Shenzhen Nanshan Power Co., Ltd.
SEMI-ANNUAL REPORT 2015

2015-061

August 2015

Section I. Important Notice, Contents and Paraphrase

Board of Directors, Supervisory Committee, all directors, supervisors and senior executives of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) 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.

Name of director absent	Title for absent director	Reasons for absent	Attorney
Chen Lihong	Director	Cause for work	Li Hongsheng
Lin Qing	Director	Cause for work	Wu Dongxiang
Wang Xiaodong	Independent director	Cause for work	Li Zheng

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

Chairman Yang Haixian, principal of the Company, Director GM Wu Dongxiang, person in charger of accounting works, CFO Huang Jian and Financial Manager Gan Baoshan, person in charge of accounting organ (accounting principal) hereby confirm that the Financial Report of Semi-Annual Report 2015 is authentic, accurate and complete.

The report has been prepared in both Chinese and English, for any discrepancies, the Chinese version shall prevail. Please read the full report seriously。

Concerning the forward-looking statements with future planning involved in the Semi-Annual Report, they do not constitute a substantial commitment for investors. Investors are advised to exercise caution of investment risks.

Content

Paraphrase

Items	Refers to	Definition
Company, the Company, Shen Nan Dian	Refers to	Shenzhen Nanshan Power Co., Ltd.
Shen Nan Dian Zhongshan Co	Refers to	Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Shen Nan Dian Dongguan Co	Refers to	Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd
Shen Nan Dian Engineering Co.,	Refers to	Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.
Shen Nan Dian Envionment Protection Co.,	Refers to	Shenzhen Shen Nan Dian Envionment Protection Co., Ltd.
Server Co.,	Refers to	Shenzhen Server Petrochemical Supplying Co., Ltd.
New Power, New Power Co.,	Refers to	Shenzhen New Power Industrial Co., Ltd.
Singapore Company	Refers to	Shen Nan Energy (Singapore) Co., Ltd.
Nanshan Power Factory	Refers to	Nanshan Power Factory of Shenzhen Nanshan Power Co., Ltd.
Zhongshan Nam Long Power Plant	Refers to	Zhongshan Nam Long Power Plant of Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.
Dongguan Gaobu Power Plant	Refers to	Dongguan Gaobu Power Plant of Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd.
Shenzhong Properties Company	Refers to	Zhongshan Shenzhong Real Estate Investment Properties Co., Ltd.
Shenzhong Real Estate Company	Refers to	Zhongshan Shenzhong Real Estate Development Co., Ltd.
Syndisome Company	Refers to	Hong Kong Syndisome Co., Ltd.
Jiangxi Nuclear Power Company	Refers to	CPI Jiangxi Nuclear Power Co.,Ltd.
Energy Group	Refers to	Shenzhen Energy Group Co.,Ltd.
Paipu Technology	Refers to	Shenzhen Paipu Energy Technology Development Co.,LTD.
NAM HOI	Refers to	HONG KONG NAM HOI (INTERNATIONAL) LTD.
Guangju Holding	Refers to	Shenzhen Guangju Investment Holding Co.,Ltd.
HK Tengda	Refers to	Tengda Property Co.,LTD.
Shenzhen Guoneng International Trading	Refers to	Shenzhen Guoneng International Trading Co., LTD.
Hong Kong Energy	Refers to	Shenzhen Energy (Hong Kong) International Co.,LTD.
Guangju Energy	Refers to	Shenzhen Guangju Energy Co., LTD.
Guangju Industrial	Refers to	Guangju Industrial Co.,LTD.
Kehuitong	Refers to	Shenzhen Kehuitong Investment Holding Co.,Ltd.
Shenzhen Energy Group	Refers to	Shenzhen Energy Group Co., LTD.

Section II Company profile

I. Company Profile

Short form for share	Shen Nan Dian A, Shen Nan Dian B	Code for share	000037, 200037
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	深圳南山热电股份有限公司		
Legal Representative	Chairman Yang Haixian		

II. Contact person and ways

	Secretary of the Board	Rep. of securities affairs
Name	Hu Qin	-
Contact adds.	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province	-
Tel.	0755-26948888	-
Fax.	0755-26003684	-
E-mail	investor@nspower.com.cn	-

III. Others

1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

□ Applicable √ Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2014.

2. Information disclosure and preparation place

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2014.

3. Registration changes of the Company

Whether registration has changed in reporting period or not

□ Applicable √ Not applicable

Date/place for registration of the Company, registration number for enterprise legal license, number of taxation registration and organization code have no change in reporting period, found more details in Annual Report 2014.

Section III. Accounting data and summary of financial indexes

I. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

□Yes √ No

	Current period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	650,557,237.18	527,397,555.77	23.35%
Net profit attributable to shareholders of the listed company(RMB)	-102,546,073.06	-75,247,848.71	36.28%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-135,090,642.01	-77,137,151.13	75.13%
Net cash flow arising from operating activities(RMB)	318,855,299.19	390,088,829.00	-18.26%
Basic earnings per share (RMB/Share)	-0.17	-0.12	41.67%
Diluted earnings per share (RMB/Share)	-	-	-
Weighted average ROE	-8.41	-4.81%	-3.60%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	5,148,274,872.24	5,056,415,825.14	1.82%
Net assets attributable to shareholder of listed company(RMB)	1,168,076,610.94	1,270,542,254.88	-8.06%

II. Difference of the accounting data under accounting rules in and out of China

In the Period, net profit and net assets in and out of China of the Company had no difference.

III. Items and amounts of extraordinary profit (gains)/loss

√ Applicable □ Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	17,323.58	-

Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise's business)	1,815,600.78	-
Other non-operating income and expenditure except for the aforementioned items	191,808.55	-
Import VAT refunds for natural gas	43,717,420.50	-
Impact on minority shareholders' equity (post-tax)	13,197,584.46	-
Total	32,544,568.95	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, explain reasons

□ Applicable √ Not applicable

In reporting period, the Company has no particular about items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*

Section IV. Report of the Board of Directors

I. Introduction

For the first half year of 2015, Guangdong province recorded moderate growth in economy, resulting in slow growth of overall power utilization. However, as affected by the rapid increase of power transfer from the west to the east, successive official operation of the new established power units and cease of power generation by those unauthorized units, power grid had substantially decreased demands from fuel machine power plants for peak season. Accordingly, power generated by our Company which was transmitted to the power grid had decreased. For the period from January to June 2015, the accumulative power quantity transmitted to the power grid from our three fuel machine power plants was 562 million kwh, with a year-on-year decrease of 30.01%.

During the reporting period, challenged by the severe market conditions and operating difficulties, the Company continued to implement the best economic efficient operation model applicable to the situation of low power quantity so as to minimize production cost, subject to safety guarantee. Meanwhile, the Company alleviated capital pressure through actively seeking for more financing channel, in order to ensure its capital chain safety. However, since pricing policies relating to the power transmitted to power grid has not been implemented on time, the standard power generation subsidy granted by Shenzhen government was not able to cover generation costs, the government subsidy for power generation was insufficient and power generation quantity declined sharply, the Company was not able to get rid of operating loss.

II. Main business analysis

Introduction

Business scope of the Company including production and operation of power-up and heat supply, engaged in the relevant technology consultant and technology service of power plant (station). The Company mainly operated electricity generation, owes three wholly-owned or controlling power plants in total in Shenzhen, Zhongshan and Dongguan, and all of them are located in the power load center of Pearl River Delta.

Name of the company	On-grid energy (KWH)	Same period of last year	y-o-y changes
Nanshan Power Factory(including units belongs to New Power Co.,)	3.00	4.00	-25.00%
Zhongshan Nam Long Power Plant	2.62	2.79	-6.09%
Dongguan Gaobu Power Plant	0	1.23	-100.00%
Total	5.62	8.03	-30.01%

During the reporting period, the accumulative operating revenue of the Company was RMB 650,557,200, a 23.35% up as compared to the same period of last year, mainly because the income from oil products trading increased; operating costs was RMB 746,907,800, decreased RMB 9,557,200 as compared to the same period of last year, Net profit attributable to owners of the parent company was RMB -102,546,100 decreased RMB 27,298,300 as compared to the same period of last year, mainly because the generation subsidy declined as the volume drops dramatically, especially the two generation units, owned by controlling subsidiary Shen Nan Dian Dongguan Company, have stop ready for production since beginning of the Year for procedures re-approval due to the policy adjustment. As of 30 June 2015, the Company's total assets was about RMB 5.148 billion, net assets was RMB 1.168 billion and the asset-liability ratio was 76%.

Y-o-y changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operating revenue	650,557,237.18	527,397,555.77	23.35%	The oil trade revenue increased, and generation income declined
Operating costs	746,907,771.86	756,464,991.38	-1.26%	
Sales expenses	2,183,711.61	1,659,963.69	31.55%	Sales expenses of the oil trade increased and dry sludge disposal costs increased
Administration expenses	43,210,635.07	43,191,076.63	0.05%	
Finance expenses	115,851,533.93	106,839,866.08	8.43%	Size of the loans increase
Income tax expenses	488,647.17	1,692,763.26	-71.13%	The quarterly income tax paid in advance decreased
R&D input	0.00	0.00	0.00%	
Net cash flow arising from operating activities	318,855,299.19	390,088,829.00	-18.26%	The generation subsidy and power-sale income decreased, the natural gas refunds increased and gas amount paid declined
Net cash flow arising from investment activities	-11,332,937.87	-22,525,931.92	-49.69%	Expenses of the low-nitrogen transformation decreased in the Period and made net cash flows increased
Net cash flow arising from financing activities	-16,020,069.86	-171,777,208.82	-90.67%	Financed amount growth
Net increase of cash and cash equivalent	291,495,149.10	195,855,731.81	48.83%	

Major changes on profit composition or profit resources in reporting period

□ Applicable √ Not applicable

No major changes on profit composition or profit resources occurred in reporting period.

The future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement

□ Applicable √ Not applicable

No future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement.

Review on the previous business plan and its progress during reporting period

1. During the reporting period, the accumulative power quantity transmitted to the power grid from our three fuel machine power plants was 562 million kwh, accounting for 33.47% of our annual power generation plan, representing a year-on-year decrease of 30.01%. In respect of safety works, the Company realized safety working for successive 4,077 days, which provided important guarantee for normal operation and sustainable development.

2. Pursuant to the Company Law and the Articles of Association, the Company refreshed its management team on 3 April 2015 to ensure sustainable and steady normal operation.

3. In order to satisfying capital needs for normal operation and new projects construction, the Company carried out financial leasing leaseback business and revitalized the power assets of New Power Company and Shennandian Zhongshan Company. The aforesaid business has been implemented upon consideration and approval by shareholders at the second extraordinary general meeting of the Company held on 25 June 2015.

4. Shenzhong Property Company has been developing the parcel of land with an area of 53.82 mu as scheduled. On 2 July 2015, Shenzhong Property Company entered into the project construction contract with the bid winner Zhongheng Construction Group Co., Ltd., which laid good foundation for realization of the project development plan throughout the year. In addition, the Company is in the process of revitalizing the land owned by Shenzhong Real Estate Company with an area of 346 mu.

5. During the reporting period, the natural gas heat & electricity united operation expansion project (2×460MW (level 9F)) operated by Shennandian Zhongshan Company has been included in the Concentrate Heat Supply Development Plan in Respect of Industrial Park and Industrial Cluster of Zhongshan (2013-2020). The proposal on preliminary works relating to the natural gas heat & electricity united operation expansion project (2×460MW (level 9F)) newly operated by Shennandian (Zhongshan) Power Co., Ltd. has been submitted to the development and reform commission of Guangdong province. There is no new progress for determination of this project.

III. Constitution of main business

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase or decrease of operating revenue over same period of last year	Increase or decrease of operating cost over same period of last year	Increase or decrease of gross profit ratio over same period of last year
According to industries						
Energy	618,892,179.34	720,990,000.13	-16.50%	24.01%	-0.94%	29.34%
Engineering labor	667,000.00	3,473,256.43	-420.73%	-	26.63%	-
Other revenue	30,209,177.70	22,168,608.23	26.62%	10.27%	-9.03%	15.57%
According to products						
Power marketing	358,193,156.87	463,119,355.38	-29.29%	-28.23%	-36.37%	16.55%

Fuel oil marketing	260,699,022.47	257,870,644.75	1.08%	-	-	-
Engineering labor	667,000.00	3,473,256.43	-420.73%	-	26.63%	-
Sludge drying	30,209,177.70	22,168,608.23	26.62%	11.73%	7.76%	2.71%
Others	0.00	0.00	0.00%	-100.00%	-100.00%	-
According to region						
Domestic	649,768,357.04	746,631,864.79	-14.91%	23.42%	-1.10%	28.49%
Overseas	-	-	-	-	-	-

IV. Core competitive-ness analysis

The Company is now the enterprise owning the most PG9171E-sized gas-steam united recycling power generator units, has accumulated abundant experiences in construction and operation of large gas machine power plants, and has absorbed and cultivated lots of gas machine technicians and experts, which makes the Company become a training base for gas machine talents.

As our economy has stepped into new normal operation which means economic structure is subject to material adjustments and production and consumption of energy is subject to material reforms, competition in regional power market will be thus more furious. Although gas-based power units performed excellent for peak season requirements and also excellent for environment and discharge purposes, they recorded continuous decline in profitability especially the 9E units, due to the overall declined economic pressure throughout the nation, continuous increase in power transmitted to Guangdong from the west, many new power contributors as well as huge uncertainty in power subsidy policies. Despite of the relatively much disadvantages in future, the Company will fully capitalize on the national policy relating to encouragement for clean energy utilization and leverage on its advantages in human resources, to seek for survival and development.

V. Investment analysis

1. External equity investment

(1) External investment

√ Applicable □ Not applicable

External investment		
Investment in reporting period (RMB)	Investment at same period of last year (RMB)	Changes
0.00	0.00	0.00%
Invested company		
Name	Main business	Proportion of equity held by listed company in invested company
CPI Jiangxi Nuclear Power Co., Ltd.	Development, construction and operation	5.00%

	of the nuclear power projects; power generating and relevant products; foreign trading (excluded import and export business with state-run trade management concerned); (excluding projects, the above mentioned, with national special permission hold)	

2. Trust management, derivative investment and entrust loans

In reporting period, the Company has no trust management, derivative investment and entrust loans occurred

3. Application of raised proceeds

The Company has no fund raised in the Period

4. Main subsidiaries and joint-stock companies analysis

In RMB

Name	Type	Industry involved	Main products or service	Registered capital	Total assets	Net assets	Operation revenue	Operation profit	Net profit
Shen Nan Dian New Power Company	Subsidiary	Power industry	Technology development regarding to application of remaining heat (excluding restricted items) and power generation with remaining heat. Add: power generation through burning machines.	RMB 113.85 million	231,402,382.92	66,042,446.74	19,056,240.39	-16,414,693.35	-16,414,693.35

Shen Nan Dian Zhongshan Company	Subsidiary	Electricity	power generation by burning machines, power generation by remaining heat, power supply and heat supply (excluding pipeline network of heat supply), lease of dock and oil storage (excluding oil products, dangerous chemicals and inflammable and explosive materials).	RMB 746.8 million	951,566,661.89	22,690,155.42	166,864,512.65	-60,287,324.73	-60,240,413.41
Shenzhong Real Estate Company	Subsidiary	Real Estate	Development of real eatate, property management, leasing and sales of own commercial housing and investment of real estate	RMB 177.80 million	1,025,035,337.36	-179,136,868.45		-36,932,486.79	-36,932,503.78

5. Major project invested by non-raised funds

√ Applicable □ Not applicable

In ten thousand Yuan

Project	Total investment planned	Amount invested in this period	Amount invested accumulative till end of reporting period	Progress	Earnings	Date of disclosure (if applicable)	Index of disclosure (if applicable)
CPI Jiangxi Nuclear Power Co., Ltd.	34,785	0	5,731.5		N/A	2009-12-29	http://www.cninfo.com.cn/
Total	34,785	0	5,731.5	--	--	--	--

VI. Prediction of business performance from January – September 2015

Estimation on 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 on reason

□ Applicable √ Not applicable

VII. Explanation from the Board and Supervisory Committee for "Qualified Opinion" from the CPA of this year's

□ Applicable √ Not applicable

VIII. Explanation from the Board for "Qualified Opinion" of last year's

□ Applicable √ Not applicable

IX. Implementation of profit distribution in reporting period

Implementation or adjustment of profit distribution plan in reporting period, cash dividend plan and shares converted from capital reserve in particular

□ Applicable √ Not applicable

The profit distribution plan in semi-annual year was: no cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

X. Profit distribution and capitalization of capital reserves in the Period

□ Applicable √ Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual year

XI. In the report period, reception of research, communication and interview

√ Applicable　　□ Not applicable

Time	Place	Way	Type	Reception	Contents discussed and material provided
2015-05-19	Conference room of the Company	Field research	Individual	Investor	Operation status of the Company
Jan. to Jun. of 2015	Investor relation interactive platform	Written inquiries	Individual	Investor (37)	Basic operation status of the Company, financial situation; Situation of shareholders' buying and selling company stock; and company profile

Section V. Important Events

I. Corporate governance

There is no difference between corporate governance and the requirements of the Company Law and relevant regulations of the CSRC

II. Lawsuits

No significant lawsuits and arbitrations of the Company in reporting period.

III. Question from media

No universal questioned by media in reporting period

IV. Bankruptcy reorganization

In reporting period, the Company has no bankruptcy reorganization occurred.

V. Transaction in assets

The Company has no major assets purchased, assets sales and enterprise combined in the Period

VI. Implementation and its influence of equity incentive

□ Applicable √ Not applicable

The company had not yet made the plan of equity incentive in the reporting.

VII. Insignificant related transactions

1. In reporting period, the Company has no routine operational related transactions, assets purchased and assets sales occurred, and no major related transaction of investment outside either. The Company has no related transaction with routine operation concerned in Period.

2. Current related liabilities and debts

√ Applicable □ Not applicable

Whether exist non-operating contact of related liabilities and debts or not

√Yes □No

Financial claim receivable from related party:

Related parties	Relationship	Reason	Exist non-operating occupation of funds (Y/N)	Balance at period-begin (in 10 thousand Yuan)	Newly added amount in the Period (in 10 thousand	Amount of recovery in the Period (in 10 thousand Yuan)	Interest rate	Interest in the Period (in 10 thousand Yuan)	Balance at period-end (in 10 thousand Yuan)

					Yuan)				
Shen Nan Dian Engineering Co.,	Subsidiary	Profit distribution	N	7,949.53	0	0	0.00%	0	7,949.53
Shen Nan Dian Zhongshan Co	Subsidiary	Routine operation open credit	N	63,493.66	0	9,576.89	7.00%	1,635.53	53,916.77
Shenzhong Real Estate Company	Subsidiary	Routine operation open credit	N	84,252.1	2,329.29	0	7.00%	2,829.28	86,581.39
Shenzhong Properties Company	Subsidiary	Routine operation open credit	N	9,364.05	811.88	0	7.00%	319.12	10,175.93
Shen Nan Dian Dongguan Co	Subsidiary	Routine operation open credit	N	10,674.86	0	5,931.01	7.00%	330.17	4,743.85
New Power Co.,	Subsidiary	Routine operation open credit	N	2,860.46	7,162.54	0	0.00%	0	10,023
Shen Nan Dian Envionment Protection Co.,	Subsidiary	Routine operation open credit	N	815.7	0	29.81	0.00%	0	785.89
Singapore Company	Subsidiary	Routine operation open credit	N	21.23	0	0	0.00%	0	21.23
Syndisome Company	Subsidiary	Routine operation open credit	N	8.1	0	0	0.00%	0	8.1
Influence on business performance and financial status of the Company from related liabilities		decreased current assets RMB 52,340,000 in the period.							

Debt payable to related party :

Related parties	Relationship	Reason	Balance at period-begin (in 10 thousand Yuan)	Newly added amount in the Period (in 10 thousand Yuan)	The return amount in the Period (in 10 thousand Yuan)	Interest rate	Interest in the Period (in 10 thousand Yuan)	Balance at period-end (in 10 thousand Yuan)
Shen Nan Dian	Subsidiary	Routine	9,486.96	43.83		5.60%	264.38	9,530.79

Engineering Co.,		operation open credit						
Server Co.,	Subsidiary	Routine operation open credit	3,146.99		8.15	5.60%	84.47	3,138.84
Syndisome Company	Subsidiary	Routine operation open credit	346.97		0.33			346.64
Influence on business performance and financial status of the Company from related debts	Decreased current liabilities RMB 353,500 in the period.							

3. Other related transactions

The company had no other related transactions in reporting period.

VIII. Non-business capital occupying by controlling shareholders and its related parties

No non-business capital occupied by controlling shareholders and its related parties in Period

IX. Significant contracts and its implementation

1. Trusteeship, contract and lease

(1) Trusteeship

√ Applicable □ Not applicable

Instruction of trusteeship

As for the Assets Custody Operation Contract in Connection with Burning Machine-Stream Joint Cycle Heat Power Generation Machine Unit entered into in February 2003, the Company was entrusted to operate and manage the power generation machine unit owned by its wholly-owned subsidiary New Power Company. The custody business service charge RMB 761,600 was obtained by the Company in reporting period.

(2) Contract

The Company had no contract in the reporting period.

(3) Leasing

The Company had no leasing in the reporting period.

