



**深圳南山热电股份有限公司**  
**Shenzhen Nanshan Power Co., Ltd.**  
**The First Quarterly Report 2017**

**Notice No.: 2017-029**

**April 2017**

## Section I. Important Notes

**Board of Directors and the Supervisory Committee of Shenzhen Nanshan Power Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report, and shall take legal responsibilities, individual and/or joint.**

**All Directors are attended the Board Meeting for Quarterly Report deliberation.**

**Yang Haixian, person in charge of the Company, Director GM Wu Dongxiang, person in charge of accounting works and CFO Huang Jian as well as Leng Jiwei (act for the financial management dept.), person in charge of accounting organ (accounting officer) hereby confirm that the Financial Report of this Quarterly Report is authentic, accurate and complete.**

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

**On 27 March, the Company submits an application of revoking the delisting risk warning for stock of the Company to Shenzhen Stock Exchange. The “Application of revoking the delisting risk warning for stock” was approved from Shenzhen Stock Exchange on 13 April 2017. In accordance with relevant regulation of “Rules Governing the Stock Listed on Shenzhen Stock Exchange”, stock of the Company suspends one day since open on 14 April 2017, and resumes on 17 April 2017. After resumption, the delisting risk warning is revoked and short form of the Stock changes to “Shen Nan Dian A” and “Shen Nan Dian B” without “\*ST”, stock code same as before “000037” and “200037”; price limit changes to 10% instead of 5% for trading date.**

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

## Paraphrase

| Items  | Refers to | Contents  |
|--|-----------|---|
| Company, the Company, Shen Nan Dian          | Refers to | Shenzhen Nanshan Power Co., Ltd.  |
| Shen Nan Dian Zhongshan Company              | Refers to | Shen Nan Dian (Zhongshan) Electric Power Co., Ltd.                                    |
| Shen Nan Dian Dongguan Company               | Refers to | Shen Nan Dian (Dongguan) Weimei Electric Power Co., Ltd                               |
| Shen Nan Dian Engineering Company            | Refers to | Shenzhen Shennandian Turbine Engineering Technology Co., Ltd.                         |
| Shen Nan Dian Environment Protection Company | Refers to | Shenzhen Shen Nan Dian Environment Protection Co., Ltd.                               |
| Server Company                               | Refers to | Shenzhen Server Petrochemical Supplying Co., Ltd                                      |
| New Power Company                            | 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 Development Company    | Refers to | Zhongshan Shenzhong Real Estate Development Co., Ltd                                  |
| Syndisome Company                            | Refers to | Hong Kong Syndisome Co., Ltd.   |
| NAM HOI                                      | Refers to | HONG KONG NAM HOI (INTERNATIONAL) LTD.  |
| Hong Kong Energy                             | Refers to | Shenzhen Energy (Hong Kong) International Co.,LTD.                                    |
| Shen Energy Group                            | Refers to | Shenzhen Energy Co., Ltd.   |
| Energy Group                                 | Refers to | Shenzhen Energy Group Co., Ltd.   |
| Guangju Industrial                           | Refers to | Shenzhen Guangju Industrial Co., Ltd.   |
| Guangju Holding                              | Refers to | Shenzhen Guangju Investment Holding (Group) Co., Ltd.                                 |
| Guangju Energy                               | Refers to | Shenzhen Guangju Energy Co., Ltd.   |

|  |           |   |
|--|-----------|---|
| Kehuitong  | Refers to | Shenzhen Kehuitong Investment Holding Co., Ltd.   |
| Paipu Technology                                     | Refers to | Shenzhen Paipu Energy Technology Development Co.,LTD.   |
| China Gas  | Refers to | China Gas Holdings Limited  |
| Oufuyuan Technology                                  | Refers to | Shenzhen Oufuyuan Technology Co., Ltd.  |
| Xingzhong Group                                      | Refers to | Zhongshan Xingzhong Group Co., Ltd.   |
| Independent financial advisor, CMS                   | Refers to | China Merchants Securities Co., Ltd.  |
| Appraisal institute, Pengxin Appraisal               | Refers to | Shenzhen Pengxin Assets Appraisal Land & Real Estate Appraisal Co., Ltd.  |
| Auditing institute, Ruihua CPA, Accounting Institute | Refers to | Ruihua Certified Public Accounts (LLP)  |
| DeHeng, permanent legal advisor                      | Refers to | Beijing DeHeng (Shenzhen) Law Offices   |
| King & Wood, legal adviser                           | Refers to | King & Wood Mallesons   |
| CSRC   | Refers to | China Securities Regulatory Commission  |
| Securities regulatory bureau                         | Refers to | Shenzhen Securities Regulatory Commission of China Securities Regulation Commission   |
| SZ Stock Exchange, Exchange                          | Refers to | Shenzhen Stock Exchange   |
| SOTCBB   | Refers to | Shenzhen United Property And Share Rights Exchange  |
| Company Law  | Refers to | Company Law of The People's Republic of China   |
| Securities Law                                       | Refers to | Securities Law of The People's Republic of China  |
| Stock Listing Rules                                  | Refers to | Rules Governing the Listing of Stocks on Shenzhen Stock Exchange  |
| Articles of association                              | Refers to | Article of Association of Shenzhen Nanshan Power Co., Ltd.  |
| RMB, in 10 thousand Yuan, 100 Million Yuan           | Refers to | Except the special description of the monetary unit, rest of the monetary unit is RMB Yuan, ten thousand Yuan, the 100 Million Yuan |
| Reporting period                                     | Refers to | 1 Jan. 2017 to 31 Mar. 2017   |

