☒Not applicable

(III) Commitments made by the Company or shareholders holding above 5% shares of the Company in reporting period or extending to reporting period.

☐Applicable ☒Not applicable

(IV) Estimation of operation performance for year of 2012

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 ☒Not applicable

(V) Particulars about other significant events which needed explanations

1. Particular about security investment

☐Applicable ☒Not applicable

2. Particulars about derivatives investment

☐Applicable ☒Not applicable

3. Particulars about the positions of derivatives investment at the end of report period

☐Applicable ☒Not applicable

4. Registration form of receiving research, communication and interview in the report period

Date	Place	Way	Type	Object	Content discussed and documents provided

5. Corporate bond issuance

Whether corporate bond issued or not

☐ Yes ☒ Not

IV. Appendix

(I) Financial statement

Whether consolidated statement or not:

☒ Yes ☐ No

Unless otherwise, currency for this statement refers to CNY (RMB)

1. Consolidated Balance Sheet

Prepared by:

Unit: RMB

Items	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	653,852,959.96	695,095,052.12
Settlement provisions		
Capital lent		
Transaction finance asset		
Notes receivable		
Accounts receivable	1,073,656,955.70	934,640,019.03
Accounts paid in advance	49,372,120.45	31,576,397.23
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable		
Dividend receivable		
Other receivables	23,658,539.61	124,599,842.72
Purchase restituted finance asset		
Inventories	1,266,688,618.94	1,258,195,597.25
Non-current asset due within one year		
Other current assets		
Total current assets	3,067,229,194.66	3,044,106,908.35
Non-current assets:		
Granted loans and advances		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	49,315,000.00	37,315,000.00
Investment property	4,540,030.93	4,872,045.07
Fixed assets	2,097,539,062.16	2,227,103,579.26
Construction in progress	50,988,650.87	46,866,969.48

Engineering material		
Disposal of fixed asset		
Productive biological asset		
Oil and gas asset		
Intangible assets	63,200,138.90	63,807,538.62
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	58,319.72	95,810.84
Deferred income tax asset	3,714,114.31	3,714,114.31
Other non-current asset	22,812,875.48	24,864,716.98
Total non-current asset	2,292,168,192.37	2,408,639,774.56
Total assets	5,359,397,387.03	5,452,746,682.91
Current liabilities:		
Short-term loans	3,315,751,220.78	3,265,824,953.89
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Transaction financial liabilities		
Notes payable	10,320,000.00	43,820,200.00
Accounts payable	360,416,170.41	214,748,889.66
Accounts received in advance	22,272,000.00	14,586,000.00
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	38,533,074.99	32,691,674.04
Taxes payable	-566,879,751.65	-521,900,793.90
Interest payable	86,481,126.85	75,462,594.51
Dividend payable		
Other accounts payable	311,774,719.76	358,597,380.00
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Non-current liabilities due within 1 year		50,000,000.00
Other current liabilities		
Total current liabilities	3,578,668,561.14	3,533,830,898.20
Non-current liabilities:		
Long-term loans	16,000,000.00	26,000,000.00
Bonds payable		
Long-term account payable		
Special accounts payable		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	40,085,307.62	5,104,791.66
Total non-current liabilities	56,085,307.62	31,104,791.66

Total liabilities	3,634,753,868.76	3,564,935,689.86
Owner's equity (or shareholders' equity):		
Paid-in capital (or share capital)	602,762,596.00	602,762,596.00
Capital public reserve	363,629,927.51	363,629,927.51
Less: Inventory shares		
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
Provision of general risk		
Retained profit	254,483,579.19	454,070,630.72
Balance difference of foreign currency translation		
Total owner's equity attributable to parent company	1,553,784,500.30	1,753,371,551.83
Minority interests	170,859,017.97	134,439,441.22
Total owner's equity(or shareholders' equity)	1,724,643,518.27	1,887,810,993.05
Total liabilities and owner's equity(or shareholders' equity)	5,359,397,387.03	5,452,746,682.91

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

2. Balance Sheet of parent company

Prepared by:

Unit: RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	398,540,507.26	303,150,447.89
Transaction finance asset		
Notes receivable		
Accounts receivable	589,627,796.27	646,023,065.42
Accounts paid in advance	799,840.42	489,676.70
Interest receivable		
Dividend receivable	654,140,866.58	654,140,866.58
Other receivables	1,439,600,859.92	1,525,724,625.88
Inventories	93,218,294.89	112,185,828.84
Non-current asset due within one year		
Other current assets		205,000,000.00
Total current assets	3,175,928,165.34	3,446,714,511.31
Non-current assets:		
Finance asset available for sales		
Held-to-maturity investment		
Long-term account receivable	741,297,849.76	536,797,849.76
Long-term equity investment		
Investment real estate		
Fixed assets	291,495,525.49	327,435,225.16
Construction in progress	36,865,190.75	36,184,921.10
Engineering material		
Disposal of fixed asset		
Productive biological asset		

Oil and gas asset		
Intangible assets	9,661,031.72	10,658,977.27
Expense on Research and Development		
Goodwill		
Long-term expenses to be apportioned	58,319.72	95,810.84
Deferred income tax asset		
Other non-current asset		
Total non-current asset	1,079,377,917.44	911,172,784.13
Total assets	4,255,306,082.78	4,357,887,295.44
Current liabilities:		
Short-term loans	1,864,000,000.00	1,880,824,953.89
Transaction financial liabilities		
Notes payable		
Accounts payable	260,439,419.80	145,440,717.47
Accounts received in advance	14,586,000.00	14,586,000.00
Wage payable	23,433,862.33	16,426,938.52
Taxes payable	-427,633,602.29	-414,050,692.13
Interest payable	6,101,648.88	5,585,474.16
Dividend payable		
Other accounts payable	867,324,526.85	1,064,365,847.79
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	2,608,251,855.57	2,713,179,239.70
Non-current liabilities:		
Long-term loans		
Bonds payable		
Long-term account payable		
Special accounts payable		
Projected liabilities		
Deferred income tax liabilities		
Other non-current liabilities	35,181,140.99	
Total non-current liabilities	35,181,140.99	0.00
Total liabilities	2,643,432,996.56	2,713,179,239.70
Owner's equity (or shareholders' equity):		
Paid-up capital (or share capital)	602,762,596.00	602,762,596.00
Capital public reserve	288,769,132.47	288,769,132.47
Less: Inventory shares		
Reasonable reserve		
Surplus public reserve	332,908,397.60	332,908,397.60
General risk reserve		
Retained profit	387,432,960.15	420,267,929.67
Balance difference of foreign currency translation		
Total owner's equity(or shareholders' equity)	1,611,873,086.22	1,644,708,055.74
Total liabilities and owner's equity(or shareholders' equity)	4,255,306,082.78	4,357,887,295.44

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

3. Consolidated Profit Statement (this report period)

Prepared by:

Unit: RMB

Item	Amount in this period	Amount in last period
I. Total operating income	325,208,774.15	625,176,765.62
Including: Operating income	325,208,774.15	625,176,765.62
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	654,497,626.48	1,116,715,476.92
Including: Operating cost	577,082,890.89	1,038,300,712.49
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	1,524,313.83	4,649,999.64
Sales expenses	725,163.37	225,113.20
Administration expenses	24,186,774.58	22,776,679.62
Financial expenses	50,978,483.81	50,762,971.97
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		-22,231,300.41
Including: Investment income on affiliated company and joint venture		-22,231,300.41
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	-329,288,852.33	-513,770,011.71
Add: Non-operating income	219,351,220.16	445,174,825.05
Less: Non-operating expense		100,000.00
Including: Disposal loss of non-current asset		-162,698.07
IV. Total Profit (Loss is listed with "-")	-109,937,632.17	-68,695,186.66
Less: Income tax expense	38,927.06	-1,371,987.38
V. Net profit (Net loss is listed with "-")	-109,976,559.23	-67,323,199.28
Including: net profit realized before consolidation by merged party		
Net profit attributable to owner's of parent company	-93,847,614.89	-58,511,935.94
Minority shareholders' gains and losses	-16,128,944.34	-8,811,263.34
VI. Earnings per share	--	--
i. Basic earnings per share	-0.16	-0.1

ii. Diluted earnings per share		
VII. Other consolidated income		
VIII. Total comprehensive income	-109,976,559.23	-67,323,199.28
Total consolidated income attributable to owners of parent company	-93,847,614.89	-58,511,935.94
Total consolidated income attributable to minority shareholders	-16,128,944.34	-8,811,263.34

The merger realized net profit RMB before consolidation during enterprises consolidation under a same control.