2. Guarantees

√ Applicable □ Not applicable

In ten thousand Yuan

Particulars about the external guarantee of the Company (Barring the guarantee for the controlling subsidiaries)								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation (Y/N)	Guarantee for related party (Y/N)
Guarantee of the Company for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation (Y/N)	Guarantee for related party (Y/N)
Shen Nan Dian Zhongshan Company	2015-04-25	10,000	2014-05-09	0	General assurance	2 years	N	Y
Shen Nan Dian Zhongshan Company	2015-04-25	3,500	2014-06-30	3,500	General assurance	1year	N	Y
Shen Nan Dian Zhongshan Company	2015-04-25	10,000	2014-11-01	4,389	General assurance	1year	N	Y
Shen Nan Dian Zhongshan Company	2015-04-25	10,000	2014-12-10	4,851	General assurance	1year	N	Y
Shen Nan Dian Zhongshan Company	2015-04-25	20,000	2015-05-13	15,500	General assurance	1year	N	Y
Shen Nan Dian Dongguan Company	2015-04-25	24,000	2013-09-06	10,000	General assurance	2 years	N	Y
Shen Nan Dian Dongguan Company	2015-04-25	5,000	2014-06-17	5,000	General assurance	1year	N	Y
Shen Nan Dian Dongguan Company	2015-04-25	25,000	2014-07-02	25,000	General assurance	1year	N	Y
Shen Nan Dian Dongguan Company	2015-04-25	10,000	2014-12-10	0	General assurance	1year	N	Y
Shen Nan Dian Dongguan Company	2015-04-25	10,000	2015-01-28	0	General assurance	1year	N	Y
Shen Nan Dian Dongguan	2015-04-25	20,000	2015-05-13	20,000	General assurance	1year	N	Y

Company								
Shen Nan Dian Dongguan Company	2015-04-25	21,000	2015-04-07	3,500	General assurance	1year	N	Y
Shen Nan Dian Environment Protection Co.	2015-04-25	2,500	2014-12-08	0	General assurance	1year	N	Y
Shen Nan Dian Environment Protection Co.	2015-04-25	2,500	2015-02-04	2,500	General assurance	1year	N	Y
New Power Company	2015-04-25	10,000	2014-12-05	5,000	General assurance	1year	N	Y
Total amount of approving guarantee for subsidiaries in report period (B1)		183,500		Total amount of actual occurred guarantee for subsidiaries in report period (B2)		99,240		
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)		183,500		Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)		99,240		
Guarantee of the subsidiaries for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation (Y/N)	Guarantee for related party(Y/N)
Total amount of guarantee of the Company(total of three abovementioned guarantee)								
Total amount of approving guarantee in report period (A1+B1+C1)		183,500		Total amount of actual occurred guarantee in report period (A2+B2+C2)		99,240		
Total amount of approved guarantee at the end of report period (A3+B3+C3)		183,500		Total balance of actual guarantee at the end of report period (A4+B4+C4)		99,240		
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)				84.96%				
Including:								
Amount of guarantee for shareholders, actual controller and its related parties(D)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(E)				96,740				
Proportion of total amount of guarantee in net assets of the Company exceed 50%(F)				40,840				
Total amount of the aforesaid three guarantees(D+E+F)				137,580				
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)				N/A				
Explanations on external guarantee against regulated procedures (if applicable)				N/A				

Explanation on guarantee with composite way

(1) Guarantee outside against the regulation

□ Applicable √ Not applicable

No guarantee outside against the regulation in Period

3. Other significant contract

√ Applicable □ Not applicable

Counterparty	Parties in the contract	Contract object	Date for signing	Net book value of assets involved (10 thousand Yuan) (if applicable)	Appraisal value of assets involved (10 thousand Yuan) (if applicable)	Appraisal agency (if applicable)	Base date of assets evaluation (if applicable)	Pricing principle	Dealing price (10 thousand Yuan)	Related transaction(Y/N)	Relationship	Implementation end as the Report
The company	Guangdong Trade Branch of CNOOC Gas & Power Group Co., Ltd.	Liquified natural gas	2013-01-15	-	-	-	-	Be composed of three parts of LNG price, comprehensive service charge and taxes.	-	N	Not applicable	Related contracts still in implementing
Shen Nan Dian Dongguan Company	Guangdong Trade Branch of CNOOC Gas & Power Group Co., Ltd.	Liquified natural gas	2013-12-21	-	-	-	-	Be composed of three parts of LNG price, comprehensive service charge and taxes.	-	N	Not applicable	Related contracts still in implementing
Shen Nan	Zhuhai Trade	Liquified natural	2014-05-31	-	-	-	-	Be compose	-	N	Not applicable	Related contracts

Dian Zhongshan Company	Branch of CNOOC Gas & Power Group Co., Ltd.	gas						d of three parts of LNG price, comprehensive service charge and taxes.				still in implementing
Shenzhong Properties Company	Zhongheng Construction Group Co., Ltd.	Shui Mu Nian Hua Garden project (building size: 157,951.71 M^2)	2015-07-02	-	-	-	-	Contract amount + design change and visa amount - deductible expenses	37,923.48	N	Not applicable	Implement after relevant contract signed

4. Other material transactions

In order to meet normal operation needs of New Power Company and Shennandian Zhongshan Company, the Company provided leaseback financing leasing guarantee to these two companies with guarantee amount of RMB190 million and RMB 610 million, respectively, under which, the Company beard joint responsibility. The proposal relating to financial leasing by the wholly-owned and controlling subsidiaries and provision of guarantee by the Company in respect thereof has been considered and approved at the 4th extraordinary meeting of the 7th Board and the 3rd extraordinary general meeting for 2015 held by the Company on 8 June and 25 June 2015, respectively. For details, please refer to the announcement relating to provision of guarantee for financial leasing leaseback business conducted by its wholly-owned and controlling subsidiaries (No.: 2015-047) published by the Company on China Securities, Securities Times, Hong Kong Commercial Daily and Juchao information website on 9 June 2015, and the resolution announcement relating to the 3rd extraordinary general meeting for 2015 (No.: 2015-050) published by the Company on 26 June 2015.The project is currently in process.

X. 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

Commitments	Accepter	Contents	Commitment time	Commitment period	Implementation
Commitments for Share Merger Reform	-	-	-	-	-
Commitments in report of acquisition or equity change	-	-	-	-	-
Commitments in assets replacement	-	-	-	-	-

Commitments make in Initial public offering or re-financing	-	-	-	-	-
Other commitments for minority shareholders	Shenzhen Guangju Industrial Co., Ltd.; SHENZHEN ENERGY (GROUP) CO., LTD.; Shenzhen Guoneng International Trading Co., LTD; HONG KONG NAM HOI (INTERNATIONAL) LIMITED; the Company	Promise not to preparing the material events as material assets reorganization, acquisition, stock placement in later three months	2015-01-09	Within 3 months	Completed
	Shenzhen Guangju Industrial Co., Ltd.; SHENZHEN ENERGY (GROUP) CO., LTD.; HONG KONG NAM HOI (INTERNATIONAL) LIMITED; the Company	Promise not to preparing the material events as material assets reorganization, acquisition, stock placement in later three months	2015-05-19	Within 3 months	Completed
Commitments for Share Merger Reform	Yes				

XI. Engagement and dismissal of CPA

Whether the semi-annual report was audited or not

□ Yes √ No

The semi-annual report was no audited.

XII. Penalty and rectification

The Company had no penalty or rectification in the reporting period.

XIII. Risk disclosure of delisting with laws and rules violated

The Company has no delisting risks with laws and rules violated in Period.

XIV. Explanation on other significant events

√ Applicable □ Not applicable

Two sets of power units owned by Shennandian Dongguan Company which was a controlling subsidiary of the Company have ceased running from January to June 2015 pending for renewal of the relevant authorization procedures due to policy adjustments. During the halt, the Company and Shennandian Dongguan Company strengthened routine maintenance for these units when preparing relevant supportive documents as required for such authorization, to ensure that the units were well prepared to generate power from time to time.

Section VI. Changes in Shares and Particulars about Shareholders

I. Changes in Shares

In share

	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	20,020	0.0033%				-7,027	-7,027	12,993	0.0022%
3. Other domestic shareholding	20,020	0.0033%				-7,027	-7,027	12,993	0.0022%
Domestic nature person shares	20,020	0.0033%				-7,027	-7,027	12,993	0.0022%
II. Unrestricted shares	602,742,576	100.00%				7,027	7,027	602,749,603	100.00%
1.RMB ordinary shares	338,893,630	56.22%				1,527	1,527	338,895,157	56.22%
2.Domestically listed foreign shares	263,848,946	43.77%				5,500	5,500	263,854,446	43.77%
III. Total shares	602,762,596	100.00%						602,762,596	100.00%

Reasons for share changed

□ Applicable √ Not applicable

Approval of share changed

□ Applicable √ Not applicable

Ownership transfer of share changes

□ Applicable √ Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

□ Applicable √ Not applicable

Other information necessary to disclose for the Company or need to disclosed under requirement from security regulators

□ Applicable √ Not applicable

Explanation on changes in aspect of total shares, shareholders structures as well as structure of assets and liability of the Company

√ Applicable □ Not applicable

During the period, the original one of the main shareholders of the Company – Shenzhen Guoneng International Trading Co., Ltd. reducing the stock of the Company through secondary market, and no shares of the Company held by Guoneng International Trading.

2. Changes of restricted shares

√ Applicable □ Not applicable

In share

Shareholders	Opening shares restricted	Shares released in Period	Restricted Shares Increased In the Period	Ending shares restricted	Restricted reasons	Date for released
Peng Bo	1,527	1,527	0	0	According to relevant laws and regulations	2015-5-11
Li Huiwen	5,500	5,500	0	0		
Total	7,027	7,027	0	0	--	--

II. Number of shares and shares held

In Share

Total common shareholders at period-end			41,617	Total preference shareholders with voting rights recovered at end of reporting period (if applicable) (see Note 8)			0
Particulars about common shares held above 5% by shareholders or top ten common shareholders							
Shareholders	Nature of shareholder	Proportion of shares held	Number of common shares held at period-end	Changes in reporting period	Amount of restricted common shares held	Amount of un-restricted common shares held	Number of share pledged/frozen	
							State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD	Overseas corporate	15.28%	92,123,248	-	-	92,123,248	-	-
Shenzhen Guangju Industrial Co., Ltd.	State-owned corporate	11.74%	70,758,623	-30,011,089	-	70,758,623	-	-
SHENZHEN ENERGY (GROUP) CO., LTD.	State-owned corporate	10.80%	65,106,130	-	-	65,106,130	-	-
BOCI SECURITIES LIMITED	Overseas corporate	1.65%	9,969,710	-	-	9,969,710	-	-
Taifook Securities	Overseas corporate	1.61%	9,730,210	-	-	9,730,210	-	-

Company Limited-Account Client								
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas corporate	1.00%	6,038,632	-	-	6,038,632	-	-
Phillip Securities (HK) Limited	Overseas corporate	0.68%	4,079,568	-	-	4,079,568	-	-
YAO XIU GUANG	Overseas nature person	0.67%	4,059,339	-	-	4,059,339	-	-
Yang Guoxiong	Domestic nature person	0.54%	3,252,639	-	-	3,252,639	-	-
Shanghai Wanguo Securiteis (H.K.)	Overseas corporate	0.51%	3,090,202	-	-	3,090,202	-	-
Strategy investors or general corporate becomes top 10 common shareholders due to rights issued (if applicable)(see Note 3)	N/A							
Explanation on associated relationship among the aforesaid 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.							

Particular about top ten common shareholders with un-restrict shares held			
Shareholders	Amount of un-restrict common shares held at period-end	Type of shares	
		Type	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD	92,123,248	Domestically listed foreign shares	92,123,248
Shenzhen Guangju Industrial Co., Ltd.	70,758,623	RMB ordinary shares	70,758,623
SHENZHEN ENERGY (GROUP) CO., LTD.	65,106,130	RMB ordinary shares	65,106,130
BOCI SECURITIES LIMITED	9,969,710	Domestically listed foreign shares	9,969,710

Taifook Securities Company Limited-Account Client	9,730,210	Domestically listed foreign shares	9,730,210
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	6,038,632	Domestically listed foreign shares	6,038,632
Phillip Securities (HK) Limited	4,079,568	Domestically listed foreign shares	4,079,568
YAO XIU GUANG	4,059,339	Domestically listed foreign shares	4,059,339
Yang Guoxiong	3,252,639	Domestically listed foreign shares	3,252,639
Shanghai Wanguo Securiteis (H.K.)	3,090,202	Domestically listed foreign shares	3,090,202
Expiation on associated relationship or consistent actors within the top 10 un-restrict common shareholders and between top 10 un-restrict common shareholders and top 10 common 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.		
Explanation on top ten common shareholders involving margin business (if applicable)(see note 4)	N/A		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

√ Yes □ No

Top ten common shareholders or top ten common shareholders with un-restrict shares not held have a buy-back agreement dealing in reporting period

III. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

□ Applicable √ Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period

□ Applicable √ Not applicable

Changes of actual controller in reporting period had no change in reporting period.

IV. Share holding increasing plan proposed or implemented in reporting period from shareholder of the Company and its concerted action person

□ Applicable √Not applicable

As far as the Company know, there are no share holding increasing plan proposed or implemented in Period from shareholder of the Company and its concerted action person

Section VII. Preferred Stock

□ Applicable √ Not applicable

The Company had no preferred stock in the reporting.

Section VIII. Directors, Supervisors and Senior Executives

I. Changes of shares held by directors, supervisors and senior executives

□ Applicable √ Not applicable

Shares held by directors, supervisors and senior executives have no changes in reporting period, found more details in Annual Report 2014.

II. Resignation and dismissal of directors, supervisors and senior executives

√ Applicable □ Not applicable

Name	Title	Type	Date	Reasons
Wu Xiangdong	Director	Elected	2015-04-21	Change of directors
Wu Xiangdong	GM	Appointment	2015-04-04	Change the term of management team
Ji Ming	Director	Elected	2015-04-21	Change of directors
Lin Qing	Director	Elected	2015-04-21	Change of directors
Huang Jian	CFO	Appointment	2015-04-04	Change the term of management team
Yang Wenhua	Deputy Chairman	Leave the post	2015-03-27	Resignation
Sun Jianxin	Director	Leave the post	2015-03-27	Resignation
Fu Bo	Director	Leave the post	2015-04-02	Resignation
Fu Bo	GM	Leave the post while office terms expired	2015-04-03	Change the term of management team
Huang Zhihong	Supervisor	Leave the post	2015-03-27	Resignation
Lv Xiaoping	CFO	Leave the post while office terms expired	2015-04-03	Change the term of management team

Section IX. Financial Report (Un-audited)

The financial report of the semi-annual report 2014 has not been audited (attached)

X. Documents Available for Reference

I. Semi-annual Report of 2015 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 original 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.

Shenzhen Nanshan Power Co., Ltd.

25 August 2015

Consolidated Balance Sheet

In RMB/CNY

Asset	2015-6-30	2014-12-31	Liabilities and owners' equity:	2015-6-30	2014-12-31
Current assets:			Current liabilities:		
Monetary funds	870,079,596.12	578,584,447.02	Short-term loans	2,512,400,000.00	2,617,890,000.00
Notes receivable	-	-	Notes payable	320,000,000.00	260,000,000.00
Accounts receivable	356,972,117.48	502,772,509.41	Accounts payable	173,100,599.78	139,165,440.83
Accounts paid in advance	5,542,051.29	6,233,357.49	Accounts received in advance	-	-
Interest receivable	-	-	Wage payable	42,103,528.54	47,122,426.07
Dividend receivable	-	-	Taxes payable	5,970,534.98	7,344,990.85
Other receivables	33,392,035.24	30,150,229.08	Interest payable	50,920,125.96	42,162,535.84
Inventories	1,272,271,502.06	1,284,712,150.88	Dividend payable	-	-
Long-term debt investment due within 1 year	-	-	Other accounts payable	371,995,245.19	340,400,926.04
Other current assets	603,382,754.19	613,644,525.13	Long-term liabilities due within 1 year	-	-
Total current assets	3,141,640,056.38	3,016,097,219.01	Total current liabilities	3,476,490,034.45	3,454,086,319.63
Non-current assets:			Non-current liabilities:		
Financial assets available for sale	57,315,000.00	57,315,000.00	Long-term loans	350,000,000.00	150,000,000.00
Long-term account receivable	-	-	Accrual liabilities	27,100,000.00	27,100,000.00
Long-term equity investment	23,714,052.98	24,597,397.33	Deferred income	45,266,714.18	47,082,314.96
Investment property	3,322,645.75	3,543,988.51	Other non-current liabilities	-	-
Fixed assets	1,807,161,667.67	1,839,739,944.19	Total non-current liabilities	422,366,714.18	224,182,314.96
Construction in progress	34,176,630.05	32,826,131.18	Total liabilities	3,898,856,748.63	3,678,268,634.59
Disposal of fixed asset	-	-	Owners' equity:		
Intangible assets	55,172,845.77	56,524,171.28	Share capital	602,762,596.00	602,762,596.00
Long-term expenses to be apportioned	-	-	Capital public reserve	362,750,871.58	362,670,442.46
Deferred income tax asset	2,889,791.86	2,889,791.86	Other comprehensive income	-	-
Other non-current asset	22,882,181.78	22,882,181.78	Surplus public reserve	332,908,397.60	332,908,397.60
Total non-current asset	2,006,634,815.86	2,040,318,606.13	Retained profit	-130,345,254.24	-27,799,181.18
			Total owner's equity attributable to parent Company	1,168,076,610.94	1,270,542,254.88
			Minority interests	81,341,512.67	107,604,935.67
			Total shareholders' equity	1,249,418,123.61	1,378,147,190.55

Total assets	5,148,274,872.24	5,056,415,825.14	Total liabilities and shareholders' equity	5,148,274,872.24	5,056,415,825.14

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Balance sheet of parent company

In RMB/CNY

Asset	2015-6-30	2014-12-31	Liabilities and owners' equity:	2015-6-30	2014-12-31
Current assets:			Current liabilities:		
Monetary funds	556,719,432.74	332,803,493.04	Short-term loans	1,670,000,000.00	1,689,000,000.00
Notes receivable	-	-	Notes payable	320,000,000.00	260,000,000.00
Accounts receivable	287,237,353.25	348,412,708.95	Accounts payable	95,369,102.76	136,675,432.37
Accounts paid in advance	1,218,036.00	1,508,422.20	Accounts received in advance	-	-
Interest receivable	-	-	Wage payable	19,724,255.14	26,498,739.18
Dividend receivable	79,495,331.17	79,495,331.17	Taxes payable	2,226,774.98	1,277,289.10
Other receivables	1,565,254,284.25	1,716,877,162.13	Interest payable	3,363,499.99	3,885,184.72
Inventories	85,822,565.39	83,913,536.01	Dividend payable	-	-
Long-term debt investment due within 1 year	-	-	Other accounts payable	70,406,851.11	154,070,351.82
Other current assets	437,582,243.77	436,292,055.11	Other current liabilities	-	-
Total current assets	3,013,329,246.57	2,999,302,708.61	Total current liabilities	2,181,090,483.98	2,271,406,997.19
Non-current assets:			Non-current liabilities:		
Financial assets available for sale	57,315,000.00	57,315,000.00	Long-term loans	250,000,000.00	150,000,000.00
Long-term equity investment	691,982,849.76	691,982,849.76	Deferred income	29,732,786.25	31,040,366.91
Investment property	-	-	Other non-current liabilities	-	-
Fixed assets	260,323,500.14	266,027,993.11	Total non-current liabilities	279,732,786.25	181,040,366.91
Construction in progress	21,804,934.45	22,436,936.91	Total liabilities	2,460,823,270.23	2,452,447,364.10
Disposal of fixed asset	-	-	Owners' equity:		
Intangible assets	6,189,573.11	6,909,693.29	Share capital	602,762,596.00	602,762,596.00
Long-term expenses to be apportioned	-	-	Capital public reserve	288,849,561.59	288,769,132.47
Deferred income tax asset	-	-	Other comprehensive income	-	-
Other non-current asset	-	-	Surplus public reserve	332,908,397.60	332,908,397.60
Total non-current asset	1,037,615,857.46	1,044,672,473.07	Retained profit	365,601,278.61	367,087,691.51
			Total shareholders' equity	1,590,121,833.80	1,591,527,817.58

Total assets	4,050,945,104.03	4,043,975,181.68	Total liabilities and shareholders' equity	4,050,945,104.03	4,043,975,181.68

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Consolidated Profit Statement

In RMB/CNY

Item	Jan-Jun 2015	Jan-Jun 2014
I. Total operation income	650,557,237.18	527,397,555.77
Including: operation income	650,557,237.18	527,397,555.77
II. Total operation cost	911,655,231.49	911,511,690.74
Including: operation cost	746,907,771.86	756,464,991.38
Operation tax and surcharge	3,501,579.02	3,355,792.96
Sales expense	2,183,711.61	1,659,963.69
Management expense	43,210,635.07	43,191,076.63
Financial expense	115,851,533.93	106,839,866.08
Loss of assets impairment	-	-
Add: Changing income of fair value(Loss is listed with "-")	-	-
Investment income (Loss is listed with "-")	-883,344.35	-1,270,147.52
Including: Investment income on affiliated company and joint venture	-	-
III. Operating profit (Loss is listed with "-")	-261,981,338.66	-385,384,282.49
Add: Non-operating income	133,689,250.30	285,616,447.50
Including: Disposal gains of non-current asset	36,000.00	69,220.00
Less: Non-operating expense	28,760.53	10,380.50
Including: Disposal loss of non-current asset	18,676.42	196.00
IV. Total Profit (Loss is listed with "-")	-128,320,848.89	-99,778,215.49
Less: Income tax expense	488,647.17	1,692,763.26
V. Net profit (Net loss is listed with "-")	-128,809,496.06	-101,470,978.75
Net profit attributable to owner's of parent company	-102,546,073.06	-75,247,848.71
Minority shareholders' gains and losses	-26,263,423.00	-26,223,130.04
VI. Net after-tax of other comprehensive income	-	-