## Section II. Basic situation of the Company

### 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 | Changes of this period over same period of last year         |
|---|------------------------------------|--------------------------|--|
| Operating income (RMB)  | 318,755,094.24                     | 244,369,581.94           | 30.44%   |
| Net profit attributable to shareholders of the listed company(RMB)  | -27,388,861.07                     | -46,283,508.47           | -40.82%  |
| Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB) | -28,843,829.49                     | -48,339,504.61           | -40.33%  |
| Net cash flow arising from operating activities(RMB)  | -213,153,838.55                    | -53,539,090.49           | 298.13%  |
| Basic earnings per share (RMB/Share)  | -0.05                              | -0.08                    | -37.50%  |
| Diluted earnings per share (RMB/Share)  | -0.05                              | -0.08                    | -37.50%  |
| Weighted average ROE  | -1.50%                             | -7.89%                   | -80.99%  |
|   | At the end of the reporting period | At the end of last year  | Changes of this period-end over same period-end of last year |
| Total assets (RMB)  | 3,409,376,208.79                   | 4,363,703,614.03         | -21.87%  |
| Net assets attributable to shareholder of listed company (RMB)  | 1,915,325,041.85                   | 1,942,713,902.92         | -1.41%   |

Items of non-recurring gains and losses

Applicable  Not applicable

In RMB

| Item  | Amount from year-begin to period-end | Note   |
|---|--------------------------------------|--|
| Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)   | -1,127.35                            | Losses from the disposal of non-current asset          |
| 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 | 969,540.45                           | Amortization and government subsidy for related assets |

|  |              |  |
|--|--------------|--|
| business)  |              |  |
| Other non-operating income and expenditure except for the aforementioned items | 605,854.31   | Mainly Value Added Tax Immediate Refund for comprehensive utilization of resources |
| Less: impact on income tax   | 103,588.58   |  |
| Impact on minority shareholders' equity (post-tax)                             | 15,710.41    |  |
| Total  | 1,454,968.42 | --   |

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*

## II. Total number of shareholders at the end of this report period and top ten shareholders

### 1. Total common and preferred stockholders with voting rights recover and the top ten share-holding

In Share

| Total common shareholders at the end of report period | 31,558                   | Total preferred stockholders with voting rights recover at the end of report period (if applicable) |                       |                                  |                                |        |
|---|--------------------------|---|-----------------------|----------------------------------|--------------------------------|--------|
| Top ten share-holding                                 |                          |   |                       |                                  |                                |        |
| Shareholder's name                                    | Nature of shareholder    | Proportion of shares held   | Amount of shares held | Amount of restricted shares held | Number of share pledged/frozen |        |
|   |                          |   |                       |                                  | State of share                 | Amount |
| HONG KONG NAM HOI (INTERNATIONAL) LIMITED             | Overseas legal person    | 15.28%  | 92,123,248            |                                  |                                |        |
| Shenzhen Guangju Industrial Co., Ltd.                 | State-owned legal person | 12.22%  | 73,666,824            |                                  |                                |        |
| SHENZHEN ENERGY (GROUP) CO., LTD.                     | State-owned legal person | 10.80%  | 65,106,130            |                                  |                                |        |
| National Social Security Fund -604                    | Other                    | 1.44%   | 8,671,300             |                                  |                                |        |
| BOCI SECURITIES LIMITED                               | Overseas                 | 1.33%   | 7,997,727             |                                  |                                |        |

|   |                          |       |           |  |  |  |
|---|--------------------------|-------|-----------|--|--|--|
|   | legal person             |       |           |  |  |  |
| Zeng Yin                                  | Domestic nature person   | 1.00% | 6,049,070 |  |  |  |
| China Merchants Securities H.K. Co., Ltd. | State-owned legal person | 0.97% | 5,821,115 |  |  |  |
| Zhang Heping                              | Domestic nature person   | 0.87% | 5,240,300 |  |  |  |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED | Overseas legal person    | 0.69% | 4,183,115 |  |  |  |
| Liu Fang                                  | Domestic nature person   | 0.50% | 3,017,200 |  |  |  |

## Top ten shareholders with unrestricted shares held

| Shareholder's name                        | Amount of unrestricted shares held | Type of shares                     |            |
|---|------------------------------------|------------------------------------|------------|
|   |                                    | Type                               | Amount     |
| HONG KONG NAM HOI (INTERNATIONAL) LIMITED | 92,123,248                         | Domestically listed foreign shares | 92,123,248 |
| Shenzhen Guangju Industrial Co., Ltd.     | 73,666,824                         | Domestically listed foreign shares | 73,666,824 |
| SHENZHEN ENERGY (GROUP) CO., LTD.         | 65,106,130                         | RMB common shares                  | 65,106,130 |
| National Social Security Fund -604        | 8,671,300                          | RMB common shares                  | 8,671,300  |
| BOCI SECURITIES LIMITED                   | 7,997,727                          | Domestically listed foreign shares | 7,997,727  |
| Zeng Yin                                  | 6,049,070                          | Domestically listed foreign shares | 6,049,070  |
| China Merchants Securities H.K. Co., Ltd. | 5,821,115                          | Domestically listed foreign shares | 5,821,115  |
| Zhang Heping                              | 5,240,300                          | RMB common shares                  | 4,000,000  |
|   |                                    | Domestically listed foreign        | 1,240,300  |