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

4. Profit Statement of parent company (this report period)

Prepared by:

Unit: RMB

Items	Amount in this period	Amount in last period
I. Operating income	130,251,183.74	273,909,455.09
Less: operating cost	259,637,602.56	465,808,124.80
Operating tax and extras	1,110,823.14	1,137,241.11
Sales expenses		
Administration expenses	11,603,078.65	9,262,364.60
Financial expenses	17,505,904.84	20,060,776.97
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		49,340,659.46
Including: Investment income on affiliated company and joint venture		-22,231,300.41
II. Operating profit (Loss is listed with "-")	-159,606,225.45	-173,018,392.93
Add: Non-operating income	106,765,077.11	228,589,391.05
Less: Non-operating expense		100,000.00
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with "-")	-52,841,148.34	55,470,998.12
Less: Income tax expense		
IV. Net profit (Net loss is listed with "-")	-52,841,148.34	55,470,998.12
V. Earnings per share	--	--
i. Basic earnings per share		
ii. Diluted earnings per share		
VI. Other consolidated income		
VII. Total comprehensive income	-52,841,148.34	55,470,998.12

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

5. Consolidated profit statement (year-begin to end of this period)

Prepared by:

Unit: RMB

Item	Amount in this period	Amount in last period
I. Total operating income	1,031,050,972.71	1,768,590,376.40
Including: Operating income	1,031,050,972.71	1,768,590,376.40
Interest income		

Insurance gained		
Commission charge and commission income		
II. Total operating cost	1,957,015,767.33	2,897,056,424.21
Including: Operating cost	1,723,912,065.25	2,673,883,744.17
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	4,804,173.48	8,500,355.26
Sales expenses	1,235,320.21	621,315.83
Administration expenses	74,785,085.51	73,376,179.38
Financial expenses	152,279,122.88	140,674,829.57
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		-62,088,797.89
Including: Investment income on affiliated company and joint venture		-62,088,797.89
Exchange income (Loss is listed with "-")		
III. Operating profit (Loss is listed with "-")	-925,964,794.62	-1,190,554,845.70
Add: Non-operating income	693,512,658.61	1,034,489,508.23
Less: Non-operating expense	37,764.81	397,324.48
Including: Disposal loss of non-current asset		
IV. Total Profit (Loss is listed with "-")	-232,489,900.82	-156,462,661.95
Less: Income tax expense	677,573.96	2,213,357.77
V. Net profit (Net loss is listed with "-")	-233,167,474.78	-158,676,019.72
Including: net profit realized before consolidation by merged party		
Net profit attributable to owner's of parent company	-199,587,051.53	-143,367,803.25
Minority shareholders' gains and losses	-33,580,423.25	-15,308,216.47
VI. Earnings per share	--	--
i. Basic earnings per share	-0.33	-0.24
ii. Diluted earnings per share		
VII. Other consolidated income		
VIII. Total comprehensive income	-233,167,474.78	-158,676,019.72
Total consolidated income attributable to owners of parent company	-199,587,051.53	-143,367,803.25
Total consolidated income attributable to minority shareholders	-33,580,423.25	-15,308,216.47

The merger realized net profit RMB 0.00 before consolidation during enterprises consolidation under a same control.

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

6. Profit Statement of parent company (year-begin to end of this period)

Prepared by:

Unit: RMB

Items	Amount in this period	Amount in last period
I. Operating income	474,721,369.05	716,517,550.51
Less: operating cost	793,555,266.93	1,160,090,808.12
Operating tax and extras	3,744,057.77	2,909,634.40
Sales expenses		
Administration expenses	35,195,933.63	28,545,826.56
Financial expenses	45,036,646.61	57,749,587.48
Losses of devaluation of asset		
Add: Changing income of fair value(Loss is listed with "-")		
Investment income (Loss is listed with "-")		9,483,161.98
Including: Investment income on affiliated company and joint venture		-62,088,797.89
II. Operating profit (Loss is listed with "-")	-402,810,535.89	-523,295,144.07
Add: Non-operating income	369,978,352.21	511,166,449.49
Less: Non-operating expense	2,785.84	103,846.41
Including: Disposal loss of non-current asset		
III. Total Profit (Loss is listed with "-")	-32,834,969.52	-12,232,540.99
Less: Income tax expense		
IV. Net profit (Net loss is listed with "-")	-32,834,969.52	-12,232,540.99
V. Earnings per share	--	--
i. Basic earnings per share		
ii. Diluted earnings per share		
VI. Other consolidated income		
VII. Total comprehensive income	-32,834,969.52	-12,232,540.99

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

7. Consolidated Cash Flow Statement (year-begin to end of this period)

Prepared by:

Unit: RMB

Item	Amount in this period	Amount in last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	1,359,541,121.17	2,366,950,347.16
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	451,491,105.11	195,939,905.26
Subtotal of cash inflow arising from operating activities	1,811,032,226.28	2,562,890,252.42
Cash paid for purchasing commodities and receiving labor service	1,616,195,542.93	2,130,519,589.77
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	80,292,827.32	81,734,927.62
Taxes paid	24,854,285.83	82,207,360.79
Other cash paid concerning operating activities	51,854,543.30	64,654,687.26
Subtotal of cash outflow arising from operating activities	1,773,197,199.38	2,359,116,565.44
Net cash flows arising from operating activities	37,835,026.90	203,773,686.98
II. Cash flows arising from investing activities:		
Cash received from recovering investment	106,342,100.00	
Cash received from investment income		
Net cash received from disposal of fixed, intangible and other long-term assets		4,344,000.00
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	4,344,000.00
Cash paid for purchasing fixed, intangible and other long-term assets	50,545,020.48	67,459,535.68
Cash paid for investment	12,000,000.00	47,881,000.00
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	62,545,020.48	115,340,535.68
Net cash flows arising from investing activities	43,797,079.52	-110,996,535.68
III. Cash flows arising from financing activities		
Cash received from absorbing investment	70,000,000.00	

Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	2,657,751,220.78	2,941,100,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities	116,036,060.00	
Subtotal of cash inflow from financing activities	2,843,787,280.78	2,941,100,000.00
Cash paid for settling debts	2,667,824,953.89	2,906,600,000.00
Cash paid for dividend and profit distributing or interest paying	179,595,456.53	181,879,513.41
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	68,500,000.00	
Subtotal of cash outflow from financing activities	2,915,920,410.42	3,088,479,513.41
Net cash flows arising from financing activities	-72,133,129.64	-147,379,513.41
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	34,991.06	-161,720.15
V. Net increase of cash and cash equivalents	9,533,967.84	-54,764,082.26
Add: Balance of cash and cash equivalents at the period -begin	629,318,992.12	591,386,814.04
VI. Balance of cash and cash equivalents at the period -end	638,852,959.96	536,622,731.78

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

8. Cash Flow Statement of parent company (year-begin to end of this period)

Prepared by:

Unit: RMB

Item	Amount in this period	Amount in last period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	699,578,763.38	1,157,327,577.86
Write-back of tax received		
Other cash received concerning operating activities	1,143,071,611.54	566,494,751.50
Subtotal of cash inflow arising from operating activities	1,842,650,374.92	1,723,822,329.36
Cash paid for purchasing commodities and receiving labor service	695,489,427.34	852,387,651.10
Cash paid to/for staff and workers	42,253,733.56	46,861,193.70
Taxes paid	9,121,561.20	11,576,168.94
Other cash paid concerning operating activities	754,585,306.91	644,983,666.48
Subtotal of cash outflow arising from operating activities	1,501,450,029.01	1,555,808,680.22
Net cash flows arising from operating activities	341,200,345.91	168,013,649.14
II. Cash flows arising from investing activities:		
Cash received from recovering investment	106,342,100.00	0.00
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	0.00
Cash paid for purchasing fixed, intangible and other long-term assets	33,042,996.54	59,794,754.15
Cash paid for investment	204,500,000.00	56,841,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities		
Subtotal of cash outflow from investing activities	237,542,996.54	116,635,754.15
Net cash flows arising from investing activities	-131,200,896.54	-116,635,754.15
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	1,494,000,000.00	1,774,100,000.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	1,494,000,000.00	1,774,100,000.00
Cash paid for settling debts	1,510,824,953.89	1,809,600,000.00
Cash paid for dividend and profit distributing or interest paying	97,784,601.45	104,343,358.66
Other cash paid concerning financing activities		
Subtotal of cash outflow from financing activities	1,608,609,555.34	1,913,943,358.66
Net cash flows arising from financing activities	-114,609,555.34	-139,843,358.66
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	165.34	-2,395.57
V. Net increase of cash and cash equivalents	95,390,059.37	-88,467,859.24
Add: Balance of cash and cash equivalents at the period -begin	303,150,447.89	269,369,131.18
VI. Balance of cash and cash equivalents at the period -end	398,540,507.26	180,901,271.94

Legal representative: Yang Haixian

Person in charge of accounting works: GM Fu Bo; CFO Lu Xiaoping

Person in charge of accounting institution: Financial Director Huang Jian

(II) Auditing Report

Auditing Opinion	
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Text of auditing report