VII. Total comprehensive income	-128,809,496.06	-101,470,978.75
Total comprehensive income attributable to owners of parent Company	-102,546,073.06	-75,247,848.71
Total comprehensive income attributable to minority shareholders	-26,263,423.00	-26,223,130.04
VIII. Earnings per share:	-	-
(i) Basic earnings per share	-0.17	-0.12
(ii) Diluted earnings per share	Not applicable	Not applicable

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Profit statement of parent company

In RMB/CNY

Item	Jan-Jun 2015	Jan-Jun 2014
I. Operation income	182,088,549.77	205,833,519.73
Less: Operation cost	217,358,344.02	338,703,247.78
Operation tax and surcharge	2,959,810.77	2,587,543.57
Sales expense	-	-
Management expense	24,707,310.79	18,337,356.02
Financial expense	27,775,396.75	33,900,873.73
Loss of assets impairment	-	
Add: Changing income of fair value(Loss is listed with “-”)	-	-
Investment income (Loss is listed with “-”)	-	-
Including: Investment income on affiliated company and joint venture	-	-
II. Operating profit (Loss is listed with “-”)	-90,712,312.56	-187,695,501.37
Add: Non-operating income	89,225,899.66	161,283,681.66
Including: Disposal gains of non-current asset	-	-
Less: Non-operating expense	-	-
Including: Disposal loss of non-current asset	-	-
III. Total Profit (Loss is listed with “-”)	-1,486,412.90	-26,411,819.71
Less: Income tax expense	-	-
IV. Net profit (Net loss is listed with “-”)	-1,486,412.90	-26,411,819.71

V. Other comprehensive income		
VI. Total comprehensive income	-1,486,412.90	-26,411,819.71

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Consolidated Cash Flow Statement

In RMB/CNY

Item	Jan-Jun 2015	Jan-Jun 2014
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	635,241,959.31	501,429,191.92
Write-back of tax received	-	-
Other cash received concerning operating activities	416,649,345.72	422,104,140.58
Subtotal of cash inflow arising from operating activities	1,051,891,305.03	923,533,332.50
Cash paid for purchasing commodities and receiving labor service	622,618,355.79	418,136,407.31
Cash paid to/for staff and workers	67,601,183.05	58,940,436.65
Taxes paid	10,935,597.84	30,742,279.61
Other cash paid concerning operating activities	31,880,869.16	25,625,379.93
Subtotal of cash outflow arising from operating activities	733,036,005.84	533,444,503.50
Net cash flows arising from operating activities	318,855,299.19	390,088,829.00
II. Cash flows arising from investing activities:		
Net cash received from disposal of fixed, intangible and other long-term assets	1,134.00	192,000.00
Other cash received concerning investing activities and disposal of subsidiaries and other units	-	-
Other cash received concerning investing activities	1,134.00	192,000.00
Subtotal of cash inflow from investing activities	11,334,071.87	22,717,931.92
Other cash paid concerning investing activities	-	-
Subtotal of cash outflow from investing activities	11,334,071.87	22,717,931.92
Net cash flows arising from investing activities	-11,332,937.87	-22,525,931.92
III. Cash flows arising from financing activities		
Cash received from absorbing investment	-	-
Cash received from loans	1,953,510,000.00	2,124,923,209.20
Other cash received concerning financing activities	-	5,000,000.00
Subtotal of cash inflow from financing activities	1,953,510,000.00	2,129,923,209.20
Cash paid for settling debts	1,859,000,000.00	2,198,961,917.89

Cash paid for dividend and profit distributing or interest paying	110,530,069.86	102,738,500.13
Other cash paid concerning financing activities	-	-
Subtotal of cash outflow from financing activities	1,969,530,069.86	2,301,700,418.02
Net cash flows arising from financing activities	-16,020,069.86	-171,777,208.82
IV. Influence on cash due to fluctuation in exchange rate	-7,142.36	70,043.55
V. Net increase of cash and cash equivalents	291,495,149.10	195,855,731.81
Add: Balance of cash and cash equivalents at the period -begin	568,494,957.02	538,054,829.52
VI. Balance of cash and cash equivalents at the period -end	859,990,106.12	733,910,561.33

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Cash flow statement of parent company

In RMB/CNY

Item	Jan-Jun 2015	Jan-Jun 2014
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	166,247,138.21	246,894,180.60
Write-back of tax received	-	-
Other cash received concerning operating activities	544,519,386.74	363,882,004.24
Subtotal of cash inflow arising from operating activities	710,766,524.95	610,776,184.84
Cash paid for purchasing commodities and receiving labor service	187,901,365.88	173,636,002.04
Cash paid to/for staff and workers	41,440,816.51	35,681,103.73
Taxes paid	6,082,353.51	14,316,543.11
Other cash paid concerning operating activities	253,855,525.27	94,508,969.12
Subtotal of cash outflow arising from operating activities	489,280,061.17	318,142,618.00
Net cash flows arising from operating activities	221,486,463.78	292,633,566.84
II. Cash flows arising from investing activities:		
Net cash received from disposal of fixed, intangible and other long-term assets	-	-
Other cash received concerning investing activities	-	-
Subtotal of cash inflow from investing activities	-	-
Cash paid for purchasing fixed, intangible and other long-term assets	389,316.98	375,242.58
Other cash paid concerning investing activities	-	-
Subtotal of cash outflow from investing activities	389,316.98	375,242.58
Net cash flows arising from investing activities	-389,316.98	-375,242.58
III. Cash flows arising from financing activities		
Cash received from absorbing investment	-	-
Cash received from loans	1,470,000,000.00	1,539,000,000.00
Other cash received concerning financing activities	-	5,000,000.00
Subtotal of cash inflow from financing activities	1,470,000,000.00	1,544,000,000.00

Cash paid for settling debts	1,389,000,000.00	1,579,000,000.00
Cash paid for dividend and profit distributing or interest paying	78,180,586.79	66,873,223.57
Other cash paid concerning financing activities	-	-
Subtotal of cash outflow from financing activities	1,467,180,586.79	1,645,873,223.57
Net cash flows arising from financing activities	2,819,413.21	-101,873,223.57
IV. Influence on cash due to fluctuation in exchange rate	-620.31	-501.62
V. Net increase of cash and cash equivalents	223,915,939.70	190,384,599.07
Add: Balance of cash and cash equivalents at the period -begin	332,803,493.04	264,557,683.68
VI. Balance of cash and cash equivalents at the period -end	556,719,432.74	454,942,282.75

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Consolidated Statement on Changes of Owners' Equity

In RMB/CNY

Item	Amount in Jan-Jun 2015						Amount in 2014					
	Equity attributable to Shareholder of parent company				Minority's equity	Total owners' equity	Equity attributable to Shareholder of parent company				Minority's equity	Total owners' equity
	Share capital	Capital reserve	Surplus reserves	Retained profit			Share capital	Capital reserve	Surplus reserves	Retained profit		
I. Balance at the end of the last year	602,762,596.00	362,670,442.46	332,908,397.60	-27,799,181.18	107,604,935.67	1,378,147,190.55	602,762,596.00	362,670,442.46	332,908,397.60	302,714,103.81	198,724,012.96	1,799,779,552.83
Add: Changes of accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of this year	602,762,596.00	362,670,442.46	332,908,397.60	-27,799,181.18	107,604,935.67	1,378,147,190.55	602,762,596.00	362,670,442.46	332,908,397.60	302,714,103.81	198,724,012.96	1,799,779,552.83
III. Increase/ Decrease in this year	-	80,429.12	-	-102,546,073.06	-26,263,423.00	-128,729,066.94	-	-	-	-330,513,284.99	-91,119,077.29	-421,632,362.28
(i) Total comprehensive income	-	-	-	-102,546,073.06	-26,263,423.00	-128,809,496.06	-	-	-	-330,513,284.99	-91,119,077.29	-421,632,362.28
(ii) Owners'	-	-	-	-	-	-	-	-	-	-	-	-

devoted and decreased capital												
1. Owners' devoted and capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Other	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	-	-	-	-
2. Distribution for owners (or shareholders)		-	-	-	-	-						
3. Other	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Carrying forward internal owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
(V)Other	-	80,429.12	-	-	-	80,429.12	-	-	-	-	-	-
IV. Balance at the end	602,762,596.00	362,750,871.58	332,908,397.60	-130,345,254.24	81,341,512.67	1,249,418,123.61	602,762,596.00	362,670,442.46	332,908,397.60	-27,799,181.18	107,604,935.67	1,378,147,190.55

of the Period													

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Statement on Changes of Owners' Equity of Parent Company

In RMB/CNY

Item	Amount in Jan-Jun 2015					Amount in 2014				
	Share capital	Capital reserve	Surplus reserves	Retained profit	Total owners' equity	Share capital	Capital reserve	Surplus reserves	Retained profit	Total owners' equity
I. Balance at the end of the last year	602,762,596.00	288,769,132.47	332,908,397.60	367,087,691.51	1,591,527,817.58	602,762,596.00	288,769,132.47	332,908,397.60	454,517,163.58	1,678,957,289.65
Add: Changes of accounting policy	-	-	-	-	-	-	-	-	-	-
II. Balance at the beginning of this year	602,762,596.00	288,769,132.47	332,908,397.60	367,087,691.51	1,591,527,817.58	602,762,596.00	288,769,132.47	332,908,397.60	454,517,163.58	1,678,957,289.65
III. Increase/ Decrease in this year	-	80,429.12	-	-1,486,412.90	-1,405,983.78	-	-	-	-87,429,472.07	-87,429,472.07
(i) Total comprehensive income	-	-	-	-1,486,412.90	-1,486,412.90	-	-	-	-87,429,472.07	-87,429,472.07
(ii) Owners' devoted and decreased capital	-	-	-	-	-	-	-	-	-	-
1. Owners' devoted and capital	-	-	-	-	-	-	-	-	-	-
2. Other	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-	-	-	-	-
1. Withdrawal of surplus reserves	-	-	-	-	-	-	-	-	-	-
2. Other	-	-	-	-	-	-	-	-	-	-
(IV) Carrying forward internal owners' equity	-	-	-	-	-	-	-	-	-	-
1. Capital reserves conversed to share capital)	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves conversed to share capital	-	-	-	-	-	-	-	-	-	-
(V)Other	-	80,429.12	-	-	80,429.12					

	IV. Balance at the end of the year	602,762,596.00	288,849,561.59	332,908,397.60	365,601,278.61	1,590,121,833.80	602,762,596.00	288,769,132.47	332,908,397.60	367,087,691.51	1,591,527,817.58

Person in charge of the Company: CFO: Person in charge of Financial Department:

Re-check: Tabulator:

Shenzhen Nanshan Power Co., Ltd.
Notes to financial statement 2015

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 on 25 November 1993, upon the approval of General Office of Shenzhen Municipal Government with Document Shen Fu Ban Fu [1993] No.897.

After approved by Document Shen Zhu Ban Fu [1993] No.897 issued by Shenzhen Securities Regulatory Office, on 3 January 1994, the Company offered 40,000,000 RMB common shares and 37,000,000 domestically listed foreign shares in and out of China. And the RMB common shares (A-stock) and domestically listed foreign listed shares (B-stock) were listed in Shenzhen Securities Exchange successively on July 1, 1994 and Nov. 28, 1994.

Headquarter of the Company located in Shenzhen Guangdong Province.

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.

II. Preparation basis of Financial Statements

The Group's financial statements have been prepared based on the going concern assumption. The financial statements have been prepared based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises- Basic Norms(Ministry of Finance Order No.33 Issued, Ministry of Finance Order No.76 Revised) promulgated by the Ministry of Finance of PRC on 15 February 2006 and 41 specific accounting standards, the subsequently promulgated application guidelines of the Accounting Standards for Business Enterprises, interpretations and other related rules of the Accounting Standards for Business Enterprises (hereinafter referred to as "ASBEs"), and the disclosure requirements of the "Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15- General Requirements for Financial Reports" (revised in 2010) of China Securities Regulatory Commission.

The Group's financial statements have been prepared on an accrual basis in accordance with the ASBEs. Except for certain financial instruments and investment property, the financial statements are prepared under the historical cost convention. In the event that depreciation of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

III. 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 Group together with its financial information as financial position on 30th June 2015, and the Company together with its operation results, and cash flow for the semi-annual of 2015. In addition, the financial statements of the Group also comply with, in all material respects, the disclosure requirements of the "Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15--General Requirements for Financial Reports" revised by the China Securities Regulatory Commission in 2014 and the notes thereto.

IV. The main accounting policies and accounting estimates

The Company and its subsidiaries are mainly engaged in power and thermal generation, construction of power plant, fuel trading, property development, engineering technology consultancy and sludge desiccation operation. According to the actual production and operation characteristics, the Company and its subsidiaries establish certain specific accounting policies and accounting estimates in respect of their transactions and matters such as sales revenue recognition pursuant to relevant business accounting principles. Details are set out in Note 25 Description of revenue items under section IV. For explanation on material accounting judgment and estimate issued by the management, please refer to note 31 Material accounting judgment and estimate under section IV.

1. Accounting period

Accounting period of the Group divide into annual and medium-term, and the medium-term is the reporting period that shorter than one completed accounting year. The Group's accounting year is Gregorian calendar year, namely from 1st January to 31st December.

2. Operating cycle

Normal operating cycle refers to the period from purchase of assets used for processing to realization of cash or cash equivalents. Our operation cycle is 12 months which is also serving as the standard for current or non- current assets and liabilities.

3. 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.

4. Accounting treatment on enterprise combine under the same control and under the different control

Enterprise combination refers to a trading or event that two or over two independent enterprise/s combined to one reporting body. The combination was divided into enterprise consolidation under the same control and the one not under the same control.

(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. For a business combination involving enterprises under common control, the party that, on the combination date, obtains control of another enterprise participating in the combination is the absorbing party, while that other enterprise participating in the combination is a party being absorbed. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises.

Assets and liabilities obtained by the absorbing party are measured at their carrying amount at the combination date as recorded by the party being merged. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate nominal value of shares issued as consideration) is charged to the capital reserve (share capital premium). If the capital reserve (share capital premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Cost incurred by the absorbing party that is directly attributable to the business combination shall be charged to profit or loss in the period in which they are incurred.

(2) Consolidation of enterprises not under the same control

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. For a business combination not involving enterprises under common control, the party that, on the acquisition date, obtains control of another enterprise participating in the combination is the acquirer, while that other enterprise participating in the combination is the acquiree. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

For business combination involving entities not under common control, the cost of a business combination is the aggregate of the fair values, on the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer to be paid by the acquirer, in exchange for control of the acquire plus agency fee such as audit, legal service and evaluation consultation and other management fees charged to the profit or loss for the period when incurred. As equity or bond securities are issued by the acquirer as consideration, any attributable transaction cost is included in their initial costs. Involved or contingent consideration charged to the combination cost according to its fair value on the date of acquisition, the combined goodwill would be adjusted if new or additional evidence existed about the condition on the date of acquisition within twelve months after the acquisition date, which is required to adjust the contingent consideration. The combination cost incurred by the acquirer and the identifiable net assets acquired from the combination are measured at their fair values. Where the cost of a business combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets on the acquisition date, the difference is recognized as goodwill. Where the cost of a business combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer shall first reassess the measurement of the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of combination. If after such reassessment the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is charged to profit or loss for the period.

Where the acquiree's deductible temporary difference acquired by the acquirer is not yet recognized as it does not satisfy the recognition conditions of the deferred income tax assets on the acquisition date, but new or additional information proves that the relevant circumstances have already existed on the acquisition date within twelve months after the acquisition date, which estimates that the economic benefits incurred from the deductible temporary difference at the acquisition date of acquirer can be realized, then the relevant deferred income tax assets will be recognized, and the goodwill will be reduced at the same time, if the goodwill is not sufficient to be absorbed, any excess shall be recognized in the profit or loss for the period. Except as disclosed above, the deferred income tax assets related to the business combination are charged to the profit or loss for the period.

For a business combination not under common control is finished by a stage-up approach with several transactions, these several transactions will be judged whether they fall within "transactions in a basket" in accordance with the judgment standards on "transactions in a basket" as set out in the Notice of the Ministry of Finance on Issuing Accounting Standards for Business Enterprises Interpretation No. 5 (Cai Kuai [2012] No. 19) and Article 51 of the "Accounting Standards for Business Enterprise No.33- Consolidated Financial Statement" (see Note IV. 5(2)). If they fall within "transactions in a basket", they are accounted for with reference to the descriptions as set out in the previous paragraphs of this section and Note IV. 13 "Long-term equity investments", and if they do not fall within "transactions in a basket", they are accounted for in separate financial statements and consolidated financial statements:

In separate financial statement, the sum between carrying value of the equity investment prior to acquisition date and cost of additional investment made on the acquisition date is deemed to be the initial investment cost of this investment. Other comprehensive income recognized for equity investment held prior to combination date under equity method shall be accounted for when the Company disposes of this investment on the same basis as the investee directly disposes of relevant assets or liabilities, which means that other than the changes arising from re-measuring the acquiree’s net liabilities or net assets under defined benefit plan under equity method, it shall be included in investment income of the current period.

In consolidated financial report, 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; Other comprehensive income recognized for equity investment held prior to combination date under equity method shall be accounted for when the Company disposes of this investment on the same basis as the investee directly disposes of relevant assets or liabilities, which means that other than the changes arising from re-measuring the acquiree’s net liabilities or net assets under defined benefit plan under equity method, it shall be included in investment income of the current period dated purchasing day.

5. Preparation methods for corporate consolidated statements

(1) Determining principle for consolidated financial report scope

The scope is determined on the basis of control. Control refers to the Company possess rights over the investee party, and enjoyed variable return through participate in the relevant activities of the investee party, and the Company has ability to impact the amount of returns by using the rights over investee party. The consolidated scope includes the Group and all the subsidiaries. Subsidiary is referring to the enterprise or the subject controlled by the Company.

Once change of relevant facts and conditions results in change to relevant factors involved in the above definition, the Company will make further assessment.

(2)Preparation methods for corporate consolidated statements

Subsidiaries are consolidated from the date on which the Group obtains net assets and the effective control of decision making of production and operation are deconsolidated from the date that such control ceases. For disposal of subsidiaries, the operating results and cash flows of such subsidiaries before the date of disposal are properly included in the consolidated income statement and consolidated cash flow statements; for disposal of subsidiaries during the reporting period, no adjustment shall be made to the opening balance of the consolidated balance sheet. For those subsidiaries acquired through business combination not under common control, the operating results and cash flows after the acquisition date have been properly included in the consolidated income statements and consolidated cash flow statements. No adjustments shall be made to the opening balance and the comparative figures of the consolidated financial statements. For those subsidiaries acquired through business combination under common control and acquiree absorbed through combination, the operating results and cash flows from the beginning of the consolidation period to the consolidation date are also presented in the consolidated income statement and the consolidated cash flow statements. The comparative figures presented in the consolidated financial statements are also adjusted accordingly.

The financial statements of the subsidiaries are adjusted in accordance with the accounting policies and accounting period of the Company in the preparation of the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and the subsidiaries. For subsidiaries acquired from business combination not under common control, the financial statements of the subsidiaries will be adjusted according to the fair value of the identifiable net assets at the acquisition date.

All intra-group significant balances, transactions and unrealized profit are eliminated in the consolidated financial statements.

As for the subsidiary's shareholders' equity and the parts that does not owned the Group in current net gains/losses, listed out independently as minority shareholders' equity and minority shareholders gains/losses in item of shareholders' equity and net profit contained in consolidated financial statement separately. 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.

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. Other comprehensive income relating to equity investment in original subsidiary shall be accounted for, upon lost of control, under the same basis as the acquiree would otherwise adopt when relevant assets or liabilities are disposed directly by the acquiree, which means that other than the changes arising from re-measuring the original subsidiary's net liabilities or net assets under defined benefit plan, it shall be included in investment income of the current period. The remaining equity interests are measured subsequently according to "Accounting Standard for Business Enterprises No. 2 – Long-term Equity Investments" or "Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments". See Note IV.13 "Long-term equity investments" or Note IV.9 "Financial instruments" for details.

When the Company disposes of equity investment in a subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost, it shall determine whether these several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost fall within "transactions in a basket". Usually, these several transactions related to the disposal of equity investment in a subsidiary are accounted for as transactions in a basket when the terms, conditions and economic impacts of these several transactions meet the following one or more conditions: (i) these transactions are entered into at the same time or after considering their impacts on each other; (ii) these transactions as a whole can reach complete business results; (iii) the occurrence of a transaction depends on at least the occurrence of an other transaction; (iv) an individual transaction is not deemed as economic, but is deemed as economic when considered with other transactions. If they are not transactions in a basket, each of which are accounted for in accordance with applicable rules in "partial disposal of long-term equity investment of a subsidiary without losing control over a subsidiary" (see Note IV. 13 (2) ④) separately, and "the control over a subsidiary is lost due to partial disposal of equity investment or other reasons" (see the preceding paragraph). When several transactions related to the disposal of equity investment in a subsidiary until the control over the subsidiary is lost fall within transactions in a basket, each of which is accounted for as disposal of a subsidiary with a transaction until the control over a subsidiary is lost; however, the different between the amount of disposal prior to the loss of control and the net assets of a subsidiary attributable to the disposal investment shall be recognized as other comprehensive income in consolidated financial statements and transferred to profit or loss for the period at the time when the control is lost.