|  |   |                                    |           |
|--|---|------------------------------------|-----------|
|  |   | shares                             |           |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED                                    | 4,183,115   | Domestically listed foreign shares | 4,183,115 |
| Liu Fang   | 3,017,200   | RMB common shares                  | 484,100   |
|  |   | Domestically listed foreign shares | 2,533,100 |
| Explanation on associated relationship among the aforesaid shareholders      | <p>1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED was held by SHENZHEN ENERGY (GROUP) CO., LTD</p> <p>2. Among other social public shareholders, the Company did not know whether there were associated relationships or belonging to consistent actors.</p> |                                    |           |
| Explanation on top 10 shareholders involving margin business (if applicable) |   |                                    |           |

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

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

## 2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable  Not applicable

## Section III. Significant Events

### I. Particulars about material changes in items of main financial data and financial index and explanations of reasons

√Applicable    □Not applicable

1. Monetary fund has 419.739 million Yuan at period-end with 70.35% decline from that of year-beginning, mainly because loans are paid to the Bank;
2. Note receivable has one million Yuan at period-end with 66.67% up from that of year-beginning, mainly because note receivable from Shen Nan Dian Engineering Company increased;
3. Account receivable has 201.9409 million Yuan at period-end with 21.06% up from that of year-beginning, mainly because power selling income increased;
4. Account paid in advance has 72.5887 million Yuan at period-end with 66.25% up from that of year-beginning, mainly because money paid in advance for natural gas increased;
5. Construction in process has 30.6876 million Yuan at period-end with 283.19% up from that of year-beginning, mainly because technical expenditure from subsidiaries increased;
6. Short-term loans have 269.66 million Yuan at period-end with 66.16% decline from that of year-beginning, mainly because bank loans declined;
7. Note payable has 233.2758 million Yuan at period-end with 20.49% decline from that of year-beginning, mainly because part of the notes is cash on due;
8. Account payable has 48.0355 million Yuan at period-end with 658.97% up from that of year-beginning, mainly because money payable for natural gas increased;
9. Taxes payable has 68.3207 million Yuan at period-end with 70.87% decline from that of year-beginning, mainly because taxable enterprise income tax for 2016 paid in January;
10. Interest payable has 3.2485 million Yuan at period-end with 29.08% decline from that of year-beginning, mainly because loan scale declined;
11. Long-term liability due within one year has 541 million Yuan at period-end with 16.85% up from that of year-beginning, mainly because long-term loans due within one year increased;
12. Long-term loans have 56.18 million Yuan at period-end with 83.66% decline from that of year-beginning, mainly because long-term loans from bank declined;
13. Operation revenue has 318.7551 million Yuan at period-end with a y-o-y growth of 30.44%, mainly because power selling income increased;
14. Operation cost has 309.8538 million Yuan at period-end with a y-o-y growth of 31.48%, mainly because corresponding costs increased for soaring power generation;
15. Taxes and surcharge has 1.6243 million Yuan at period-end with a y-o-y decrease of 29.22%, mainly because tax-burden reduced after to replace the business tax with a VAT;
16. Financial expenses have 18.0726 million Yuan at period-end with a y-o-y decrease of 61.78%, mainly because loans scales declined;
17. Non-operation revenue has 1.5854 million Yuan at period-end with a y-o-y decrease of 24.28%, mainly because VAT refund decline from Shen Nan Dian Environment Company;
18. Non-operation expenditure has 11,100 Yuan at period-end with a y-o-y decrease of 61.24%, mainly because non-charitable donation declined;

19. Income tax expense has 300,300 Yuan at period-end with a y-o-y decrease of 52.57%, mainly because total profit from subsidiaries decreased.

## II. Analysis and explanation of significant events and their influence and solutions

√Applicable    □Not applicable

1. Material assets disposal relating to transfer of the equity interests held in Shenzhong Property Company and Shenzhong Development Company was approved by 2<sup>nd</sup> extraordinary shareholders general meeting of 2016, and on 23 Nov. 2016, the Company signed the "Equity Transfer Agreement" and supporting documents. On 19 December 2016, the Company and Oufuyuan Technology completed business registration change for this equity transfer, the respective 75% equity interests in Shenzhong Property and Shenzhong Development held by the Company were changed to be registered under the name of Oufuyuan Technology, and Shenzhong Property and Shenzhong Development had been granted with the new business licenses. On 22 December 2016, the Company and Oufuyuan Technology completed handover of the various documents and seals of Shenzhong Property and Shenzhong Development. On 14 April 2017 Oufuyuan Technology as per the Equity Transfer Agreement has paid the outstanding transaction price of RMB420,156,083.84 (including RMB 331,066,153.79 payable to the Company and RMB89,089,930.05 payable to Xingzhong Group) payable by it and the related interests accrued subsequent to 30 June 2016. By publication of the Annual Report, all outstanding payable for the transaction has been paid. The relevant subsequent issues mainly included subsequent to Oufuyuan Technology's completion of the provisions of Article 4.5 of the "Equity Transfer Agreement" that is about the replacement guarantee of the joint responsibility that Shenzhen Nanshan Power Co., Ltd provides to Zhongshan Branch of Huaxia Bank Limited on behalf of "Shuimunianhua Garden Project" of Shenzhong Property Company, the company submits the application documents for the cancellation of the mortgage of the original mortgage of Shenzhong Development Company to Zhongshan Real Estate Mortgage Registration Authority Parties to this material assets disposal are still required to perform the subsequent obligations under the Equity Transfer Agreement and its supporting documents.(For details, please refer to Notice for Progress of Material Asset Sales(No.: 2017-023) published by the Company in China Securities, Securities Times, Hong Kong Commercial Daily and Juchao Information Website on 18 April 2017)

2. Reclaim of land parcels No. T102-0011 and No. T102-0155. During the Period, in line with the resolution spirit of 11th extraordinary meeting of 7th BOD dated 5 September 2016, we founded a work team of land purchasing and storage project, cooperate with government department and relevant units for pre-phase works of land storage. On 7 February 2017, the Company received a letter from Shenzhen Qianhai Development Investment Holding Co., Ltd. in relating to provision of title materials by Shenzhen Nanshan Power and review on the draft mapping report and on-site assessment survey data (No.: SQKH[2017]28), asking the Company to verify the draft mapping report, the summarized data of the objects and plants relocated issued by the assessment company through on-site survey and the second decoration survey table, and to issue reply in written in respect of the same. Also, the letter required Shenzhen Nanshan Power to provide necessary information to verify the titles of the relevant buildings and land. However, because the aforesaid verification was of high professionalism and required substantial efforts and resources, and the Company had no relevant professional staff and equipments and did not possess relevant qualification, it was not able for the Company to verify the contents of the reports and make professional judgment on the same. What can the Company do in the current stage is to review any omission (if any) and supplement with relevant contents. Therefore, the verification results from the Company should be for reference only by Shenzhen Qianhai Development Investment Holding Co., Ltd. and the related intermediates, instead of basis. On 7 March, we reply to Shenzhen Qianhai Holding Company in respect of primary verification results and relevant ownership information and express the above mentioned opinions. The Company will follow closely the working arrangements of the government authorities and Shenzhen Qianhai Administration Bureau, engage law firm, consultant and other intermediates in due course and further optimize the calculation and communication of the potential compensation on a prudent basis, to safeguard the interests of its shareholders and employees on the best efforts. Besides, necessary decision approval procedure and information

disclosure will be conducted under relevant laws, regulation and regulatory documents based on the actual progress of this matter.

3. Heat network phase 1 of the heat-power combination production project of Shen Nan Dian Zhongshan Company. In reporting period, the project completed the construction and installation bidding, and determining the winning unit, with construction start on 16 February 2017. The Company continue to supervise Shen Nan Dian Zhongshan Company for promoting the project, on the premise of ensuring safety, strive for early completion.

4. Lawsuits by Xiefu. At the end of December 2016, Xiefu Company received a civil judgment ((2016)Y01MZ No.15716) from the Intermediate People's Court of Guangzhou. On 24 January 2017, Xiefu Company received the total payment of RMB55,696,080.66 made by Sinopec Zhonghai Company based on the final judgment issued by the Intermediate People's Court of Guangzhou (including the outstanding payment for goods of RMB51,128,173.60, overdue interests of RMB4,259,767.06, the case acceptance charge for the first instance of RMB303,140.00 and property preservation fee of RMB5,000.00). Till then, the procedure for this lawsuit of Xiefu Company came to an end. (For details, please refer to the announcement (No.: 2016-118 and 2017-003) published by the Company in China Securities, Securities Times, Hong Kong Commercial Daily and Juchao Information Website on 31 December 2016 and 26 January 2017, respectively)

5. Bilateral negotiation agreement of Shen Nan Dian Zhongshan Company and mothly centralized competitive transaction. In reprotng period, according to resolution spirit of the 16th extraordinary meeting of 7th BOD, Shen Nan Dian Zhongshan Company carried out bilateral negotiation and montly centralized competitive transaction and entered into a bilateral negotiation transaction contract with Guangdong Hua Wang Power Company; take part in montly centralized competitive transaction for February, March and April, and successful acquied electricity of 56.27 million KWH on 28 March 2017.

6. Coal-fired cogeneration improvement project of Shen Nan Dian Dongguan Company. After the "Implementation of Preliminary Work of CHP of Shen Nan Dian Dongguan Company and Filing Work of Central Heating Pipe Network" deliberated and approved by 9th session of 7th BOD on 21 October 2016, Shen Nan Dian Dongguan Company implemented relevant works as scheme. On 24 March 2017, the 7<sup>th</sup> board of directors held the 10<sup>th</sup> meeting to consider and approve the proposal on the controlling subsidiary Shen Nan Dian (Zhongshan) Power Co., Ltd's investment in coal-fired cogeneration power supply improvement project, pursuant to which, it was agreed for Shen Nan Dian Dongguan Company to invest in construction of the coal-fired cogeneration power supply improvement project with total investment amount of RMB59.89 million. The Company will supervise and pursh forward relevant works for construction as soon as possible and strive to put into operation in principle of safety, efficiency and economic. (For details, please refer to announcements of the Company relating to the resolution of the 9<sup>th</sup> meeting of the 7<sup>th</sup> board of directors and relating to the controlling subsidiary Shen Nan Dian (Zhongshan) Power Co., Ltd's investment in coal-fired cogeneration power supply improvement project (No.: 2016-086 and 2017-018) published in China Securities, Securities Times, Hong Kong Commercial Daily and Juchao Information Website on 25 October 2016 and 28 March 2017, respectively.)