6. Classification of joint arrangement and accounting treatment on conduct joint operation

Joint arrangement refers to such arrangement as jointly controlled by two or more participators. The Company classifies joint arrangement into joint operation and joint venture according to the rights it is entitled to and obligations it assumes. Under joint operation, the Company is entitled to relevant assets under the arrangement and assumes relevant liabilities under the arrangement. Joint venture refers to such joint arrangement under which the Company is only entitled to the net assets of the arrangement.

Equity method is adopted for investment in joint ventures, and it is accounted for under the accounting policies set out in note 13(2) ② "long term equity investment under equity method" under section IV.

As a joint party under joint operation, the Company recognizes the assets and liabilities it separately holds and assumes, the assets and liabilities it jointly holds and assumes under the proportion, the revenue from disposal of the output which the Company is entitled to under the proportion, the revenue from disposal of the output under the proportion and the separately occurred expenses as well as expenses occurred for joint operations under its proportion.

For injection to or disposal of assets of joint operations (other than those assets constituting business operation) or for purchase of assets from joint operations, gain or loss arising from the transaction is only recognized to the extent it is attributable to other parties to the joint operation before the joint operation is sold to any third party. In case that assets occur asset impairment loss under Business Accounting Principle No.8-Assets Impairment, the Company recognizes this loss in full in connection with injection to or disposal of assets of joint operations, and recognizes this loss based on the proportion in connection with purchase of assets from joint operations.

7. Determination criteria of cash and cash equivalent

Cash and cash equivalents of the Group include cash on hand, deposits readily available for payment purpose and short-term (normally fall due within three months from the date of acquisition) and highly liquid investments held the Group which are readily convertible into known amounts of cash and which are subject to insignificant risk of value change.

8. Foreign currency business and foreign currency statement translation

(1) Foreign currency business translation

Foreign currency transactions are translated into the Company's functional currency at the spot rate on transaction date (generally refers to the middle rate of prevailing foreign exchange rate released by the PBOC) when the transactions are initially measured. However, foreign currency exchange business or transaction involving foreign currency exchange occurred by the Company are translated into functional currency at the effective exchange rate adopted.

(2)Translation of foreign currency monetary items and foreign currency non-monetary items

On balance sheet date, foreign currency monetary items are translated at the spot rate as of balance sheet date, and the exchange difference shall be included in current period gains and losses, except(1)exchange difference arising from foreign currency special borrowings relating to purchasing assets satisfying capitalization conditions is stated under capitalization principle of borrowing expenses; (2)exchange difference arising from hedge instruments used as effective hedging of net investment in overseas operation (such difference shall be included in other comprehensive income and recognized as current period gains and losses when the net investment is disposed); and (3)exchange difference arising from change of carrying balance of available for sale foreign currency monetary items other than amortized cost is included in other comprehensive income.

When preparing consolidated financial statement involving overseas operation, in case there is foreign currency monetary items which substantially constitute net investment in overseas operation, the exchange difference arising from exchange rate fluctuation shall be included in other comprehensive income; and shall transfer to gains and losses from disposal for the current period when the overseas operation is disposed of.

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.

(3)Translation of foreign currency financial statement

When preparing consolidated financial statement involving overseas operation, in case there is foreign currency monetary items which substantially constitute net investment in overseas operation, the exchange difference arising from exchange rate fluctuation shall be included in other comprehensive income as "translation difference of foreign currency statement"; and shall transfer to gains and losses from disposal for the current period when the overseas operation is disposed of.

Foreign currency financial statement for overseas operation is translated into RMB statement by the following means: assets and liabilities in balance sheet are translated at the spot rate as of balance sheet date; owner's equity items (other than undistributed profit) are translated at the spot rate prevailing on the date of occurrence. Income and expense items in profit statement are translated at the spot rate prevailing on the date of transactions. Beginning undistributed profit represents the translated ending undistributed profit of previous year; ending undistributed profit is allocated and stated as several items upon translation. Upon translation, difference between assets, liabilities and shareholders' equity items shall be recorded as foreign currency financial statement translation difference and recognized as other comprehensive income. In case of disposal of overseas operation where control is lost, foreign currency financial statement translation difference relating to the overseas operation as stated under shareholders' equity in balance sheet shall be transferred to current gains and losses of disposal in full or under the proportion it disposes.

Foreign currency cash flow and cash flow of overseas subsidiary are translated at the spot rate prevailing on the date of occurrence of cash flow. Influence over cash from exchange rate fluctuation is taken as adjustment items to separately stated in cash flow statement.

The beginning figure and previous year actual figures are stated at the translated figures in previous year financial statement.

If the Company loses control over overseas operation due to disposal of all the owners' equity or part equity investment in the overseas operation or other reasons, foreign currency financial statement translation difference relating to the overseas operation attributable to owners' equity of parent company as stated under shareholders' equity in balance sheet shall be transferred to current gains and losses of disposal in full.

If the Company reduces equity proportion while not loses control over overseas operation due to disposal of part equity investment in the overseas operation or other reasons, foreign currency financial statement translation difference relating to the disposed part will be vested to minority interests and will not transfer to current gains and losses. When disposing part equity interests of overseas operation which is associate or joint venture, foreign currency financial statement translation difference relating to the overseas operation shall transfer to current disposal gains and losses according to the disposed proportion.

9. Financial instruments

Financial asset or financial liability is recognized when the Company becomes a party to financial instrument contract. Financial assets and liabilities are initially measured at fair value. For financial assets and liabilities at fair value through profit or loss, the relevant transaction fee shall be included in profit or loss directly. For other types of financial assets and liabilities, the relevant transaction fee is included in initial measurement amount.

(1)Recognition of fair value for financial assets and financial liabilities

Fair value represents the price that market participator can receive for disposal of an asset or he should pay for transfer of a liability in an orderly transaction happened on the measurement date. As for instrument in active market, the fair value is adopted according to the quotation in the active market. Quote in active market refers to the price easy to obtain regularly from exchange; broker’s agency, industry association and pricing service authority etc., and such quote represent a price that actually occurred in market trading during the fair transaction. 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.

(2) Classification, recognition and measurement of financial assets

By way of buying and selling the financial assets in a regular way, recognition and derecognition are carried out according to the accounts on the transaction day. Financial assets are divided into financial assets at fair value through profit or loss, held-to-maturity investments, loans and accounts receivable and available for-sale financial assets when they are initially recognized. Financial assets are initially recognized at fair value. For financial assets classified as fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss for the period. For financial assets classified as other categories, relevant transaction costs are included in the amount initially recognized.

① Financial assets carried at fair value through profit or loss for the current period

They include financial assets held for trading and financial assets designated as at fair value through profit or loss for the current period.

Financial assets may be classified as financial assets held for trading if one of the following conditions is met: A. the financial assets is acquired or incurred principally for the purpose of selling it in the near term; B. the financial assets is part of a portfolio of identified financial instruments that are managed together and for which there is objective evidence of a recent pattern of short-term profit-taking; or C. the financial assets is a derivative, excluding the derivatives designated as effective hedging instruments, the derivatives classified as financial guarantee contract, and the derivatives linked to an equity instrument investment which has no quoted price in an active market nor a reliably measured fair value and are required to be settled through that equity instrument.

A financial asset may be designated as at fair value through profit or loss upon initial recognition only when one of the following conditions is satisfied: A. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring assets or recognizing the gains or losses on them on different bases; or B. The financial asset forms part of a group of financial assets or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis.

Financial assets carried at fair value through profit or loss for the current period is subsequently measured at fair value. The gain or loss arising from changes in fair value and dividends and interest income related to such financial assets are charged to profit or loss for the current period.

② Held-to-maturity investments

They are non-derivative financial assets with fixed maturity dates and fixed or determinable payments that the Company has positive intent and ability to hold to maturity.

Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gain or loss on derecognition, impairment or amortization is recognized through profit or loss for the current period.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income or expense over each period based on the effective interest of a financial asset or a financial liability (including a group of financial assets or financial liabilities). The effective interest is the rate that discounts future cash flows from the financial asset or financial liability over its expected life or (where appropriate) a shorter period to the carrying amount of the financial asset or financial liability.

In calculating the effective interest rate, the Company will estimate the future cash flows (excluding future credit losses) by taking into account all contract terms relating to the financial assets or financial liabilities whilst considering various fees, transaction costs and discounts or premiums which are part of the effective interest rate paid or received between the parties to the financial assets or financial liabilities contracts.

③ Loans and receivables

They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets, including bills receivable, accounts receivable, the Group classifies interest receivable, dividends receivable and other receivables as loans and receivables.

Loans and receivables are measured subsequently at the amortized cost by using the effective interest rate method. Gains or losses incurred at the time of derecognition, impairment or amortization are charged to profit or loss for the current period.

④ Available-for-sale financial assets

They include non-derivative financial assets that are designated in this category on initial recognition, and the financial assets other than the financial assets at fair value through profit and loss, loans and receivables and held-to-maturity investments.

The closing cost of available-for-sale debt instruments are determined based on amortized cost method, which means the amount of initial recognition less the amount of principle already repaid, add or less the accumulated amortized amount arising from the difference between the amount initially recognized and the amount due on maturity using effective interest rate method, and less the amount of impairment losses recognized. The closing cost of available-for-sale equity instruments is equal to its initial acquisition cost.

Available-for-sale financial assets are subsequently measured at fair value. The gain or loss on change in fair value are recognized as other comprehensive income and charged to capital reserves, except for impairment loss and exchange differences arising from foreign monetary financial assets and amortized cost which are accounted for through profit or loss for the current period. The financial assets will be transferred out of the financial assets on derecognition and accounted for through profit or loss for the current period. However, equity instrument investment which is not quoted in active market and whose fair value cannot be measured reliably, and derivative financial asset which is linked to the equity instrument and whose settlement is conditional upon delivery of the equity instrument, shall be subsequently measured at cost.

Interests received from available-for-sale financial assets held and the cash dividends declared by the investee are recognized as investment income.

(3)Impairment of financial assets

Except for financial assets accounted at fair value and variation accounted into current gain/loss account, the Group undertakes 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 Group performs impairment test separately on individual financial assets with major amounts; for financial assets without major amounts, the Group 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.

① Impairment of held-to-maturity investments and loans and receivables

The carrying amount of financial assets measured as costs or amortized costs are subsequently reduced to the present value discounted from its projected future cash flow. The reduced amount is recognized as impairment loss and recorded as profit or loss for the period. After recognition of the impairment loss from financial assets, if there is objective evidence showing recovery in value of such financial assets impaired and which is related to any event occurring after such recognition, the impairment loss originally recognized shall be reversed to the extent that the carrying value of the financial assets upon reversal will not exceed the amortized cost as at the reversal date assuming there is no provision for impairment.

② Impairment of available-for-sale financial assets

In the event that decline in fair value of the available-for-sale equity instrument is regarded as "severe decline" or "non-temporary decline" on the basis of comprehensive related factors, it indicates that there is impairment loss of the available-for-sale equity instrument.

When the available-for-sale financial assets impair, the accumulated loss originally included in the capital reserve arising from the decrease in fair value was transferred out from the capital reserve and included in the profit or loss for the period. The accumulated loss that transferred out from the capital reserve is the balance of the acquired initial cost of asset, after deduction of the principal recovered, amortized amounts, current fair value and the impairment loss originally included in the profit or loss.

After recognition of the impairment loss, if there is objective evidence showing recovery in value of such financial assets impaired and which is related to any event occurring after such recognition in subsequent periods, the impairment loss originally recognized shall be reversed. The impairment loss reversal of the available-for-sale equity instrument will be recognized as other consolidated income, and the impairment loss reversal of the available-for-sale debt instrument will be included in the profit or loss for the period.

When an equity investment that is not quoted in an active market and the fair value of which cannot be measured reliably, or the impairment loss of a derivative financial asset linked to the equity instrument that shall be settled by delivery of that equity instrument, then it will not be reversed.

(4) Recognition basis and measurement method for transfer of financial assets

As for the financial assets up to the following conditions, the recognition termination is available: ①Termination of the contract right to take the cash flow of the financial assets; ② transferred to the transferring-in part 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.

For financial assets that are transferred with recourse or endorsement, the Group needs to determine whether the risk and rewards of ownership of the financial asset have been substantially transferred. If the risk and rewards of ownership of the financial asset have been substantially transferred, the financial assets shall be derecognized. If the risk and rewards of ownership of the financial asset have been retained, the financial assets shall not be derecognized. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the Group shall assess whether the control over the financial asset is retained, and the financial assets shall be accounted for according to the above paragraphs.

(5) Categorizing and measuring of financial liabilities

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 are initially recognized at fair value. For financial liabilities classified as fair value through profit or loss, relevant transaction costs are directly recognized in profit or loss for the period. For financial liabilities classified as other categories, relevant transaction costs are included in the amount initially recognized.

① Financial liabilities at fair value through profit or loss for the period

The criteria for a financial liability to be classified as held for trading and designated as financial liabilities at fair value through profit or loss are the same as those for a financial asset to be classified as held for trading and designated as financial assets at fair value through profit or loss.

Financial liabilities at fair value through profit or loss for the period are subsequently measured at fair value. The gain or loss arising from changes in fair value and dividends and interest income related to such financial liabilities are included in profit or loss for the period.

② Other financial liabilities

Derivative financial liabilities which are linked to equity instruments that are not quoted in an active market and the fair value of which cannot be measured reliably measured, and which shall be settled by delivery of equity instruments are subsequently measured at cost. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains or losses arising from derecognition or amortization is recognized in profit or loss for the period.

③ Financial Guarantee Contracts and loan commitment

Financial guarantee contracts other than those designated as financial liabilities at fair value through profit or loss or loan commitment other than those designated measured by fair value and with its variation for gains/losses reckoned as well as the loans lower than the market rates are initially recognized at fair value, and shall be subsequently measured at the higher of the following: the amount determined in accordance with Accounting Standard for Business Enterprises No. 13 “Contingencies” and the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in “Accounting Standard for Business Enterprises No. 14- Revenue”.

(6)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.

(7) Derivatives and embedded derivatives

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss for the period, except for derivative instruments that are designated as hedging instruments and which are highly effective in hedging, gains or losses arising from changes in their fair value are taken to the profit or loss for the period in accordance with the hedge accounting requirement based on the nature of hedging relationships.

For combined instruments contain embedded derivatives which are not designated as financial assets or financial liabilities at fair value through profit or loss, and the embedded derivative and the main contract does not have a material relation in terms of risk and economic attributes, and when an individual instrument which is the same as the embedded derivative can be defined as derivative, the embedded derivative shall be separated from the combined instrument and treated as an individual derivative. If the embedded derivative cannot be separately measured at acquisition or subsequent balance sheet date, the combined instrument shall be designated as financial assets or financial liabilities at fair value through profit or loss.

(8)Balance-out between the financial assets and liabilities

As the Group 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) Equity instrument

The equity instrument is the contract to prove the holding of the surplus stock of the assets with the deduction of all liabilities in the Group. The Company issues (including refinancing), repurchases, sells or cancels equity instruments as movement of equity. No fair value change of equity instrument would be recognized by the Company. Transaction fees relating to equity transactions are deducted from equity.

The Group's all distribution (shares dividend excluded) to the holders of the stock instrument will decrease the shareholders' equity. The Group does not recognize the fair value change sum of the stock instrument.

10. Account receivable

Account receivable included account receivable and other account receivable.

(1)Recognition of bad debt provision

The Group reviews carrying value of account receivables on balance sheet date, and make impairment provision for account receivables which are proven to be impaired by the following objective evidences: ①debtor experiences material financial difficulties; ②debtor is in breach of contract terms (for instance: default or expiration of payment for principal or interest); ③ debtor is likely to face bankruptcy or other financing restructuring; ④other objective evidence showing account receivables are impaired.

(2) Provision for bad debt reserves

①Recognition criteria and accrual method on accounts with major amount and withdrawal bad debt provision independely

The single account receivable above RMB 2 million is recognized as 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

②Determination bases for account receivables for which bad debt provision is made according to category of credit risks, and provision for bad debt

The Group determines categories of account receivables according to the similarity of credit risk characteristics. Account receivables consist of those with insignificant single amount and those with significant single amount which is not impaired based on separate impairment test. The Group is of the view that account receivables with insignificant single amount and those with significant single amount which is not impaired based on separate impairment test are exposed to low credit risks, thus it is not necessary to make bad debt provision, unless there is evidence showing that account receivables have relatively substantial credit risks.

③Account receivables with insignificant single amount for which bad debt provision is made separately

For account receivables with insignificant single amount, if there is evidence showing that account receivables are exposed to relatively substantial credit risks, bad debt provision shall be made for such account receivables under specific identification method.

(3)Reversal of bad debt

If there is objective evidence showing recovery in value of account receivables impaired and which is related to any event occurring after such recognition, the impairment loss originally recognized shall be reversed to the extent that the carrying value of the account receivables upon reversal will not exceed the amortized cost as at the reversal date assuming there is no provision for impairment.

11. Inventory

(1) Categories of inventory

The Company's inventory mainly consists of fuels, raw materials and developing products in process and so on.

(2) Valuation method of inventory delivered

The inventories are initially measured at cost. The costs of developing products include land grant fee, expenditures for auxiliary facilities, expenses on construction and installation, borrowing costs incurred before the completion of the subject project and other related expenses during the course of the development. Other cost of inventories comprises purchase costs, processing costs and other costs incurred in bringing the inventories to their present location and condition.

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.

(3) Recognition of net realizable value of inventory, and accrual methods of preparation for 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.

(4)The inventory system is perpetual inventory system.

12. Classified as assets held for sale

If a non-current asset can be promptly sold at its existing status only according to the practice terms in connection with disposal of this kind of assets, and the Company has already made resolution on disposal of the non-current asset and entered into irrevocable transfer agreement with the transferee, and this transfer will be completed within one year, then the non-current asset would be calculated as non-current asset held for sale which would be not applicable to depreciation or amortisation since the date of classification as asset held for sale, and would be measured at the lower of its carrying value less disposal cost and fair value less disposal cost. Non-current asset held for sale consists of single item asset and disposal group. If a disposal group is a group of assets as defined by No.8 of Business Accounting Standards-Assets Impairment, and goodwill arising from business combination shall be allocated to the group of assets under this accounting principle, or the disposal group constitutes one operation of the group of assets, then the disposal group includes the goodwill arising from business combination.

For single non-current asset and asset in disposal group classified as assets held for sale, they shall be presented in balance sheet separately as current assets. For liabilities in disposal group relating to the transferred assets classified as assets held for sale, they shall be presented in balance sheet separately as current liabilities.

If an asset or disposal group classified as held for sale no longer meets the recognition condition as non-current asset held for sale, the Company will cease such recognition and measure the asset at the lower of (1)the carrying value of the asset or disposal group prior to being classified as held for sale, based on the amount adjusted with the depreciation, amortisation or impairment which should have been recognized assuming it had not been classified as held for sale; (2)the recoverable amount on the date when the Company decides to cease disposal.

13. Long-term equity investment

Long-term equity investments under this section refer to long-term equity investments in which the Company has control, joint control or significant influence over the investee. Long-term equity investment without control or joint control or significant influence of the Group is accounted for as available-for-sale financial assets or financial assets measured at fair value with any change in fair value charged to profit or loss. Details on its accounting policy please refer to Note 9. “Financial instruments” under section IV.

Joint control is the Company’s contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control. Significant influence is the power of the Company to participate in the financial and operating policy decisions of an investee, but to fail to control or joint control the formulation of such policies together with other parties.

(1) Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity under the consolidated financial statements of the ultimate controlling party on the date of combination. The difference between the initial cost of the long-term equity investment and the cash paid, non-cash assets transferred as well as the book value of the debts borne by the absorbing party shall offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. If the consideration of the merger is satisfied by issue of equity securities, the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity under the consolidated financial statements of the ultimate controlling party on the date of combination. With the total face value of the shares issued as share capital, the difference between the initial cost of the long-term equity investment and total face value of the shares issued shall be used to offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. For business combination resulted in an enterprise under common control by acquiring equity of the absorbing party under common control through a stage-up approach with several transactions, these transactions will be judged whether they shall be treat as "transactions in a basket". If they belong to "transactions in a basket", these transactions will be accounted for a transaction in obtaining control. If they are not belong to "transactions in a basket", the initial investment cost of the long-term equity investment shall be the absorbing party's share of the carrying amount of the owner's equity under the consolidated financial statements of the ultimate controlling party on the date of combination. The difference between the initial cost of the long-term equity investment and the aggregate of the carrying amount of the long-term equity investment before merging and the carrying amount the additional consideration paid for further share acquisition on the date of combination shall offset against the capital reserve. If the capital reserve is insufficient to offset, the retained earnings shall be adjusted. Other comprehensive income recognized as a result of the previously held equity investment accounted for using equity method on the date of combination or recognized for available-for-sale financial assets will not be accounted for.

For a long-term equity investment acquired through a business combination involving enterprises not under common control, the initial investment cost of the long-term equity investment shall be the cost of combination on the date of acquisition. Cost of combination includes the aggregate fair value of assets paid by the acquirer, liabilities incurred or borne and equity securities issued. For business combination resulted in an enterprise not under common control by acquiring equity of the acquiree under common control through a stage-up approach with several transactions, these transactions will be judged whether they shall be treat as "transactions in a basket". If they belong to "transactions in a basket", these transactions will be accounted for a transaction in obtaining control. If they are not belong to "transactions in a basket", the initial investment cost of the long-term equity investment accounted for using cost method shall be the aggregate of the carrying amount of equity investment previously held by the acquiree and the additional investment cost. For previously held equity accounted for using equity method, relevant other comprehensive income will not be accounted for. For previously held equity investment classified as available-for-sale financial asset, the difference between its fair value and carrying amount, as well as the accumulated movement in fair value previously included in the other comprehensive income shall be transferred to profit or loss for the current period.