7. Applying for revocation of delisting risk warning. Pursuit to the "Standard Unqualified Opinio" reprot of 2016 issued by Ruihua CPA (Special General Partnerhsip), and according to rules of 13.2.10 in Stock Listing Rules, delisting risk warning for stock of the Company are eliminated, and the Company has no other conditions with delisting risk warning concerned. On 24 March 2017, proposals of Annual Reprot 2016 and its Summary and Applying for Revocation of Delisting Risk Warning for Stock of the Company are deliberated and approved by 10th session of 7th BOD. The Company applying the "Applying for Revocation of Delisting Risk Warning for Stock of the Company" to Shenzhen Stock Exchange on 27 March. The "Applying for Revocation of Delisting Risk Warning for Stock of the Company" has audit consent from Shenzhen Stock Exchange dated 13 April. In accordance with relevant rules of Stock Listing Rules, stock of the Company will suspend one day since trading on 14 April 2017, and resume for trading since 17 April 2017. Without the delisting risk warning, short form of the stock turns to "Shen Nan Dian A" and "Shen Nan Dian B" without "\*ST", code of the stock same as before ("000037", "200037"); daily trading limit change to 10% instead of 5%.(For details, please refer to Notice of Revocation of Delisting Risk Warning for Stock of the Company(No.: 2017-021) published by the Company in China Securities, Securities Times, Hong Kong Commercial Daily and Juchao Information Website on 14 April 2017)

Save as disclosed above, there is no progress or change in the Xinjiang-Guangdong Assistance Project participated by the Company

in 2013, the proposed application to the National Association of Financial Market Institutional Investors for issuance of medium-term notes with an aggregate of principal of not more than RMB500 million (inclusive of RMB500 million) and the proposed non-public offering of corporate bonds with principal of not more than RMB2 billion (inclusive of RMB2 billion) during this reporting period.

| Overview   | Disclosure date  | Query index for temporary report on website  |
|--|--|--|
| <p>On 27 April 2016, the Company made disclosure about the benefit funds for projects technology reform in the first quarterly report of the Company for 2016. As required by relevant authorities, the Company held several meetings to discuss the relevant matters, made further investigation about the particulars of these funds and identified designated person to take charge of the collection of the funds. Currently, the Company is trying to contact with relevant parties and serving them the notice demanding for return of the relevant funds. In 2016, an amount of RMB500,000 has been returned as the benefit funds for projects technology reform.</p> | <p>2016-4-27<br/>2016-8-23<br/>2016-10-25<br/>2017-03-28</p> | <p>Details are disclosed in the first quarterly report of the Company for 2016, the interim report of the Company for 2016, the third quarterly report of the Company for 2016 and annual report 2016 (No.: 2016-026, 2016-057, 2016-088 and 2017-009) published in China Securities, Securities Times, Hong Kong Commercial Daily and Juchao Information Website.</p> |

**III. Commitments that the Company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period**

√Applicable □ Not applicable

| Commitments   | Promise  | Type of commitments | Content of commitments   | Commitment date | Commitment term  | Implementation        |
|---|--|---------------------|--|-----------------|--|-----------------------|
| Commitments for Share Merger Reform   |  |                     |  |                 |  |                       |
| Commitments in report of acquisition or equity change   |  |                     |  |                 |  |                       |
| Commitment made in the material assets reorganization of transferring 75% equity of Shenzhong Properties Company and Shenzhong Real Estate Development Company respectively | The Company and whole directors, supervisors and senior executives | Other               | <p>The Commitment Letter of the Truthfulness, Accuracy and Completeness of the Related Information of Reorganization</p> <p>The company and all the directors, supervisors and senior managers of our company promise to assure the truthfulness, accuracy and completeness of the related information of the reorganization as well as the application documents. We make the following commitment that there is no false statement, misleading representation or material omission, and jointly and separately accept responsibilities. We promise that all the signatures as well as seals are true and effective, and the copies are in agreement with the originals. We promise that all the information provided by our company and all the directors, supervisors and senior managers of our company are true, correct and complete original written information or copied information, and the copied information or the copies are in complete agreement with the originals. The signatures and seals of all the documents are true without any false record, misleading statement or major omissions. If the information is investigated by the judicial authority or China's Securities Regulatory Commission because of any false record, misleading statement or major omissions in any of our information in this deal, all the shareholders of the boards, supervisors and senior managers of our company shall stop selling their shares, and shall hand in their account of the</p> | 2016-10-31      | Until the completion of this major asset restructuring | In normal performance |