Agent fees incurred by the absorbing party or acquirer for the acquisition such as audit, legal service, and valuation and consultation fees, and other related administration expenses are charged to profit or loss in the current period at the time such expenses incurred.

The long-term equity investment acquired through means other than a business combination shall be initially measured at its cost. Such cost is depended upon the acquired means of long-term equity investments, which is recognized based on the purchase cost actually paid by the Company in cash, the fair value of equity securities issued by the Group, the agreed value of investment contract or agreement, the fair value or original carrying amounts of the non-monetary asset exchange transaction which the asset will be transferred out of the Company, and the fair value of long-term equity investment itself. The costs, taxes and other necessary expenses that are directly attributable to the acquisition of the long-term equity investments are also included in the investment cost. For additional equity investment made in order to obtain significant influence or common control over investee without resulted in control, the relevant cost for long-term equity investment shall be the aggregate of fair value of previously held equity investment and additional investment cost determined according to “Accounting Standard for Business Enterprises No. 22 – Recognition and measurement of Financial Instruments”.

(2) Follow-up measurement and gain/loss recognition

As for the long-term equity investment with common control (except for the common operators) over or significant influence on the invested units, measured by the cost method. In addition, long-term equity investment to the invested units that control by the Company adopted the cost method for calculation in financial statement.

① Long-term equity investment checked by the cost

Upon the cost check, the investment is valuated 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.

② Long-term equity investment checked by the equity

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.

Under the equity method, investment gain and other comprehensive income shall be recognized based on the Group’s share of the net profits or losses and other comprehensive income made by the investee, respectively. Meanwhile, the carrying amount of long-term equity investment shall be adjusted. The carrying amount of long-term equity investment shall be reduced based on the Group’s share of profit or cash dividend distributed by the investee. In respect of the other movement of net profit or loss, other comprehensive income and profit distribution of investee, the carrying value of long-term equity investment shall be adjusted and included in the capital reserves. The Group shall recognize its share of the investee’s net profits or losses based on the fair values of the investee’s individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto. In the event of inconformity between the accounting policies and accounting periods of the investee and the Company, the financial statements of the investee shall be adjusted in conformity with the accounting policies and accounting periods of the Company. Investment gain and other comprehensive income shall be recognized accordingly. In respect of the transactions between the Group and its associates and joint ventures in which the assets disposed of or sold are not classified as operation, the share of unrealized gain or loss arising from inter-group transactions shall be eliminated by the portion attributable to the Company. Investment gain shall be recognized accordingly. However, any unrealized loss arising from inter-group transactions between the Group and an investee is not eliminated to the extent that the loss is impairment loss of the transferred assets. In the event that the Group disposed of an asset classified as operation to its joint ventures or associates, which resulted in acquisition of long-term equity investment by the investor without obtaining control, the initial investment cost of additional long-term equity investment shall be the fair value of disposed operation. The difference between initial investment cost and the carrying value of disposed operation will be fully included in profit or loss for the current period. In the event that the Group sold an asset classified as operation to its associates or joint ventures, the difference between the carrying value of consideration received and operation shall be fully included in profit or loss for the current period. In the event that the Company acquired an asset which formed an operation from its associates or joint ventures, relevant transaction shall be accounted for in accordance with "Accounting Standards for Business Enterprises No. 20 "Business combination". All profit or loss related to the transaction shall be accounted for.

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.

For long equity investment in associate and joint venture held by the Company prior to first implementation of the new accounting principles on 1 January 2007, equity investment debtor difference relating to the investment (if any) shall be amortized and included in current gains and losses against the remaining period under straight line method.

③Acquisition of minority equity

When preparing consolidated financial statements, the difference between the increase in long-term equity investment due to acquisition of minority interest of a subsidiary and the share of net asset of the subsidiary since the acquisition date (or combination date) calculated under the new ownership ratio shall be adjusted to the capital surplus, when capital surplus is insufficient, the excess shall be adjusted to retained profits.

④ Disposal of long-term equity investment

In these consolidated financial statements, where the parent company disposes part of its subsidiary without loss of control, the difference between the consideration received and the share of net asset for the disposed portion of long-term equity investment shall be recognized in shareholders' equity; where the parent company disposes part of its subsidiary with loss of control, the accounting treatment should be in accordance with the accounting policies stated at Note IV 5 (2) "Preparation of consolidated financial statements".

For disposal of long-term equity investment in other situations, the difference between the considerations received and the carrying amount of the disposed investment shall be recognized in profit or loss.

In respect of long-term equity investment at equity with the remaining equity interest after disposal also accounted for using equity method, other comprehensive income previously under owners' equity shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee on pro rata basis at the time of disposal. The owners' equity recognized for the movement of other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution of investee) shall be transferred to profit or loss for the current period on pro rata basis.

In respect of long-term equity investment at cost with the remaining equity interest after disposal is also accounted for at cost, other comprehensive income recognized due to measurement at equity or recognition and measurement for financial instruments prior to obtaining control over investee shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee and carried forward to current gains and losses on pro rata basis. The movement of other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution of investee) shall be transferred to profit or loss for the current period on pro rata basis.

In the event of loss of control over investee due to partial disposal of equity investment by the Group, in preparing separate financial statements, the remaining equity interest which can apply common control or impose significant influence over the investee after disposal shall be accounted for using equity method. Such remaining equity interest shall be treated as accounting for using equity method since it is obtained and adjustment was made accordingly. For remaining equity interest which cannot apply common control or impose significant influence over the investee after disposal, it shall be accounted for using the recognition and measurement standard of financial instruments. The difference between its fair value and carrying amount as at the date of losing control shall be included in profit or loss for the current period. In respect of other comprehensive income recognized using equity method or the recognition andmeasurement standard of financial instruments before the Group obtained control over the investee, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee at the time when the control over investee is lost. Movement of other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution under net asset of investee accounted for and recognized using equity method) shall be transferred to profit or loss for the current period at the time when the control over investee is lost. Of which, for the remaining equity interest after disposal accounted for using equity method, other comprehensive income and other owners' equity shall be transferred on pro rata basis. For the remaining equity interest after disposal accounted for using the recognition and measurement standard of financial instruments, other comprehensive income and other owners' equity shall be fully transferred.

In the event of loss of common control or significant influence over investee due to partial disposal of equity investment by the Group, the remaining equity interest after disposal shall be accounted for using the recognition and measurement standard of financial instruments. The difference between its fair value and carrying amount as at the date of losing common control or significant influence shall be included in profit or loss for the current period. In respect of other comprehensive income recognized under previous equity investment using equity method, it shall be accounted for in accordance with the same accounting treatment for direct disposal of relevant asset or liability by investee at the time when equity method was ceased to be used. Movement of other owners' equity (excluding net profit or loss, other comprehensive income and profit distribution under net asset of investee accounted for and recognized using equity method) shall be transferred to profit or loss for the current period at the time when equity method was ceased to be used.

The Group disposes its equity investment in subsidiary by a stage-up approach with several transactions until the control over the subsidiary is lost. If the said transactions belong to "transactions in a basket", each transaction shall be accounted for as a single transaction of disposing equity investment of subsidiary and loss of control. The difference between the disposal consideration for each transaction and the carrying amount of the corresponding long-term equity investment of disposed equity interest before loss of control shall initially recognized as other comprehensive income, and subsequently transferred to profit or loss arising from loss of control for the current period upon loss of control.

14. 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. Besides, vacant buildings held by the Company for operating or lease purposes would be also stated as investment property provided that board of directors (or similar authority) pass written resolution which definitely expresses that the buildings will be held for operating or lease purposes and the intention for holding will not change shortly.

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 test method and impairment provision method in relation to investment property is detailed in note IV.20 “Long term assets impairment”.

Where property for own use or inventory transfers to investment property, or investment property transfers to property for own use, carrying value before such transfer shall be taken as book value after such transfer.

In the event that an investment property is converted to an owner-occupied property, such property shall become fixed assets or intangible assets since the date of its conversion. In the event that an owner-occupied property is converted to real estate held to earn rentals or for capital appreciation, such fixed assets or intangible assets shall become an investment property since the date of its conversion. Upon the conversion, investment property which is measured at cost is accounted for with the carrying value prior to conversion, and investment property which is measured at fair value is accounted for with the fair value as of the conversion date.

If an investment property is disposed of or if it withdraws permanently from use and no economic benefit will be obtained from the disposal, the recognition of it as an investment property shall be terminated. When an investment property is sold, transferred, retired or damaged, the amount of proceeds on disposal of the property net of the carrying amount and related tax and surcharges is recognized in profit or loss for the current period.

15. Fixed assets

(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.

(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)	15-20 years	10%	4.5%-6%
Equipment-fuel machinery group(note)		10%	The work quantity method
Transportation tools	5 years	10%	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: gas turbine generator set is provided with depreciation under workload method, namely to determine the depreciation amount per hour of gas turbine generator set based on equipment value, predicted net remaining value and predicted generation hours. Details are set out as follows:

Name of the Company	Fixed assets	Depreciation amount (RMB/Hour)
The Company	Generating unit 1#	4,225.09
	Generating unit 3#	4,401.76
	Generating unit 7#	4,407.11
Shenzhen New Power Industrial Co., Ltd(“New Power”)	Generating unit 10#	3,954.47
Shen Nan Dian (Zhongshan) Power Co., Ltd.(“Zhongshan Power”)	Generating unit 1#	3,856.98
	Generating unit 3#	3,799.49
Shen Nan Dian (Dongguan) Weimei Power Co., Ltd.(“Weimei Power”)	Generating unit 1#	4,107.76
	Generating unit 3#	3,850.07

(3) Impairment test on fixed asset and providing of impairment provision

Found more in Note IV-20.”Impairment of long-term assets”

(4) Recognition basis and measurement method of fixed assets under finance lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Title may or may not eventually be transferred. The depreciation policy for fixed asset held under finance lease is consistent with that for its owned fixed asset. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it is depreciated over the period of expected use; otherwise, the leased asset is depreciated over the shorter period of the lease term and the period of expected use.

(5)Other remarks

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.

Terminated the recognition of fixed assts that in the status of disposal or pass through the predicted usage or without any 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.

The Company re-reviews useful life, expected net residual value and depreciation method of fixed assets at least at each year end. Any change thereof would be recorded as change of accounting estimates.

16. 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. It is transferred to fixed asset as soon as the construction reaches the useful status.

Impairment testing method and accrual method for impairment reserves found in Note IV-20”Impairment of long-term assets”

17. Borrowing expenses

Borrowing expenses include interest, amortisation of discounts or premiums related to borrowings, ancillary costs incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings. 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.

During the capitalization period, exchange differences on a specific purpose borrowing denominated in foreign currency shall be capitalized. Exchange differences related to general-purpose borrowings denominated in foreign currency shall be included in profit or loss for the current period.

Qualifying assets are assets (fixed assets, investment property, inventories, etc.) that necessarily take a substantial period of time for acquisition, construction or production to get ready for their intended use or sale.

Capitalization of borrowing costs shall be suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally, when the interruption is for a continuous period of more than 3 months, until the acquisition, construction or production of the qualifying asset is resumed.

18. Intangible assets

(1) Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance owned or controlled by the Company.

An intangible asset shall be initially measured at cost. The expenditures incurred on an intangible asset shall be recognized as cost of the intangible asset only if it is probable that economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. Other expenditures on an item asset shall be charged to profit or loss when incurred.

Land use right acquired shall normally be recognized as an intangible asset. Self-constructed buildings (e.g. plants), related land use right and the buildings shall be separately accounted for as an intangible asset and fixed asset. For buildings and structures purchased, the purchase consideration shall be allocated among the land use right and the buildings on a reasonable basis. In case there is difficulty in making a reasonable allocation, the consideration shall be recognized in full as fixed assets.

An intangible asset with a finite useful life shall be stated at cost less estimated net residual value and any accumulated impairment loss provision and amortized using the straight-line method over its useful life when the asset is available for use. Intangible assets with indefinite life are not amortized.

The Group shall review the useful life of intangible asset with a finite useful life and the amortization method applied at least at each financial year-end. A change in the useful life or amortization method used shall be accounted for as a change in accounting estimate. For an intangible asset with an indefinite useful life, the Group shall review the useful life of the asset in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Company shall estimate the useful life of that asset and apply

the accounting policies accordingly.

(2) Impairment test method of intangible assets & calculation method of depreciation reserve

Found more in Note IV-20”Impairment of long-term assets”

19. 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 amortized by straight-line method to the benefit period.

20. Impairment of long-term assets

The Group will judge if there is any indication of impairment as at the balance sheet date in respect of non-current non-financial assets such as fixed assets, construction in progress, intangible assets with an infinite useful life, investment properties measured at cost, and long-term equity investments in subsidiaries, joint ventures and associates.

If there is any evidence indicating that an asset may be impaired, recoverable amount shall be estimated for impairment test. Goodwill, intangible assets with an indefinite useful life and intangible assets beyond working conditions will be tested for impairment annually, regardless of whether there is any indication of impairment.

If the impairment test result shows that the recoverable amount of an asset is less than its carrying amount, the impairment provision will be made according to the difference and recognized as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. An asset's fair value is the price in a sale agreement in an arm's length transaction. If there is no sale agreement but the asset is traded in an active market, fair value shall be determined based on the bid price. If there is neither sale agreement nor active market for an asset, fair value shall be based on the best available information. Costs of disposal are expenses attributable to disposal of the asset, including legal fee, relevant tax and surcharges, transportation fee and direct expenses incurred to prepare the asset for its intended sale. The present value of the future cash flows expected to be derived from the asset over the course of continued use and final disposal is determined as the amount discounted using an appropriately selected discount rate. Provisions for assets impairment shall be made and recognized for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group shall determine the recoverable amount of the asset group to which the asset belongs. The asset group is the smallest group of assets capable of generating cash flows independently.

For the purpose of impairment testing, the carrying amount of goodwill presented separately in the financial statements shall be allocated to the asset groups or group of assets benefiting from synergy of business combination. If the recoverable amount is less than the carrying amount, the Group shall recognize an impairment loss. The amount of impairment loss shall first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of other assets (other than goodwill) within the asset group or set of asset groups, pro rata on the basis of the carrying amount of each asset.

An impairment loss recognized on the aforesaid assets shall not be reversed in a subsequent period in respect of the restorable value.

21. Staff remuneration

Staff remuneration includes short term staff remuneration, post office benefit, dismissal benefit and other long term staff benefits, among which:

Short term staff remuneration mainly consists of salary, bonus, allowance and subsidy, staff benefits, medical insurance, maternity insurance, work related injury insurance, housing funds, labor unit fee and education fee, non-monetary benefits, etc. short term staff remuneration actually happened during the accounting period in which staff provides services to the Company is recognized as liability, and shall be included in current gains and losses or relevant asset cost. Non-monetary benefits are measured at fair value.

Post office benefits mainly consist of defined withdraw plan and defined benefit plan. Defined withdraw plan mainly includes basic pension insurance, unemployment insurance and annuity, and the contribution payable is included in relevant asset cost or current gains and losses when occurs.

When the Company terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, the Company shall recognize employee compensation liabilities arising from compensation for staff dismissal and included in profit or loss for the current period, when the Company cannot revoke unilaterally compensation for dismissal due to the cancellation of labor relationship plans and employee redundant proposals; and the Company recognize cost and expenses related to payment of compensation for dismissal and restructuring, whichever is earlier. However, if the compensation for termination of employment is not expected to be fully paid within 12 months from the reporting period, it shall be accounted for other long-term staff remuneration.

The early retirement plan shall be accounted for in accordance with the accounting principles for compensation for termination of employment. The salaries or wages and the social contributions to be paid for the employees who retire before schedule from the date on which the employees stop rendering services to the scheduled retirement date, shall be recognized (as compensation for termination of employment) in the current profit or loss by the Group if the recognition principles for provisions are satisfied.

For other long-term employee benefits provided by the Company to its employees, if satisfy with the established withdraw plan, then the benefits are accounted for under the established withdraw plan, otherwise accounted for under defined benefit scheme.

22. Accrued liabilities

When responsibilities connected to contingent issues meet the follow conditions at the same time, than recognized as accrued liability: (1) the liability is the current liability that undertaken by the Company; (2) the liability has the probability of result in financial benefit outflow; and (3) 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 fulfill the current responsibility.

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.

(1)Contact in loss

Contact in loss is identified when the inevitable cost for performance of the contractual obligation exceeds the inflow of expected economic benefits. When a contract in loss is identified and the obligations thereunder are qualified by the aforesaid recognition criterion for contingent liability, the difference of estimated loss under contract over the recognized impairment loss (if any) of the subject matter of the contract is recognized as contingent liability.

(2) Restructuring obligations

For detailed, official and publicly announced restructuring plan, the direct expenses attributable to the restructuring are recognized as contingent liabilities, provided that the aforesaid recognition criterion for contingent liability is met. For restructuring obligations arising from disposal of part business, the Company will recognise the obligations relating to restructuring only when it undertakes to dispose part business (namely entering into finalized disposal agreement).

23. Share-based Payments

(1) Accounting treatment

Share-based payment refers to a transaction in which an enterprise grants equity instruments or undertakes equity-instrument- based liabilities in return for services from employee or other parties. The share-based payments shall consist of equity-settled share-based payments and cash-settled share-based payments.

① Equity-settled Share-based Payment

The equity-settled share-based payment in return for employee services shall be measured at the fair value of the equity instruments granted to the employees as at the date of grant. For equity instruments that cannot be exercised until the services are fully rendered during vesting period or specified performance targets are met, within the vesting period, the fair value of such instrument shall, based on the best estimate of the number of exercisable instruments, be calculated with the straight- line method and recognized in relevant costs or expenses. For equity instruments that may be exercised immediately after the grant, the fair value of such instrument shall, on the date of the grant, be recognized in relevant costs or expenses with the increase in the capital reserve accordingly.

On each balance sheet date during the vest period, the Company makes the best estimate based on subsequent information such as the latest available information about change of number of exercisable employees, thus to amend the number of equity instruments which are expected to be exercisable. Impact of the above estimate is included in relevant cost or expense for the current period, with corresponding adjustment in capital reserve.

The equity-settled share-based payment in return for services from other parties, if the fair value of services from other parties can be reliably measured, shall be measured at the fair value of such services as at the date of acquisition; if the fair value of services from other parties cannot be reliably measured but the fair value of equity instruments can be reliably measured, shall be measured at the fair value of such equity instruments as at the date of acquisition of such services recognized in relevant costs or expenses with the increase in the capital reserve accordingly.

②Cash-settled Share-based Payment

The cash-settled share-based payment shall be measured at the fair value of liabilities identified on the basis of shares or other equity instruments undertaken by the Group. For the instruments that may be exercised immediately after the grant, the fair value shall, on the date of the grant, be recognized in relevant costs or expenses and the liabilities shall be increased accordingly. For instruments that cannot be exercised until the services are fully provided during vesting period or specified performance targets are met, on each balance sheet date within the vesting period, the services acquired in the current period shall, based on the best estimate of the number of exercisable instruments, be recognized in relevant costs or expenses and the corresponding liabilities at the fair value of the liability incurred by the Group.

The Group shall, on each balance sheet date and on each account date prior to the settlement of the relevant liabilities, re-measure the fair values of the liabilities and include the changes in the profit or loss for the period.

(3) Accounting treatment in respect of themodification and termination of share-based payment scheme

If any modification made by the Group to the share-based payment scheme increases the fair value of the equity instrument awarded, services obtained shall be increased accordingly. The increase in fair value of such equity instrument equals to the difference between the fair values before and after the date of modification. If any modification reduces the total fair value of share-based payment or is otherwise unfavorable to employees, services obtained shall be treated as if such modification had never been made, unless the Group has canceled part or the entire equity instrument award.

During the vesting period, where an equity instrument award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is included immediately into the profit or loss for the period and capital reserve is recognized. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, equity instrument award are deemed cancelled.

(3)Accounting for share based payment concerning the Company, its shareholders or actual controllers

As for share based payment concerning the Company, its shareholders or actual controllers, with either the settlement entity or service-acceptance entity in the Company or not, it is accounted for in our consolidated financial statement under the following provisions:

①for settlement entity making settlement with its own equity instruments, the transaction is accounted for as equity settled share based payment, otherwise it shall be accounted for as cash settled share based payment.

If the settlement entity is an investor of the service-acceptance entity, the transaction is recognized as long term equity investment in the service-acceptance entity based on the fair value of the equity instruments as at the grant date or the fair value of assumed liabilities, with recognition of capital reserve (other capital reserve) or liabilities.

②If service-acceptance entity is not obliged to settle or grant its own equity instruments to its employees, the share based payment transaction is accounted for as equity settled share based payment. If service-acceptance entity is obliged to settle or the equity instruments granted to its employee are not the own instruments of the entity, the share based payment transaction is accounted for as cash settled share based payment.

For intra-company share based payment transactions, if the service-acceptance entity and settlement entity are not the same enterprise, the share based payment transaction shall be recognized and measured in the respective financial statement of the two entities under the aforesaid principles.

24. Income

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. Detail recognization according to specific revenue:

(1) Power sales revenue

The Group generates electricity by thermal power, and realizes sales through incorporation into Guangdong power grid. As for power sales, the Group realizes revenue when it produces electricity and obtains the grid power statistics table confirmed by the power bureau.

(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.

25. Government grant

Government subsidies are those monetary and/or non-monetary assets obtained from the government by free, not including the capital invested by the government as owner. Government grant divided into the government grant related to assets and the government grant related to income.

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.

References for the Company and its subsidiaries to determine government grants are set out below:

(1) References for the Company to determine government grants

For the first half year, the Company calculated fuel subsidy receivables according to the calculation method as stipulated by the Interim Management Concerning Power Subsidy for Gas-based Units in Shenzhen (No.: SFB[2015]14) issued by Shenzhen People's Government Office, and recognized the same as government grant.

(2) References for the Company's subsidiaries - Shennandian (Zhongshan) Power Co., Ltd. (hereinafter referred to as "Zhongshan Power") and Shennandian (Dongguan) Weimei Power Co., Ltd. (hereinafter referred to as "Weimei Power")to determine government grants:

Pursuant to the Notice Relating to Temporary Collection of Gas Processing Fee (NO.: YFH[2008]31) issued by Guangdong People's Government and relevant documents released by Guangdong Bureau of Commodity Prices, Zhongshan Power and Weimei Power are entitled to recognize gas processing fee subsidy as government grant when they actually receive such subsidy or obtain relevant certificates to prove their receipt of such subsidy. Zhongshan Power and Weimei Power have not recognized government grant for the first half year since they didn't receive relevant certificates relating to gas processing fee subsidy yet.

Pursuant to the natural gas sales contract entered into between the Weimei Power Company and Guangdong Trade branch of China shipping liquefied petroleum gas (LPG) electric group co., LTD, 2012-2013 natural gas sales confirmation letter and its relevant supplementary agreements, Weimei Power Company shall realize tax rebate income of natural gas import value-added tax when it receives accounts from Guangdong Trade branch of China shipping liquefied petroleum gas (LPG) electric group co., LTD.

26 Deferred income tax asset/ deferred income tax liability

(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. Assessable income on which current income expense is based represents the profit before tax for the year upon adjustment against relevant tax rules.

(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.

Deferred income tax liabilities are not recognized for taxable temporary differences related to: the initial recognition of goodwill; and the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) at the time of the transaction. In addition, the Group recognizes the corresponding deferred income tax liability for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except when both of the following conditions are satisfied: the Company able to control the timing of the reversal of the temporary difference; and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are not recognized for deductible temporary differences related to the initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) at the time of the transaction. In addition, the Group recognizes the corresponding deferred income tax asset for deductible temporary differences associated with investments in subsidiaries, associates and joint ventures to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized, except when both of the following conditions are satisfied: it is not probable that the temporary difference will reverse in the foreseeable future; and it is not probable that taxable profits will be available in the future, against which the temporary difference can be utilized.

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.

On 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.

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

(3) Income tax expenses

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

Current deferred income tax and deferred income tax expenses or income shall reckoned into current gains/losses other that those current income tax and deferred income tax with transactions and events concerned, that reckoned into shareholder’s equity directly while recognized as other comprehensive income; and the book value of the goodwill adjusted for deferred income tax arising from enterprise combination

(4) Offset of income tax

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

27. Leasing

Finance lease is to virtually transfer all risks and rewards related to ownership of asset, the ownership is may transfer ultimately or not. Leases other than finance lease are operating leases.

(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 straight-line method. The initial direct expenses are reckoned into the current gain/loss, or the actual rental into the current loss/gain.

(2) Lease business with the Company as the renter

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.

(3) Financing lease business with the Group recorded as lessee

On the beginning date of the lease, the entry value of leased asset shall be at the lower of the fair value of the leased asset and the present value of minimum lease payment at the beginning date of the lease. Minimum lease payment shall be the entry value of long-term accounts payable, with difference recognized as unrecognized financing expenses. In addition, initial direct costs attributable to leased items incurred during the process of lease negotiation and signing of lease agreement shall be included in the value of leased assets. The balance of minimum lease payment after deducting unrecognized financing expenses shall be accounted for long-term liability and long-term liability due within one year.

Unrecognized financing expenses shall be recognized as financing expenses for the current period using effective interest method during the leasing period. Contingent rent shall be included in profit or loss for the current period at the time it incurred.

(4) Financing lease business with the Group recorded as lessor

On the beginning date of the lease, the entry value of lease receivable shall be the aggregate of minimum lease receivable and initial direct costs at the beginning date of the lease. The unsecured balance shall be recorded. The aggregate of minimum lease receivable, initial direct costs and unsecured balance and the different between their present value shall be recognized as unrealised financing income. The balance of lease receivable after deducting unrecognized financing income shall be accounted for long-term debt and long-term debt due within one year.

Unrecognized financing income shall be recognized as financing income for the current period using effective interest method during the leasing period. Contingent rent shall be included in profit or loss for the current period

28 Other Main Accounting Policies and Estimations

Debt restructures

(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.

(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.

29. Changes of main accounting policy and accounting estimation

There are no change of accounting policy and estimation in the Period

30. Major accounting judgment and estimation

When using the accounting policies discussed in note IV, the Group needs to made judgment, estimation and assumption for carrying value of certain items which cannot be measured adequately due to inherent uncertainty of economic activities. Such judgment, estimation and assumption are based on historical experiences of the Group's management, together with consideration of other relevant factors. These judgments, estimations and assumption would affect the reported amount of income, expense, asset and liability and disclosure of contingent liabilities on balance sheet date. However, actual results resulting from the uncertainty of these estimates may differ from the current estimation made by management of the Company, which would in turn lead to material adjustments to the carrying value of assets or liabilities which will be affected in future.

The Group conducts regular re-review on the aforesaid judgment, estimation and assumption on a continued operation basis. If the change of accounting estimation only affect current period, the affected amount is recognized in the period when change occurs. If the change affects current and future periods both, the affected amount is recognized in the period when change occurs and future periods.

On balance sheet date, major aspects in the statement need to judge, estimate and consumption by the Company are as:

(1)Fixed assets are provided for depreciation by output method

The Group recognizes depreciation for unit electricity based on values of power generation machine sets, projected power sales volume and projected net remaining value, and provides for depreciation according to depreciation of unit electricity and actual power sales volume. Taking into account the prevailing industry policies, technologies, consumption, allocation method of power management authorities and past experiences, and the Group management believes that it is adequate for utilization life of such power generation machine sets, projected power sales volume, projected net remaining value and provision method for depreciation. If the future actual power sales volume differs substantially from the projected one, the Group would make adjustment to unit electricity depreciation, which would bring affects to the depreciation expenses included in profit and loss for the current and future periods.

(2)The provisional estimated value of fixed assets

As for the power generation machine sets and related buildings reaching the condition for intended use, due to the long construction period of power plant projects, high prices and long completion settlement time, they are accounted provisional based on project budget, project pricing or project actual costs before process of project completion settlement. And upon such settlement, the Company adjusts the original provisional value according to the actual costs. If provisional estimated values of power generation machine sets and related buildings differ materially from the actual costs, the Company may have to make corresponding adjustments to the values of fixed assets.

(3) Provision for bad debts

The Group use allowance method to state bad debt losses according to the accounting policies of accounts receivable. Impairment of receivables is based on the assessment of the recoverability of accounts receivable. Identification of impairment of receivables requires management judgments and estimates. The differences between actual results and the original estimate will affect the book value of accounts receivable as well as the recognition or reversal of provision for bad debts in the period in which the estimate is changed.

(4) Allowance for inventories

Under the accounting policies of inventories and by measuring at the lower of cost and net realizable value, the Group makes allowance for inventories that have costs higher than net realizable value or become obsolete and slow moving. Write-down of inventories to their net realizable values is based on the salability of the evaluated inventory and their net realizable values. Identification of inventories requires management to make judgments and estimates on the basis of obtaining conclusive evidence, and considering the purpose of holding inventory and the events after balance sheet date. The differences between actual results and the original estimate will affect the book value of inventories as well as the recognition or reversal of provision for inventories in the period in which the estimate is changed.

(5)Impairment provision for non-financial non-current assets

The Company makes judgment on each balance sheet date on whether there is indication of impairment in respect of non-current assets other than financial assets. Intangible assets with indefinite useful life shall also be further tested for impairment when there is indication of impairment, in addition to the annual impairment test. Other non-current assets other than financial assets would be test for impairment when there is indication showing its carrying value in not likely to be recovered.

Impairment exists when carrying value of asset or assets group is higher than recoverable amount, namely the higher of fair value less disposal cost and present value of expected future cash flow.

The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

In assessing value in use, significant judgments are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(6)Depreciation and amortisation

Assets such as investment properties, fixed assets and intangible assets are depreciated and amortised over their useful lives under straight line method after taking into account residual value. The estimated useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experience of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

(7)Deferred income tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(8) Early retirement pension plan and supplementary social pension plan

Expense and liability resulted from early retirement pension plan and supplementary social pension plan are determined based on a variety of assumptions, including the discount rate, the growth rate of average medical cost, the growth rate of retired employees' subsidies and other factors. Differences between actual and estimated results will be recognized accordingly as current expense. Although management believes that the assumptions are reasonable, the changes in actual empirical value and assumptions will affect the amount of expenses and the balance of liabilities resulted from early retirement pension plan and supplementary social pension plan.

(9)Projected liability

Provision for product quality guarantee, estimated onerous contracts, and delay delivery penalties shall be recognized in terms of contract, current knowledge and historical experience. If the contingent event has formed a practical obligation which probably results in outflow of economic benefits from the Group, a projected liability shall be recognized on the basis of the best estimate of the expenditures to settle relevant practical obligation. Recognition and measurement of the projected liability significantly rely on the management's judgments inconsideration of the assessment of relevant risks, uncertainties, time value of money and other factors related to the contingent events.

In addition, the Company would project liabilities for after-sale quality maintenance commitment provided to customers in respect of goods sold, maintained and reconstructed by the Company. Recent maintenance experience of the Company has been considered when projecting liabilities, while the recent maintenance experience may not reflect the future maintenance. Any increase or decrease of this provision may affect profit or loss for future years.

V. Taxes

1. Main taxation items and its tax rate

Taxation items	Tax rate
VAT	Output tax calculated based on the 11%, 13% or 17% of the taxable income, VAT based on the difference after deducted the current input tax

Business tax	Taxed by 3% and 5% of the taxable turnover
City maintenance tax	Taxed by 1% , 5% and 7% of the turnover tax actually paid
Education surtax	Taxed by 3% of the turnover tax actually paid
Local education surtax	Taxed by 2% of the turnover tax actually paid
Enterprise income tax	Taxed by 16.5% to 25% of the taxable income amount (note 1)
Land VAT	Tax by the Value-added amount from transferring state-owned land use right , landing construction and its affiliates with four super-rate progressive tax rate
Real estate tax	As for the taxed by residual value, paid with the 1.2% of the residual value after original value deductged 30%; as for the taxed by house rental, taxed with 12% of the rental income
Land-use tax of town	2.5 Yuan ~ 9Yuan per square meter for the land area actually occupated

(note 1) Rate for the income tax for the Company and subsidiaries as:

Taxpaying body	Rate of income tax
Shenzhen Nanshan Power Co.,Ltd. (“the Company”)	25%
Shenzhen New Power Industrial Co., Ltd (“New Power”)	25%
Shenzhen Shennan Power Gas Turbine Engineering Technique Co., Ltd. (“Engineering Co., ”)	25%
Shenzhen Server Energy Co., Ltd. (“Shenzhen Server”)	25%
Shenzhen Shennan Power Environment Protection Co., Ltd(“Environment Protection Co.,”)	25%
Shennandian (Zhongshan) Power Co., Ltd. (“Zhongshan Power”)	25%
Shennandian (Dongguan) Weimei Power Company Limited (“Weimei Power”)	25%
SHENNAN ENERGY (SINGAPORE) PTE LTD(“SINGAPORE LTD”)	20%
Zhongshan Shenzhong Real Estate Development Co., Ltd.(“Shen Development”)	25%
Zhongshan Shenzhong Real Estate Investment Property Co., Ltd.(“ Shen Investment Property”)	25%
Zhongshan Shennandian Storage Co., Ltd. (“Shen Storage ”)	25%
HONG KONG SYNDISOME CO., LIMITED(“SYNDISOME ”)	16.50%

2. Taxes preferential and approvals

Tax	Name of the company	Relevant regulation and policies basis	Approval institution	Approval documents	Exemption range	Period of validity

VAT	Environment Protection Co.,	” Notice of adjustment and perfection on resources comprehensive usage and labor VAT policy”(CS No.115[2011])	Not applicable	Not applicable	VAT free for sludge treatment	Not applicable
Enterprise income tax	SYNDISOME	” Arrangement of avoidance of double-taxation and prevention of tax free in mainland China and Hong Kong Special Administrative Region”(GSH No. 884[2006])	Not applicable	Not applicable	Levy income tax by 10% of total share interests	Not applicable
Enterprise income tax	SYNDISOME	’Enterprise Income Tax Law of People’s Republic of China”	State Tax Bureau of Nanshan Distict Shenzhen	Shen Guo Sui Nan Kou Jiao Bei Zi No.: [2011]0011	No enterprise income tax should pay for the dividend before 31 December 2007	Not applicable

VI. Annotation of the items in consolidate financial statement

With respect to the notes item (including Main item annotations of Financial Statements) disclosed below, unless otherwise specified, “year-beginning” refers to 1 January 2015

1. Monetary fund

In RMB/CNY

Item	2015-6-30	Year-beginning balance
Cash on hand	177,656.64	231,215.44
Bank savings	859,130,274.52	567,604,064.37
Other monetary fund	10,771,664.96	10,749,167.21
Total	870,079,596.12	578,584,447.02
Including: total amount saving aboard	5,822,438.71	5,889,894.82

Note: among the above other monetary capital, there are totally 10,089,490 Yuan guarantee draft margin and guarantee deposit included (on 31 December 2014: 10,089,490 Yuan).

2. Account receivable

(1) Account receivable classified according to types:

In RMB/CNY

Type	2015-6-30				
	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable with individual major amount and withdrawal bad debt provision independently	3,474,613.06	0.96	3,474,613.06	100.00	-
Accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	356,972,117.48	98.78	-	-	356,972,117.48
Account receivable with individual minor amount but withdrawal bad debt provision independently	946,915.10	0.26	946,915.10	100.00	-
Total	361,393,645.64	100.00	4,421,528.16	1.22	356,972,117.48

(Continued)

Type	Year-beginning				
	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Account receivable with individual major amount and withdrawal bad debt provision independently	3,474,613.06	0.69	3,474,613.06	100.00	-
Accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	502,772,509.41	99.13	-	-	502,772,509.41

Account receivable with individual minor amount but withdrawal bad debt provision independently	946,915.10	0.18	946,915.10	100.00	-
Total	507,194,037.57	100.00	4,421,528.16	0.87	502,772,509.41

(2) Age analysis of account receivable:

In RMB/CNY

Age	2015-6-30		Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1year	356,746,925.31	98.71	428,409,117.24	84.47
1 to 2years	-	-	74,138,200.00	14.62
2 to 3years	43,068.31	0.01	43,068.31	0.01
Over 3 years	4,603,652.02	1.27	4,603,652.02	0.90
Total	361,393,645.64	100.00	507,194,037.57	100.00

(3) Accrual for bad debt provision

① Other account receivable with individual major amount and withdrawal bad debt provision independently

In RMB/CNY

Account receivable	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Reasons
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	3,474,613.06	3,474,613.06	100.00	Un-collectible

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

In RMB/CNY

Account receivable	Book Balance	Bad debt provision	Withdrawal proportion (%)	Reasons
Account of engineering receivable	800,000.00	800,000.00	100%	Un-collectible for overdue
Amount of oil sales receivable	146,915.10	146,915.10	100%	Un-collectible for overdue
Total	946,915.10	946,915.10	100%	

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

(5)Top 5 companies in account receivables

In RMB/CNY

Name of the company	Relationship	Amount	Age	Proportion in total account

				receivable (%)
Bureau of Finance of Shenzhen Municipality	Non-related	219,696,519.00	Within 1year	60.79
Guangdong Power Grid Company	Non-related	67,537,945.25	Within 1year	18.69
Bureau of Finance of Zhongshan Municipality	Non-related	57,408,558.00	Within 1year	15.89
Shenzhen Water Bureau	Non-related	10,981,093.55	Within 1year	3.04
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	Non-related	3,474,613.06	Over 3 years	0.96
Total		359,098,728.86		99.36

3. Account paid in advance

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

In RMB/CNY

Account age	2015-6-30		Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1year	3,474,547.09	62.69	6,165,853.29	98.92
1 to 2years	2,000,000.00	36.09	-	-
2 to 3years	-	-	-	-
Over 3 years	67,504.20	1.22	67,504.20	1.08
Total	5,542,051.29	100.00	6,233,357.49	100

(2) Top five clients in account paid in advance

In RMB/CNY

Name of the company	Relationship with the Company	Amount	Age	Proportion in total account receivable(%)
Shenzhen Nangang Power Engineering Co., Ltd.	Non-related party	2,000,000.00	1 to 2years	36.09
Install Branch of Hangzhou Boiler Group Co., Ltd.	Non-related party	915,000.00	Within 1year	16.51
GE -Harbin Power –Nanjing Wheel Energy Service (Qinghuangdao) Co., Ltd.	Non-related party	638,700.00	Within 1year	11.52
Shandong Huayuan Power Station Equipment Co., Ltd.	Non-related party	576,000.00	Within 1year	10.39
Realcom China Electric Co., Ltd.	Non-related party	534,000.00	Within 1year	9.64
Total		4,663,700.00		84.15

(3) No shareholders' with over 5% (including 5%) voting rights of the Company held in account paid in advance in Period

4. Other account receivable

(1) Other account receivable classified according to type:

In RMB/CNY

Type	2015-6-30				
	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other account receivable with individual major amount and withdrawal bad debt provision independently	20,341,666.46	35.34	20,341,666.46	100.00	-
Other accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	32,756,068.44	56.91	-	-	32,756,068.44
Other account receivable with individual minor amount but withdrawal bad debt provision independently	4,460,450.11	7.75	3,824,483.31	85.74	635,966.80
Total	57,558,185.01	100.00	24,166,149.77	41.99	33,392,035.24

(Continued)

Type	Year-beginning				
	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other account receivable with individual major amount and withdrawal bad debt provision independently	20,341,666.46	37.45	20,341,666.46	100.00	-
Other accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	29,514,262.28	54.34	-	-	29,514,262.28
Other account receivable with individual minor amount but withdrawal bad debt provision independently	4,460,450.11	8.21	3,824,483.31	85.74	635,966.80
Total	54,316,378.85	100.00	24,166,149.77	44.49	30,150,229.08

(2)Other account receivable classified according to age:

In RMB/CNY

Account age	2015-6-30		Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1year	6,863,749.78	11.93	3,865,742.55	7.12
1 to 2years	25,656,530.35	44.57	25,706,927.23	47.33
2 to 3years	235,788.31	0.41	272,688.31	0.50
Over 3 years	24,802,116.57	43.09	24,471,020.76	45.05

Total	57,558,185.01	100.00	54,316,378.85	100.00

(3)Withdrawal of bad debt provision

① Other account receivable with single major amount and withdrawal bad debt provision for single item

In RMB/CNY

Item	Carrying amount	Bad debt provision	Withdrawal proportion (%)	Reasons
Huiyang County Kangtai Industrial Company	14,311,626.70	14,311,626.70	100.00	Un-collectible
Shandong Jinan Power Equipment Factory	3,560,000.00	3,560,000.00	100.00	Un-collectible
Individual income tax	2,470,039.76	2,470,039.76	100.00	Un-collectible
Total	20,341,666.46	20,341,666.46	100.00	

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

In RMB/CNY

Item	Book Balance	Bad debt provision	Withdrawal proportion (%)	Reasons
Dormitory amount receivable	2,083,698.16	1,736,004.16	83.31	Un-collectible for those which was overdue
Deposit receivable	1,312,974.95	1,312,974.95	100.00	Un-collectible for those which was overdue
Bureau of Finance of Zhongshan Municipality	219,192.00	21,919.20	10.00	Un-collectible for those which was overdue
Administrative Office of Nanshan District Shenzhen	50,000.00	5,000.00	10.00	Un-collectible for those which was overdue
GE COMPANY	35,000.00	7,000.00	20.00	Un-collectible for those which was overdue
Other	759,585.00	741,585.00	97.63	Un-collectible for those which was overdue
Total	4,460,450.11	3,824,483.31	85.74	

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

(5) Account receivable from relatd parties found more in Note 9-6. Account receivable/payable with related party

(6) Top five other account receivables at year-end balance listed by arrears party

In RMB/CNY

Name of the company	Relationship	Amount	Duration	Proportion in total other account receivable (%)	Year-end balance of bad debt provision
Huiyang County Kangtai Industrial Company	Non-related party	14,311,626.70	Over 3 years	24.86	14,311,626.70

Huidong Server Harbor Comprehensive Development Co., Ltd (“Huidong Server”)	Related party	13,060,361.44	1-2 年	22.69	-
Managed account of Huidong Server	Related party	12,596,168.91	1-2 年	21.88	-
Shandong Jinan Power Equipment Factory	Non-related party	3,560,000.00	Over 3 years	6.19	3,560,000.00
Asset insurance fee	Non-related party	1,871,026.76	Within 1year	3.25	-
Total		45,399,183.81		78.88	17,871,626.70

5. Inventory

In RMB/CNY

Item	2015-6-30			Year-beginning		
	Book Balance	Depreciation provision	Book value	Book Balance	Depreciation provision	Book value
Fuels	34,131,781.11	7,705,116.29	26,426,664.82	53,583,940.47	7,705,116.29	45,878,824.18
Raw materials	144,654,056.69	40,637,153.79	104,016,902.90	143,393,970.37	40,637,153.79	102,756,816.58
Land Space Needed to Development(Note)	1,247,552,566.19	105,724,631.85	1,141,827,934.34	1,241,801,141.97	105,724,631.85	1,136,076,510.12
Total	1,426,338,403.99	154,066,901.93	1,272,271,502.06	1,438,779,052.81	154,066,901.93	1,284,712,150.88

Note: 1) The land cost for development of Shenzhong Development Co., and Shenzhong Property Investment.

2) In the balance of land space needed to development at period-end, the capitalizing loan expenses amounting to RMB 168,902,319.91 (as at 31 December 2014: RMB 168,902,319.91). The capitalizing loan expense of this year was 0 yuan.

6. Other current assets

In RMB/CNY

Item	2015-6-30	Year-beginning balance
VAT input tax deductible	596,769,664.21	607,031,435.15
Enterprise income tax deductible	6,583,089.98	6,583,089.98
Other	30,000.00	30,000.00
Total	603,382,754.19	613,644,525.13

7. Financial assets available for sale

(1) Financial assets available for sale

In RMB/CNY

Item	2015-6-30			Year-beginning balance		
	Book Balance	Depreciation reserves	Book value	Book Balance	Depreciation reserves	Book value
Equity instrument available for sale	59,815,000.00	2,500,000.00	57,315,000.00	59,815,000.00	2,500,000.00	57,315,000.00
Including: measured by cost	59,815,000.00	2,500,000.00	57,315,000.00	59,815,000.00	2,500,000.00	57,315,000.00
Total	59,815,000.00	2,500,000.00	57,315,000.00	59,815,000.00	2,500,000.00	57,315,000.00

(2) Financial assets available for sale measured by cost at period-end

In RMB/CNY

Investee company	Book Balance			Depreciation reserves		
	Year-begin	+,-	2015-6-30	Year-begin	+,-	2015-6-30
CPI Jiangxi Nuclear Power Co., Ltd.	57,315,000.00	-	57,315,000.00	-	-	-
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	2,500,000.00	-	2,500,000.00	2,500,000.00	-	2,500,000.00
Total	59,815,000.00	-	59,815,000.00	2,500,000.00	-	2,500,000.00

Continued

Investee company	Shareholding ratio in investee company(%)	Cash bonus
CPI Jiangxi Nuclear Power Co., Ltd.	5.00	-
Shenzhen Petrochemical Products Bonded Trading Co., Ltd.	4.00	-

8. Long-term equity investment

Investee company	Year-beginning balance	+,-		Year-end balance	Year-end balance of depreciation reserves
		Investment gains/losses recognized by equity method	Other		
Affiliated business					
Huidong Server(Note)	24,597,397.33	-883,344.35	-	23,714,052.98	-
Total	24,597,397.33	-883,344.35	-	23,714,052.98	-

Note: up to 30 June 2015, 20% equity of the Huidong Server was pledged to Jiahua Building Product (Shenzhen) Co., Ltd. with 2-year term; found more in Note VI-23. Accrual liability

9. Investment real estate

In RMB/CNY

Item	House, buildings	Land use right	Construction in process	Total
I. Original book value				
1. Year-beginning balance	9,708,014.96	-	-	9,708,014.96
2.Current increased	-	-	-	-
3.Current decreased	-	-	-	-
4.Year-end balance	9,708,014.96	-	-	9,708,014.96
II. accumulated depreciation and accumulated amortization				-
1. Year-beginning balance	6,164,026.45	-	-	6,164,026.45
2. Current increased	221,342.76	-	-	221,342.76
(1) accrual or amortization	221,342.76	-	-	221,342.76
3. Current decreased	-	-	-	-
4. Year-end balance	6,385,369.21	-	-	6,385,369.21
III. depreciation provision				
1. Year-beginning balance	-	-	-	-
2. Current increased	-	-	-	-
3.Current decreased	-	-	-	-
4. Year-end balance	-	-	-	-
IV. Book value				-
1. Year-end book value	3,322,645.75	-	-	3,322,645.75
2. Year-begin book value	3,543,988.51	-	-	3,543,988.51

10. Fixed assets

(1) Change of fixed assets

In RMB/CNY

Item	House and buildings	Machinery equipment	Transportation tools	Other equipment	Total
I. Original book value					
1. Year-beginning balance	451,404,394.88	3,992,092,394.30	28,666,775.37	48,513,270.05	4,520,676,834.60
2. Current increased					
(1) Purchase	-	591,749.94	932,922.96	61,016.82	1,585,689.72

(2) Construction in process transfer-in	-	25,983,394.52	115,997.78	450,000.00	26,549,392.30
(3) increased by enterprise combination					
3. Current decreased					
(1) Disposal or scrap			197,884.00		197,884.00
4. balance dated 30 June 2015	451,404,394.88	4,018,667,538.76	29,517,812.11	49,024,286.87	4,548,614,032.62
II. Accumulated depreciation					
1. Year-beginning balance	242,483,549.15	2,315,021,450.48	24,885,288.31	40,032,512.04	2,622,422,799.98
2. Current increased					
(1) accrual	7,221,604.83	52,715,228.67	211,605.77	545,130.87	60,693,570.14
3. Current decreased					
(1) Disposal or scrap	-	-	178,095.60	-	178,095.60
4. balance dated 30 June 2015	249,705,153.98	2,367,736,679.15	24,918,798.48	40,577,642.91	2,682,938,274.52
III. impairment provision					
1. Year-beginning balance	16,001,245.98	42,249,087.34	149,172.35	114,584.76	58,514,090.43
2. Current increased					
(1) accrual	-	-	-	-	-
3. Current decreased					
(1) Disposal or scrap	-	-	-	-	-
4. balance dated 30 June 2015	16,001,245.98	42,249,087.34	149,172.35	114,584.76	58,514,090.43
IV. Book value					
1. balance dated 30 June 2015	185,697,994.92	1,608,681,772.27	4,449,841.28	8,332,059.20	1,807,161,667.67
2. Year-begin book value	192,919,599.75	1,634,821,856.48	3,632,314.71	8,366,173.25	1,839,739,944.19

(2) Idle fixed asses temporary

In RMB

Item	Original book value	Accumulated depreciation	Impairment provision	Book value	Note
Houses and buildings	31,597,904.77	13,636,992.51	5,059,785.83	12,901,126.43	Wharf, processing workshop of heavy oil
Equipment	635,071,333.48	532,980,587.67	42,095,394.26	59,995,351.55	Processing equipment of heavy oil and generation unit

Total	666,669,238.25	546,617,580.18	47,155,180.09	72,896,477.98	

(3) Fixed assets without property license obtained

In RMB

Item	Book value	**Reasons**
Booster station	6,044,292.62	Procedures uncompleted
Steam turbine workshop	2,303,536.84	Procedures uncompleted
Chemical water tower	3,809,912.86	Procedures uncompleted
Treatment shop for heavy oil	743,005.91	Procedures uncompleted
Start-up boiler house	167,008.95	Procedures uncompleted
Fire pump room	387,902.55	Procedures uncompleted
Circulating water pump house	2,441,538.44	Procedures uncompleted
Comprehensive building	4,041,308.69	Procedures uncompleted
Production and inspection building	6,419,777.49	Procedures uncompleted
Administrative building	6,600,565.99	Procedures uncompleted
Mail room of the main entrance	267,512.33	Procedures uncompleted
Turbine building and annex building	14,133,928.93	Procedures uncompleted
Plant’s ventilating system	734,503.15	Procedures uncompleted
Office building	6,965,005.38	Procedures uncompleted
Comprehensive building	1,569,137.84	Procedures uncompleted
Draft cooling tower	4,541,154.86	Procedures uncompleted
Chemical water workshop and foundation of water tank	2,158,269.31	Procedures uncompleted
Industry pool and industry pump house	947,223.00	Procedures uncompleted
Start-up boiler house	158,273.47	Procedures uncompleted
Oil treatment room and oil un-loading platform	337,538.98	Procedures uncompleted
Total	64,771,397.59	

11. Construction in process

(1) Construction in process

In RMB/CNY

Item	2015-6-30			Year-beginning		
	Book Balance	Impairment provision	Net book value	Book Balance	Impairment provision	Net book value
Oil to Gas Works	34,950,214.13	14,815,695.82	20,134,518.31	35,535,308.56	14,815,695.82	20,719,612.74
Cogeneration of heat and electricity Project	11,243,129.01	-	11,243,129.01	11,243,129.01	-	11,243,129.01
Others	2,798,982.73		2,798,982.73	863,389.43	-	863,389.43
Total	48,992,325.87	14,815,695.82	34,176,630.05	47,641,827.00	14,815,695.82	32,826,131.18

(2) Changes of significant projects in construction

In RMB/CNY

Projects	Budget	Year-beginning	Increase of this year	Transferred fixed assets in this year	Other decrease	2015-6-30
Oil to Gas Works	74,400,000.00	35,535,308.57	1,469,939.30	2,055,033.74	-	34,950,214.13
Cogeneration of heat and electricity Project	10,000,000.00	11,243,129.01	-	-	-	11,243,129.01
Others		863,389.43	26,429,951.86	24,494,358.56	-	2,798,982.73
Total		47,641,827.01	27,899,891.16	26,549,392.30	-	48,992,325.87

(3) Construction in process Impairment provision

In RMB/CNY

Item	Year-beginning	Increase of this year	Decrease of this year	2015-6-30	Reasons of accrual
Oil to Gas Works	14,815,695.82	-	-	14,815,695.82	In idle condition

12. Intangible assets

In RMB/CNY

Item	Land use right	Software	Total
I. Original book value			
1. Year-beginning balance	91,253,625.27	3,727,409.85	94,981,035.12
2. Current increased			-
(1) purchase	-	17,600.00	17,600.00
3. Current decreased			-
(1) diposal	-	-	-
4. Year-end balance	91,253,625.27	3,745,009.85	94,998,635.12
II. accumulated amortization			
1. Year-beginning balance	35,695,518.37	2,761,345.47	38,456,863.84
2. Current increased			-
(1) accrual	1,158,789.84	210,135.67	1,368,925.51
3. Current decreased			-
(1) disposal	-	-	-
4. Year-end balance	36,854,308.21	2,971,481.14	39,825,789.35
III. Impairment provision			
1. Year-beginning balance	-	-	-
2. Current increased			
(1) accrual	-	-	-
3. Current decreased			
(1) disposal	-	-	-
4. Year-end balance	-	-	-
IV. Book value			
1. Year-end book value	54,399,317.06	773,528.71	55,172,845.77
2. Year-begin book value	55,558,106.90	966,064.38	56,524,171.28

13. Deferred income tax assets

In RMB/CNY

Item	2015-6-30	Year-beginning

Bad debt provision of account receivable	905,382.04	905,382.04
Other provision for bad debts of accounts receivable	185,396.25	185,396.25
Staff salary payable	830,621.00	830,621.00
Provision for devaluation of long-term equity investment	625,000.00	625,000.00
Others	343,392.57	343,392.57
Total	2,889,791.86	2,889,791.86

14.Other non-current assets

In RMB/CNY

Item	2015-6-30	Year-beginning
PROJECT OF LNG (Note)	22,882,181.78	22,882,181.78

Note: the project was jointly constructed by Weimei Power Company and Guangdong Dapeng Liquid Natural Gas Co., Ltd.(hereinafter referred to as Dapeng LNG). According to the contract signed between the two parties, before the project involved by this construction acquired approval from the relevant national authorities, the ownership belongs to both parties. After such approval, Dapeng LNG will acquire LNG project. Thus, Weimei Power Company recorded it under the item of "other non-current assets".

15. Short-term loans

In RMB/CNY

Item	2015-6-30	Year-beginning
Guarantee loans	842,400,000.00	928,890,000.00
Credit loans	1,670,000,000.00	1,689,000,000.00
Total	2,512,400,000.00	2,617,890,000.00

16. Note payable

In RMB/CNY

Classification	2015-6-30	Year-beginning
Bank acceptance	320,000,000.00	260,000,000.00

17. Account payable

(1)Details of account payable:

In RMB/CNY

Item	2015-6-30	Year-beginning balance
natural gas	168,118,767.13	130,301,138.50
materials	4,070,496.49	6,984,596.90

electricity	116,602.52	593,050.41
Others	794,733.64	1,286,655.02
Total	173,100,599.78	139,165,440.83

(2)There is no fund of shareholders with 5 %(including 5%) or more of the voting shares in the Group in the report period.

(3) Top five clients in account payable

In RMB/CNY

Item	2015-6-30
CNOOC Gas & Power Group	167,794,241.53
Guangdong Power Grid Shenzhen Power Supply Bureau	811,681.00
Shenzhen Zhaosai Industrial Co., Ltd.	598,000.00
Huasheng Filter (Shenzhen) Co., Ltd.	540,769.23
Fushun Energy Equipment LTD. China	268,500.00
Total	170,013,191.76

18 Wages payable

(1) Wages payable

In RMB/CNY

Item	Year-beginning balance	Increase this year	Decrease this year	2015-6-30
I. Short-term remuneration	41,472,002.86	61,783,379.65	65,061,591.92	38,193,790.59
II. Post-employment welfare-defined contribution plans	5,650,423.21	6,912,670.56	8,653,355.82	3,909,737.95
III. Severance Pay	-	-	-	-
IV. Other welfare due within one year		-	-	-
Total	47,122,426.07	68,696,050.21	73,714,947.74	42,103,528.54

(2) short-term remuneration

In RMB/CNY

Item	Year-beginning balance	Increase this year	Decrease this year	2015-6-30
1. wages, bonuses, allowances and subsidies	38,708,167.47	51,070,120.74	55,279,053.05	34,499,235.16
2. Welfare for employee	-	-	-	-

3. Social insurance	377,103.46	2,915,652.97	2,737,909.98	554,846.45
Including: Medical insurance	173,545.23	2,587,099.62	2,423,469.99	337,174.86
Work injury insurance	171,791.67	294,028.75	296,933.16	168,887.27
Maternity insurance	31,766.56	34,524.59	17,506.83	48,784.32
4. . Housing provident fund	439,655.72	6,941,698.00	6,456,181.00	925,172.72
5. Union funds and staff education expenses	1,947,076.21	855,907.94	588,447.89	2,214,536.26
6. Short-term compensated absences	-	-	-	-
7. Short-term profit sharing plan	-	-	-	-
Total	41,472,002.86	61,783,379.65	65,061,591.92	38,193,790.59

(3) Defined contribution plans

In RMB/CNY

Item	Year-beginning balance	Increase this year	Decrease this year	2015-6-30
1. Basic Endowment insurance	305,271.43	6,639,610.42	6,387,447.12	557,434.73
2. Unemployment insurance	37,349.78	192,502.14	193,857.70	35,994.22
3. Enterprise annuities	5,307,802.00	80,558.00	2,072,051.00	3,316,309.00
Total	5,650,423.21	6,912,670.56	8,653,355.82	3,909,737.95

19. Taxes payable

In RMB/CNY

Item	2015-6-30	Year-beginning
VAT	5,639.60	183,956.37
Business tax	1,911,659.04	641,838.11
Enterprise income tax	467,883.17	524,140.78
Individual income tax	1,113,141.77	1,737,363.70
Land-use tax of town	352,517.41	2,250,981.97
Real estate tax	1,650,520.23	1,788,550.92
Others	469,173.76	218,159.00
Total	5,970,534.98	7,344,990.85

20. Interest payable

In RMB/CNY

Item	2015-6-30	Year-beginning
Long-term loan interest of installment and interest charges	650,347.22	321,979.17
Interest payable of short-term loan	50,269,778.74	41,840,556.67
Total	50,920,125.96	42,162,535.84

21. Other account payable

Other account payable

In RMB/CNY

Item	2015-6-30	Year-beginning
Loan (note)	280,495,875.99	280,495,875.99
Project expense	20,219,569.86	21,694,921.95
Quality guarantee deposit	4,954,228.13	3,880,132.74
Equipment amount	22,679,449.33	6,912,796.66
Land use right charge	752,198.28	1,065,676.50
Fund of the Board	626,120.25	1,399,096.78
Other	42,267,803.35	24,952,425.42
Total	371,995,245.19	340,400,926.04

Note : represented the amounts borrowed by Shenzhong Development Company from Xingzhong Group with the land use right and fixed assets owned by it as the pledge and represented the amounts borrowed by Shenzhong Development Company from the Treasury bureau of Zhongshan city.

22. Long-term loans

In RMB/CNY

Item	2015-6-30	Year-beginning
Guarantee loans	100,000,000.00	-
Credit loans	250,000,000.00	150,000,000.00
Less: Long-term loans due within one year	-	-
Total	350,000,000.00	150,000,000.00

23. Accrued liabilities

In RMB/CNY

Item	Year-beginning	Current increased	Current decreased	2015-6-30

Guarantee offering outside	27,100,000.00	-	-	27,100,000.00

Note: On 29 November 2013, Shenzhen Server and Jiahua Building Products (Shenzhen) Co., Ltd. (Jiahua Building) signed a supplementary term aiming at equity transfer over equity attribution and division of Yapojiao Dock, which belongs to Shenzhen Server, Huidong Server, and Huidong Nianshan Town Government as well as its subordinate Nianshan Group. In order to solve this remaining historic problem, Shenzhen Server saved RMB 12,500,000.00 in condominium deposit account as guarantee. In addition, Server pledged its 20% of equity holding from Huidong Server to Jiahua Architecture with pledge duration of 2 years. The amount of collateral on loans could not exceed RMB 15,000,000.00. Relevant losses with the event concerned predicted amounting to RMB27,100,000.00 by the Group up to 30 June 2015.

24. Deferred income

In RMB/CNY

Item	Content	2015-6-30	Year-beginning
Government grants	Government grants with assets-concerned	45,266,714.18	47,082,314.96

Including the deferred income:

In RMB/CNY

Item	Year-beginning balance	Subsidies increased	Amount reckoned in non-operation revenue	Other changes	Year-end balance	Assets related/income related
Subsidy for energy-saving technology reform	1,254,409.90	-	57,018.66	-	1,197,391.24	Assets related
Treasury subsidies for sludge drying	4,101,250.00	-	127,500.00	-	3,973,750.00	Assets related
Support fund of recycling economy for sludge drying	10,686,288.15	-	323,501.46	-	10,362,786.69	Assets related
Subsidy for project of low-nitrogen transformation for welcoming the Universiade	30,647,817.91	-	1,276,992.46	-	29,370,825.45	Assets related
Support fund of enterprise informationalization	392,549.00	-	30,588.20	-	361,960.80	Assets related
Total	47,082,314.96	-	1,815,600.78	-	45,266,714.18	

25. Share capital

In RMB/CNY

Item	Year-beginning balance	Changes in this year(+ -)					2015-6-30
		New shares issued	Bonus shares	Capitalizing from reserves	Other	Subtotal	
Total shares	602,762,596.00	-	-	-	-	-	602,762,596.00

26.Capital reserve

In RMB/CNY

Item	Year-beginning balance	Increase in the year	Decrease in the year	2015-6-30
Capital premium	233,035,439.62	-	-	233,035,439.62
Other capital surplus	129,635,002.84	80,429.12	-	129,715,431.96
Total	362,670,442.46	80,429.12	-	362,750,871.58

27. Surplus reserve

In RMB/CNY

Item	Year-beginning balance	Increase in the year	Decrease in the year	2015-6-30
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

28. Retained profit

In RMB/CNY

Item	Current period	Last year
Retained profit of last year before adjusted	-27,799,181.18	302,714,103.81
Total retained profit adjusted (increased with +, decreased with -)	-	-
Retained profit at beginning of the year after adjusted	-27,799,181.18	302,714,103.81
Add: net profit attributable to shareholders of parent company	-102,546,073.06	-330,513,284.99

Retained profit at period-end	-130,345,254.24	-27,799,181.18

29. Operating income, operating cost

In RMB/CNY

Item	Amount in this year		Amount at last year	
	Income	Cost	Income	Cost
Main business	649,768,357.04	746,631,864.79	526,457,442.05	754,950,526.23
Other business	788,880.14	275,907.07	940,113.72	1,514,465.15
Total	650,557,237.18	746,907,771.86	527,397,555.77	756,464,991.38

30. Operating tax and surcharge

In RMB/CNY

Item	Amount in this year	Amount at last year
Business tax	3,120,482.66	2,953,299.03
City maintenance tax	218,481.87	206,898.77
Others	162,614.49	195,595.16
Total	3,501,579.02	3,355,792.96

31. Management expenses

In RMB/CNY

Item	Amount in this year	Amount at last year
Salary	18,273,577.39	18,467,978.36
Taxes	2,042,357.27	2,126,376.28
Leasing expenses	2,691,565.32	2,857,978.71
Entertainment expense	1,426,673.40	1,531,724.81
Expenses for agency appointment	2,127,655.45	952,713.04
Vehicles expenses	2,094,377.74	2,220,530.48
Expenses from the Board	690,280.07	738,892.81
Housing fund	1,418,120.32	1,570,856.80
Depreciation expense	1,331,600.58	1,388,406.49
Amortization of intangible assets	1,728,910.98	1,048,582.24
Specific expenses	191,324.51	301,730.29
Environmental expense	852,813.80	945,405.88

Sundry expenses	1,359,981.23	1,350,674.49
Expenses for enterprise culture	559,909.00	181,155.00
Property expense	519,750.52	544,529.04
Office expenses	209,775.39	287,177.34
Endowment insurance	1,671,242.45	1,784,132.86
Communication charge	668,438.64	698,374.15
Business traveling charge	341,368.12	207,873.71
Stock charge	269,820.00	341,009.23
Health insurance	808,325.91	853,379.29
Labor-union expenditure	371,231.19	406,733.10
Personnel education	80,481.35	214,676.21
Other	1,481,054.44	2,170,186.02
Total	43,210,635.07	43,191,076.63

32 Financial expenses

In RMB/CNY

Item	Amount in this year	Amount at last year
Interest expenditure	117,842,846.34	103,263,773.91
Less: Capitalized interest expenditure	-	-
Less : interest income	3,429,481.88	2,164,599.64
Exchange gains/losses	-22,875.76	127,658.52
Others	1,461,045.23	5,613,033.29
Total	115,851,533.93	106,839,866.08

33. Investment income

In RMB/CNY

Item	Current year	Last year
Income of long-term equity investment measured by	-883,344.35	-1,270,147.52

equity method		
Subtotal	-883,344.35	-1,270,147.52

34.Non-operating income

In RMB/CNY

Item	Current year	Last year
Government grants	89,733,937.14	285,388,555.28
Natural gas import VAT refund	43,717,420.50	-
profits of disposal of he non-current assets	36,000.00	69,220.00
Including: Profit of disposal of fixed assets	-	69,220.00
Others	201,892.66	158,672.22
Total	133,689,250.30	285,616,447.50

Government grants :

In RMB/CNY

Item	Current year	Last year
Income from fuel subsidies (Note1)	87,918,336.36	159,976,101.00
Subsidies income of fuel processing fee (Note2)	-	123,596,853.52
Subsidy for project of low-nitrogen transformation for welcoming the Universiade	1,276,992.46	1,276,992.42
Support fund of enterprise informationalization	30,588.20	30,588.24
Subsidy for energy-saving technology reform	57,018.66	57,018.64
Government bond subsidy for sludge drying	127,500.00	127,500.00
Support fund of recycling economy for sludge drying	323,501.46	323,501.46
Total	89,733,937.14	285,388,555.28

Note 1: represents the gas-based units power subsidy provided by the Company according to the Interim Management Concerning Power Subsidy for Gas-based Units in Shenzhen (No.: SFB[2015]14) issued by Shenzhen People's Government Office.

Note 2: they have not recognized government grant for the first half year of 2015 since they didn't receive relevant certificates relating to gas processing fee subsidy in Guangdong province yet.

35. Non-operating expense

In RMB/CNY

Item	Current year	Last year
Expenses from external donation	10,000.00	10,000.00
Total loss from disposal of non-current assets	18,676.42	196.00
Including: Gains and loss of disposal of fixed assets	18,676.42	196.00
Others	84.11	184.50
Total	28,760.53	10,380.50

36. Income tax expenses

In RMB/CNY

Item	Current year	Last year
Current income tax measured by tax laws and relevant regulations	488,647.17	1,692,763.26

37. item of cash flow statement

(1) Cash received with other operating activities concerned

In RMB/CNY

Item	Current year	Last year
Natural gas import refunds received	42,571,847.87	-
Fuels subsidy income	353,732,500.00	407,770,600.00
Open credit received	11,912,169.88	10,032,000.00
Others	8,432,827.97	4,301,540.58
Total	416,649,345.72	422,104,140.58

(2)Cash paid for other operating activities

In RMB/CNY

Item	Current year	Last year
Expense on agency appointment	2,127,655.45	1,438,036.89
Board expenses	690,280.07	739,263.33
Leasing expense	3,211,315.84	3,756,007.33
Entertainment expense	1,426,673.40	1,458,277.01
Others	24,424,944.40	18,233,795.37

Total	31,880,869.16	25,625,379.93

38. Supplementary information on cash flow statement

(1) Regulate the net profit into the cash flow of operating activities

In RMB/CNY

Supplementary information	Current year	Last year
1. Regulate the net profit into the cash flow of operating activities		
Net profit	-128,809,496.06	-101,470,978.75
Add: Asset impairment provision	-	-
Depreciation of fixed assets	60,736,817.30	66,159,002.19
Amortization of intangible assets	1,368,925.51	1,420,437.88
Amortization of long-term deferred expenses	-	-
Loss from disposing fixed assets, intangible assets and other long-term assets (income listed with "-")	17,323.58	-69,024.00
Abandonment loss from fixed assets	-	-
Financial expenses (income)	112,422,052.05	106,839,866.08
Investment loss (income)	883,344.35	1,270,147.52
Decrease of deferred income tax assets (increased)	-	-
Decrease of inventory (increased)	12,440,648.82	-8,556,790.53
Decrease of receivable operating items (increased)	153,511,662.92	71,565,968.34
Increase of payable operating items (decreased)	106,284,020.72	252,930,200.27
Other	-	-
Net cash flow from operation activities	318,855,299.19	390,088,829.00
2. Major investment and financing activities not involving cash income and expenditure:		
Convertible company bond due within one year	-	-
Fixed assets acquired under finance leases	-	-
.3. Net change of cash and cash equivalents:		
Year-end balance of cash and cash equivalent	859,990,106.12	733,910,561.33
Less: Year-beginning balance of cash and cash equivalent	568,494,957.02	538,054,829.52
Net increase of cash and cash equivalents	291,495,149.10	195,855,731.81

(2) Composition of cash and cash equivalent

In RMB/CNY

Item	Current year	Last year
I. cash	859,990,106.12	733,910,561.33
Including: Cash on hand	177,656.64	189,909.33
Bank savings available for payment needed	859,130,274.52	732,930,725.68
Other monetary capital available for payment needed	682,174.96	789,926.32
II. Cash equivalent		-
III. Balance of cash and cash equivalent at period-end	859,990,106.12	733,910,561.33

39. Foreign currency

In RMB/CNY

Item	Balance of foreign currency at30 June 2015	Conversion rate	Balance of RMB converted at 30 June 2015
Monetary fund			
Including: USD	892,658.80	6.1136	5,457,358.84
Euro	1,017.87	6.8699	6,992.67
HKD	809,816.11	0.7886	638,620.98
SGD	8,879.81	4.5580	40,474.17

VII. Change of consolidate scope

There are no changes in consolidated scope

VIII. Equity in other entity

1. Equity in subsidiaries

Subsidiary	Main operation place	Registration place	Business nature	Shareholding ratio (%)	Acquired way
Shenzhen Server(Note1)	Shenzhen	Shenzhen	Trading	50	Establishment
New Power	Shenzhen	Shenzhen	Power generation	100	Establishment
Zhongshan Power	Zhongshan	Zhongshan	Power generation	80	Establishment
Engineering Co.,	Shenzhen	Shenzhen	Engineering consulting	100	Establishment
Weimei Power	Dongguan	Dongguan	Power generation	70	Establishment
Environment Protection Co.,	Shenzhen	Shenzhen	Engineering	100	Establishment
SINGAPORE LTD	Singapore	Singapore	Trading	100	Establishment
Shen Development	Zhongshan	Zhongshan	Real estate development	75	Not under the same control
Shen Investment Property	Zhongshan	Zhongshan	Real estate	75	Not under the same

			development		control
Shen Storage	Zhongshan	Zhongshan	Storage	80	Establishment
SYNDISOME	Hong Kong	Hong Kong	Import & export trading	100	Not under the same control

Note : The Company holds 50% equity of Shenzhen Server, and takes majority voting rights in Shenzhen Server, thus, the Company owes substantial control; Shenzhen Server included in the consolidate scope of the financial statement.

2. Equity in joint venture and cooperative enterprise

Name	Main operation place	Registered place	Business nature	Share-holding ratio (%)		Accounting treatment
				Directly	Indirectly	
Huidong Server	Huizhou	Huizhou	Wharf		40	Equity method

Note: On 9th December 2013, controlling subsidiary of the Company Shenzhen Server holds 60% equity of Huidong Server, on date when control rights loss, rests of the 40% equity of Huidong Server held by Shenzhen Server are measure again by appraisal value.

IX. Related party and related transactions

1. Parent company of the Group

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

Found more in 1. Equity in subsidiary in Note VIII

3. Joint venture and affiliated enterprise of the Group

Found more in 2. Equity in joint venture or affiliate business in Note VIII

4. Other related part

Other related party	Relationship with the Company	Organization code
Shenzhen Energy Group Co., Ltd. (“Energy Group ”)	Shareholders have major influence on the Company	19218918-5
Dongguan Weimei Ceramics Industrial Park Co., Ltd. (” Weimei Ceramics”)	Minority shareholders of the subsidiaries	72919361X

Zhongshan Xingzhong Group Co., Ltd.(" XINGZHONG GROUP")	Minority shareholders of the subsidiaries	733112675
Shenzhen Mawan Powr Co., Ltd. ("Mawan Power Company")	Subsidiary of ultimate controller of Energy Group	618816706
Shenzhen Moon Bay Oil Harbour Co., Ltd. ("Moon Bay Oil Company")	Subsidiary of ultimate controller of Energy Group	618849428
Shenzhen Energy Group Holding Co., Ltd. (" Energy Holding")	Subsidiary of ultimate controller of Energy Group	19224115-8
Shenzhen Pipe Energy Technology Development Co., ltd. ("Pipe Technology")	Others Related party	77877487-5
Director of the Company and other senior executives	Key management staff	Not applicable

5. Related Transactions

(1) Lending money of related party

In RMB/CNY

Related party	Amount of lending money	Commencement date	Maturity Date	Note
Borrowing:				
Xingzhong Group	125,316,816.85	2015.01.01	2015.12.31	Renewal
Xingzhong Group	14,335,291.80	2015.01.01	2015.12.31	Renewal
Xingzhong Group	2,500,000.00	2015.01.01	2015.12.31	Renewal
Xingzhong Group	16,250,000.00	2015.01.01	2015.12.31	Renewal
Xingzhong Group	23,750,000.00	2015.01.01	2015.12.31	Renewal
Xingzhong Group	74,022,567.34	2015.01.01	2015.12.31	Renewal

(2) Fund occupation expenses

In RMB/CNY

Related party	Transaction type	Transaction content	Price setting principal	Amount in this year		Amount at last year	
				Amount	Proportion in amount of similar transaction (%)	Amount	Proportion in amount of similar transaction (%)
Xingzhong	Fund	Interest	Note	9,015,925.40	100.00	6,337,476.65	100.00

Group	occupation expenses	expenses					

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

6. Account payable/receivable from related parties

In RMB/CNY

Item	2015-6-30	Year-beginning
Other account receivable:		
Huidong Server	13,060,361.44	13,060,361.44
Huidong Server managed account	12,596,168.91	12,448,671.43
Total	25,656,530.35	25,509,032.87
Other account payable:		
Xingzhong Group	256,174,675.99	256,174,675.99
Total	256,174,675.99	256,174,675.99
Interest payable:		
Xingzhong Group	18,076,539.06	9,060,613.66
Total	18,076,539.06	9,060,613.66

X. Commitment

1. Major commitment

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

In RMB/CNY

Item	2015-6-30	Year-beginning
Minimum lease payments of irrevocable operating lease:		
The first year after balance sheet day	6,523,946.50	6,736,681.50
The second year after balance sheet day	1,504,396.50	3,728,646.50
The third year after balance sheet day	1,504,396.50	1,504,396.50
Subsequent years	61,795,741.25	62,804,179.50
Total	71,328,480.75	74,773,904.00

2. Contingency

Up to 30th June 2015, the Company has no important contingency that need to disclosed

XI. Events Occurring after the Balance Sheet Date

The Company has no events occurring after balance sheet date that need to disclosed up to 30th June 2015

XII. Other important events

The Company has no other important events that need to disclosed up to to 30th June 2015

XIII. Note to items of financial statements of the Parent Company

1. Account receivable

(1) Accounts receivable classifying according to the category:

In RMB/CNY

Category	2015-6-30				
	Book Balance		Bad debt provision		Book value
	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	287,237,353.25	100.00	-	-	287,237,353.25
Account receivable with individual minor amount but withdrawal bad debt provision independently	-	-	-	-	-
Total	287,237,353.25	100.00	-	-	287,237,353.25

(Continued)

Category	Year-beginning				
	Book Balance		Bad debt provision		Book value
	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	348,412,708.95	100.00	-	-	348,412,708.95
Account receivable with individual minor amount but withdrawal bad debt provision independently	-	-	-	-	-
Total	348,412,708.95	100.00	-	-	348,412,708.95

(2) Age analysis of account receivable:

In RMB/CNY

Age	2015-6-30		Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1year	287,234,464.25	100.00	274,271,619.95	78.72
1 to 2years	-	-	74,138,200.00	21.28
2 to 3years	-	-	-	-
Over 3 years	2,889.00	-	2,889.00	-
Total	287,237,353.25	100.00	348,412,708.95	100.00

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

(4) Main amount of Account receivable

In RMB/CNY

Name of the company	Relationship with the Company	Amount	Age	Proportion in total account receivable (%)
Bureau of Finance of Shenzhen Municipality	Government institution	219,696,519.00	Within 1year	76.49
Guangdong Power Grid Company	The 3rd party	67,537,945.25	Within 1year	23.51
Total		287,234,464.25		100.00

2. Other account receivable

(1) Other account receivable classified according to type:

In RMB/CNY

Category	2015-6-30				
	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other account receivable with individual major amount and withdrawal bad debt provision independently	16,781,666.46	1.06	16,781,666.46	100.00	-
Other accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	1,564,906,590.25	98.73	-	-	1,564,906,590.25
Other account receivable with individual minor amount but withdrawal bad debt provision independently	3,396,673.11	0.21	3,048,979.11	89.76	347,694.00
Total	1,585,084,929.82	100.00	19,830,645.57	1.25	1,565,254,284.25

(Continued)

Category	Year-beginning				
	Book Balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Proportion (%)	
Other account receivable with individual major amount and withdrawal bad debt provision independently	16,781,666.46	0.97	16,781,666.46	100.00	-
Other accounts receivable with minor amount and accounts receivable with major amount found no devaluation after individual devaluation test	1,716,529,468.13	98.83	-	-	1,716,529,468.13
Other account receivable with individual minor amount but withdrawal bad debt provision independently	3,396,673.11	0.20	3,048,979.11	89.76	347,694.00
Total	1,736,707,807.70	100	19,830,645.57	1.14	1,716,877,162.13

(2)Other account receivable classified according to age:

In RMB/CNY

Age	2015-6-30		Year-beginning	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1year	401,104,713.26	25.30	435,603,391.14	25.08
1 to 2years	814,306,622.62	51.37	819,306,622.62	47.18
2 to 3years	236,112,909.48	14.90	348,237,109.48	20.05
Over 3 years	133,560,684.46	8.43	133,560,684.46	7.69
Total	1,585,084,929.82	100.00	1,736,707,807.70	100.00

(3) Accrual for bad debt provision

①Other account receivable with single major amount and withdrawal bad debt provision for single item

In RMB/CNY

Other account receivable	Book amount	Bad debt provision	Accruing proportion(%)	Accrual reason
Huiyang County Kangtai Industrial Company	14,311,626.70	14,311,626.70	100.00	Un-collectible
Individual income tax	2,470,039.76	2,470,039.76	100.00	Un-collectible
Total	16,781,666.46	16,781,666.46	100.00	

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

In RMB/CNY

Other account receivable	Book Balance	Bad debt provision	Accruing proportion(%)
Dormitory amount receivable	2,083,698.16	1,736,004.16	83.31
Deposit receivable	1,312,974.95	1,312,974.95	100.00
Total	3,396,673.11	3,048,979.11	89.76

(4) Top 5 other account receivable

In RMB/CNY

Name of the company	Relationship with the Company	Year-end balance	Age	proportion in total balance of other account receivable(%)

Shen Development	Subsidiary of the Company	865,813,853.36	1-3 years	54.62
Zhongshan Power	Subsidiary of the Company	539,167,676.48	1-3 years	34.02
Shen Investment Property	Subsidiary of the Company	101,759,303.61	1-2 years	6.42
Weimei Power	Subsidiary of the Company	47,438,459.44	Within 1year to Over 3 years	2.99
Environment Protection Co.,	Subsidiary of the Company	7,858,878.45	1-2 years	0.50
Total		1,562,038,171.34		98.55

(5) Receivable from related parties

In RMB/CNY

Name of the company	Relationship with the Company	Year-end balance	Age at year-end	proportion in total balance of other account receivable(%)
Shen Development	Subsidiary of the Company	865,813,853.36	1-3 years	54.62
Zhongshan Power	Subsidiary of the Company	539,167,676.48	1-3 years	34.02
Shen Investment Property	Subsidiary of the Company	101,759,303.61	1-2 years	6.42
Weimei Power	Subsidiary of the Company	47,438,459.44	Within 1year to Over 3 years	2.99
Environment Protection Co.,	Subsidiary of the Company	7,858,878.45	1-2 years	0.50
SINGAPORE LTD	Subsidiary of the Company	212,337.56	Over 3 years	0.01
Total		1,562,250,508.90		98.56

3. Long-term equity investment

(1) Category of long-term equity investment

In RMB/CNY

Item	2015-6-30	Year-beginning balance

	Book Balance	Impairment provision	Book value	Book Balance	Impairment provision	Book value
Investment to subsidiary	691,982,849.76	-	691,982,849.76	691,982,849.76	-	691,982,849.76
Investment to joint venture and affiliate enterprise	-	-	-	-	-	-
Total	691,982,849.76	-	691,982,849.76	691,982,849.76	-	691,982,849.76

(2) Investment to subsidiary

In RMB/CNY

Investee company	Year-beginning balance	Increased in the Year	Decreased in the Year	2015-6-30	Impairment provision accrual in the Year	Impairment provision Year-end balance
Shenzhen Server	26,650,000.00	-	-	26,650,000.00	-	-
New Power	71,270,000.00	-	-	71,270,000.00	-	-
Zhongshan Power	410,740,000.00	-	-	410,740,000.00	-	-
Engineering Co.,	6,000,000.00	-	-	6,000,000.00	-	-
Weimei Power	115,319,049.76	-	-	115,319,049.76	-	-
SINGAPORE LTD	6,703,800.00	-	-	6,703,800.00	-	-
Environment Protection Co.,	55,300,000.00	-	-	55,300,000.00	-	-
Shen Development	-	-	-	-	-	-
Shen Investment Property	-	-	-	-	-	-
Total	691,982,849.76	-	-	691,982,849.76	-	-

4. Operation revenue/operation cost

In RMB/CNY

Item	Current year		Last year	
	Revenue	Cost	Revenue	Cost
Main business	172,227,786.19	217,322,254.11	195,266,910.43	338,131,663.22
Other business	9,860,763.58	36,089.91	10,566,609.30	571,584.56
Total	182,088,549.77	217,358,344.02	205,833,519.73	338,703,247.78

5. Supplement of cash flow statement

In RMB/CNY

Item	Current year	Last year
(1) Net profit adjusted as cash flow from operation activities:		
Net profit	-1,486,412.90	-26,411,819.71
Add: Assets for impairment	-	-
Depreciation of fixed assets	7,816,237.71	8,995,348.46
Amortization of intangible assets	720,120.18	674,323.56
Amortization of long-term expenses to be amortized	-	-
Loss from disposal of fixed assets, intangible assets and other long-term assets income)	-	-
Abandonment loss from fixed assets	-	-
Financial expenses (income)	77,153,552.06	64,338,852.85
Investment losses (income)	-	-
Decrease of deferred income tax assets (increased)	-	-
Decrease of inventory (increased)	-1,909,029.38	0.00
Decrease of operational receivable (increased)	211,798,431.12	61,139,147.93
Increase of operational payable (decreased)	-72,606,435.01	183,897,713.75
Other	-	-
Net cash flow from operation activities	221,486,463.78	292,633,566.84
2. Major investment and financing activities not involved with cash income and expenses:		
Debt transfer to assets	-	-
Convertible bonds due within one year	-	-

Financing rent-in fixed assets	-	-
3. Net changes of cash and cash equivalent:		
Ending balance of cash and cash equivalent	556,719,432.74	454,942,282.75
Less: Year-beginning balance of cash and cash equivalent	332,803,493.04	264,557,683.68
Net increase of cash and cash equivalent	223,915,939.70	190,384,599.07

XIV. Supplementary information

1. Statement of non-recurring gains/losses

In RMB/CNY

Item	This Year	Last Year
Gains/losses from the disposal of non-current asset	17,323.58	-
Governmental subsidy calculated into current gains and losses, with closely related with the normal business of the Company, excluding the fixed-amount or fixed-proportion governmental subsidy according to the unified national standard)	1,815,600.78	1,815,600.76
Gains/losses of debt restructuring	-	-
Switch-back of the impairment reserves of receivables that has impairment test independently	-	-
Natual gas import VAT refund	43,717,420.50	-
Other non-operating income and expenditure except for the aforementioned items	191,808.55	217,511.72
Subtotal	45,742,153.41	2,033,112.48
Impact on income tax	-	65,004.62
Impact on minority shareholders’ equity (post-tax)	13,197,584.46	67,401.72
Total	32,544,568.95	1,900,706.14

2. ROE and EPS

In RMB/CNY

Profit in the Period	Weighted average	EPS

	ROE (%)	Basic EPS	Diluted EPS
Net profit attributable to shareholders of the listed company	-8.41%	-0.17	Not applicable
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses	-11.23%	-0.22	Not applicable