|  |  |       |   |            |  |                       |
|--|--|-------|---|------------|--|-----------------------|
|  |  |       | shares and the written applications of stopping selling them to the board of directors within two working days, and the board of directors will apply locking the information of the identity and account to the Stock Exchange and registered clearing company; if beyond the time limit, after checking, the Boarder of Directors will directly report the information of the identity and account to the Stock Exchange and registered clearing company. If not, the stock exchange and registered clearing company will lock the related shares directly. If there is anything that is illegal, the Boarder of Directors of the Company and all the directors thereof promise the locked parts of shares shall be used for compensation.  |            |  |                       |
|  | Oufuyuan Technology and whole directors, supervisors and senior executives | Other | <p>The Commitment Letter of the Truthfulness, Accuracy and Completeness of the Information Provided</p> <p>As the counterparty of this recombination, Shenzhen Oufuyuan Technology Co., Ltd.(referred to as the “company” in this paragraph) and the directors, supervisors and senior managers of our company make the following commitment: The information provided by our company as well as we ourselves are all true, accurate and complete, without any false statement, misleading representation or material omission, the copied information or the copies are in complete agreement with the originals and the signatures and seals of all the documents are true. If not, and if determined by the judiciary that we may cause any loss to the related company, Shenzhen Nanshan Power Co., Ltd. or their investors, audit, evaluators or the agency of financial advisers or anything related, the company and we are willing to take any legal responsibility.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
|  | The Company and whole directors, supervisors and senior executives         | Other | <p>The Commitment Letter of No Penalty and Credit Situation in the Last Three Years</p> <p>The company and all the directors, supervisors and senior managers of our company make the following commitment: 1. The Company is under standardized operation during the last three years, so there is not any illegal capital take-up or external guarantee or anything like that. 2. Since June 25, 2015 when the company received "the Supervision Letter on Shenzhen Nanshan Power Co., Ltd" [2015] No. 69 issued by the company's management department of Shenzhen Stock Exchange, which was about not disclosing the revision of performance forecast, the company and all the directors, supervisors and senior managers of our company have neither experienced any administrative penalty or criminal penalty, nor punished or investigated by Shenzhen Stock Exchange or any other authorities. We have never been punished, investigated or gone under custody by the Stock Exchange or Securities Regulatory Commission or any other authorities. If there is anything wrong in the statement above, the Company and the Boarder of</p> | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |

|   |       |   |            |  |                       |
|---|-------|---|------------|--|-----------------------|
|   |       | Directors will jointly and separately accept any legal responsibilities related.  |            |  |                       |
| Oufuyuan Technology and whole directors, supervisors and senior executives                    | Other | The Commitment Letter of No Penalty and Credit Situation in the Last Five Years<br>Oufuyuan Technology of Shenzhen (referred to as the “company” in this paragraph) and all the directors, supervisors and senior managers of The Company state solemnly to Shenzhen Nanshan Power Co., Ltd. and the relevant intermediary that: 1. The Company and I personally haven’t experienced any administrative penalty related to Stock Exchange or criminal penalty, and were never involved in any major civil action or arbitration matters related to finance. 2. We have never been punished, investigated or gone under custody by China Securities Regulatory Commission or any other authorities as a result of not paying off huge debts or not fulfilling promises.  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Oufuyuan Technology and whole directors, supervisors and senior executives                    | Other | The Commitment Letter of Not Violating Rule No.13 of <i>Interim Provisions on strengthening the supervision of abnormal stock transactions related to the major asset restructuring of listed companies</i><br>Oufuyuan Technology of Shenzhen(referred to as the “company” in this paragraph) and all the directors, supervisors and senior managers of The Company make the following commitment: 1. The Company and I personally haven’t been investigated or registered due to insider dealing in the major asset restructuring of this transaction; 2. The Company and I personally haven’t been investigated or registered due to insider dealing in any major asset restructuring by China Securities Regulatory Commission or any other authorities in the last thirty-six months. If The Company or I break the above promise, The Company or I will surely bear the loss caused to Shenzhen Nanshan Power Co., Ltd. | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Oufuyuan Technology and whole directors, supervisors, senior executives and actual controller | Other | The Commitment Letter of Not Existing Related Relation<br>As the counterparty of this transaction, Oufuyuan Technology of Shenzhen(referred to as the “company” in this paragraph) makes the following commitment: The company and all the directors, supervisors , senior managers of our company, the actual controller of The Company have no incidence relation with the directors, supervisors , senior managers of Shenzhen Nanshan Power Co., Ltd. or any shareholder holding more than 5% of the shares of Shenzhen Nanshan Power Co., Ltd.(including Shenzhen Energy Co., Ltd., HONG KONG NAM HOI (INTERNATIONAL) LTD, Shenzhen Guangju Industrial Co., Ltd) as well as Shenzhong Property Company or Shenzhong Development Company, so there is no connected transaction. If the above statement is not true, The Company and I personally will take the related responsibilities.                                  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |

|   |       |   |            |  |                       |
|---|-------|---|------------|--|-----------------------|
| The Company and whole directors, supervisors and senior executives      | Other | <p>The Commitment Letter of Not Existing Connected Relation</p> <p>The company and all the directors, supervisors, senior managers of The Company makes the following commitment: The company and all the directors, supervisors, senior managers of The Company have no incidence relation with the counterparty of this transaction, Oufuyuan Technology of Shenzhen, so there is no connected transaction. If the above statement is not true, The Company and I personally will take the related responsibilities.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Shenzhong Properties Company, Shenzhong Real Estate Development Company | Other | <p>The Commitment Letter of Not Existing Connected Relation</p> <p>As the target company in this reorganization, we make the following commitment: the Company has no incidence relation with the counterparty of this transaction, Oufuyuan Technology of Shenzhen, so there is no connected transaction. If the above statement is not true, The Company and I personally will take the related responsibilities.</p>   | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Shen Shenzhen Energy Group Co., Ltd. Co., NAM HOI, Guangju Industrial   | Other | <p>The Commitment Letter of Not Existing Connected Relation</p> <p>As the shareholder of Shen Nan Dian, with over 5% shares held, we make the following commitment: the Company has no incidence relation with the counterparty of this transaction, Oufuyuan Technology of Shenzhen, so there is no connected transaction. If the above statement is not true, The Company and I personally will take the related responsibilities.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Oufuyuan Technology   | Other | <p>The Commitment Letter of the Legitimateness of the Sources of Funds</p> <p>As the counterparty of this transaction, Oufuyuan Technology of Shenzhen (referred to as the “company” in this paragraph) makes the following commitment: The company's transferee of the equity interest paid and the repayment of interest and the interest and other related debt funds are all from the company's own funds or raised legally. All the sources of funds are legal, and have effective and full right of disposal, which is in agreement with the rules of China Securities Regulatory Commission or any</p> | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |

|  |       |   |            |  |                       |
|--|-------|---|------------|--|-----------------------|
|  |       | other related laws or rules.  |            |  |                       |
| The Company and whole directors, supervisors and senior executives | Other | <p>The Commitment Letter of Not Violating Rule No.13 of <i>Interim Provisions on strengthening the supervision of abnormal stock transactions related to the major asset restructuring of listed companies</i></p> <p>The company and all the directors, supervisors , senior managers of The Company make the following commitment: 1. The Company and I personally haven't been investigated or registered due to insider dealing in the major asset restructuring; 2. The Company and I personally haven't been investigated or registered due to insider dealing in any major asset restructuring by China Securities Regulatory Commission or any other authorities in the last thirty-six months. If The Company or I break the above promise, The Company or I will surely bear the loss caused to Shenzhen Nanshan Power Co., Ltd.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| The whole directors, supervisors and senior executives             | Other | <p>The Commitment Letter of the Restructuring Involving the Real Estate Business</p> <p>All the directors, supervisors and senior managers of The Company make the following commitment: If the target company proposed to be sold in this recombination were punished or investigated for illegal actions like undisclosed idle land, real estate speculation, insisting on a conservative way in selling a real estate or price rigging, and caused any loss to The Company or investors, I will surely compensate the loss caused according to the demand of relevant laws or rules or securities regulatory authority .</p>   | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| The Company  | Other | <p>The Commitment Letter of the Integrity of the Underlying Assets</p> <p>As the seller of this major assets reorganization, The company makes the following commitment: 1. The company legally holds the underlying assets, and there is no case of entrusted ownership, trust holdings or any other third party that holds shares; There is no pledge, guarantee or any third party rights in the underlying assets and there is no situation of dispute, judicial security measures or enforcement measures, such as restrictions, block or prohibition of the transfer. 2. The company makes the following commitment: If the underlying assets cannot be transferred or processed for necessary changes because the company has no right to dispose of assets, or other rights are limited due to the underlying assets of the underlying asset ownership cannot be transferred or shall go through the modification formalities, the company is willing to bear the corresponding legal responsibility in the right to judicial departments according to their authority after confirmation of the losses caused by the related parties. 3. By the date of this letter of commitment issued, Shenzhong Property Company and Shenzhong Development Company have no situation of false investment or anything that affects its legal existence, and there are</p> | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |

|  |       |   |            |  |                       |
|--|-------|---|------------|--|-----------------------|
|  |       | no pending or foreseeable litigations, arbitrations or administrative penalties affecting this transaction.   |            |  |                       |
| Shenzhong Properties Company   | Other | <p>The Commitment Letter of the Truthfulness, Accuracy and Completeness of the Information Provided</p> <p>The company makes the following commitment: 1. The information related to this transaction provided by The Company are all true, accurate and complete, without any false statement, misleading representation or material omission; 2. We promise that all the information provided by The Company are true, correct and complete original written information or copied information, and the copied information or the copies are in complete agreement with the originals. The signatures and seals of all the documents are true without any false record, misleading statement or major omissions. 3. The illustrations The Company provides are all true, correct and complete without any false record, misleading statement or major omissions; 4. The Company jointly and severally accepts responsibilities as to the truthfulness, accuracy and completeness of the content of this report.</p> | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Shenzhong Properties Company   | Other | <p>The Commitment Letter of No Illegal or Irregular Behaviors in the Last Three Years</p> <p>The company promises: 1. The Company has never done anything that is greatly illegal or irregular, and has never received any administrative punishment or criminal punishment. 2. The Company has never been punished as a result of violating the National Industrial Policy or the laws or rules related to environment protection, land administration, or anti-monopoly. 3. The Company has neither been investigated by competent administrative authorities like China Securities Regulatory Commission because of illegal actions nor investigated by judicial authorities. 4. The Company has no unfinished or any foreseen major court case or arbitration matters related to this transaction. 5. The Company does not have any matter that may influence the guarantee of operating capacity or commitment.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Whole directors, supervisors and senior executives of Shenzhong Properties Company | Other | <p>The Commitment Letter of No Major Violation of Relevant Laws</p> <p>As the directors, supervisors and senior managers of Shenzhong Property Company, we make the following commitment: 1. I have never done anything that is greatly illegal or irregular, and have never received any administrative punishment or criminal punishment or arbitration related to finance. 2. I have never been investigated or registered because of inter-transaction of restructuring major assets and have no unfinished cases. I haven't neither been punished or investigated by competent administrative authorities like China Securities Regulatory Commission or the Stock Exchange because of illegal actions like not repaying major debts or not fulfilling commitments or inter-transaction of restructuring major assets nor given criminal sanctions by judicial authorities according to law.</p>   | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |

|   |       |  |            |  |                       |
|---|-------|--|------------|--|-----------------------|
| Shenzhong Real Estate Development Company   | Other | <p>The Commitment Letter of the Truthfulness, Accuracy and Completeness of the Information Provided</p> <p>The company makes the following commitment: 1. The information related to this transaction provided by The Company are all true, accurate and complete, without any false statement, misleading representation or material omission.; 2. We promise that all the information provided by The Company are true, correct and complete original written information or copied information, and the copied information or the copies are in complete agreement with the originals. The signatures and seals of all the documents are true without any false record, misleading statement or major omissions. 3. The illustrations The Company provides are all true, correct and complete without any false record, misleading statement or major omissions; 4. The Company jointly and severally accepts responsibilities as to the truthfulness, accuracy and completeness of the content of this report.</p> | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Shenzhong Real Estate Development Company   | Other | <p>The Commitment Letter of No Illegal or Irregular Behaviors in the Last Three Years</p> <p>The company makes the following commitment: 1. The Company has never done anything that is greatly illegal or irregular, and has never received any administrative punishment or criminal punishment. 2. The Company has never been punished as a result of violating the National Industrial Policy or the laws or rules related to environment protection, land administration, or anti-monopoly. 3. The Company has neither been investigated by competent administrative authorities like China Securities Regulatory Commission because of illegal actions nor investigated by judicial authorities. 4.The Company has no unfinished or any foreseen major court case or arbitration matters related to this transaction. 5. The Company does not have any matter that may influence the guarantee of operating capacity or commitment.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |
| Whole directors, supervisors and senior executives of Shenzhong Real Estate Development | Other | <p>The Commitment Letter of No Major Violation of Relevant Laws</p> <p>As the directors, supervisors and senior managers of Shenzhong Development Company, we make the following commitment: 1. I have never done anything that is greatly illegal or irregular, and has never received any administrative punishment or criminal punishment or arbitration related to finance. 2. I have never been investigated or registered because of inter-transaction of restructuring major assets and have no unfinished cases. I haven't neither been punished or investigated by competent administrative authorities like China Securities Regulatory Commission or the Stock Exchange because of illegal actions like not repaying major debts or not fulfilling commitments or inter-transaction of restructuring major assets nor given criminal sanctions by judicial authorities according to law.</p>  | 2016-10-31 | Until the completion of this major asset restructuring | In normal performance |

|  |  |       |   |            |  |                       |
|--|--|-------|---|------------|--|-----------------------|
|  | t Company  |       | <p>The Letter On the Equity Transfer Agreement under the Relevant Security Arrangements and The Commitment Letter of Expansion of the Scope of Real Estate Collateral</p> <p>Oufuyuan Technology of Shenzhen promises: 1. The company agrees and promises to have Shenzhong Development Company issue the letter of commitment to Shenzhen Nanshan Power Co., Ltd. to Nanshan Power Company and Xingzhong Group, and promises to allow the scope of the guarantee for the above mentioned real estate mortgage to be extended to be all the obligations of the company that have to be fulfilled according to the "Equity Transfer Agreement" and its supporting transaction documents (Including the obligations agreed upon in Article 4,5 and the second part of Article 6 in paragraph 2 of the " Equity Transfer Agreement "), and the term of the mortgage continues until the date of the cancellation of the mortgage. 2. I hope Shenzhen Nanshan Power Co., Ltd. and Xingzhong Group can complete the provisions of Article 4 and 5 of the "Equity Transfer Agreement" in the company that is about the replacement guarantee of the joint responsibility that Shenzhen Nanshan Power Co., Ltd provides to Zhongshan Branch of Huaxia Bank Limited on behalf of "Shuimunianhua Garden Project" of Shenzhong Property Company and can provide RMB 420156083.84 of interest payable in paragraph 2 (Part 2) of Article 6 of the Equity Transfer Agreement and the effective legal guarantee corresponding to the interest(including but not limited to bank performance bond and assets cover ) and submit the application documents for the cancellation of the mortgage of the original mortgage of Shenzhong Development Company to Zhongshan Real Estate Mortgage Registration Authority five working days after that. Shenzhong Development Company makes the following commitment: From the date of the issue of this letter, the “seven places ten rooms” mortgage guarantee our company provided( The details can be seen in (six) the main assets, liabilities and external guarantees" of the "1 major assets," in the second part “Shenzhong Development Company” of the fourth chapter" the basic situation of "transactions" in "The report of the sale of major assets of Shenzhen Nanshan Power Limited(Revised version)" ) has extended to the obligations that Oufuyuan Technology should fulfill but have not fulfilled according to transaction documents (Including the obligations agreed upon in Article 4,5 and the second part of Article 6 in paragraph 2 of the " Equity Transfer Agreement "), and the term of the mortgage continues until the date of the cancellation of the mortgage.</p> | 2016-12-12 | Until the completion of this major asset restructuring | In normal performance |
|  | Oufuyuan Technology, Shenzhong Real Estate Development Company | Other |   |            |  |                       |

|   |     |  |  |  |  |  |
|---|-----|--|--|--|--|--|
| Commitments make in initial public offering or re-financing |     |  |  |  |  |  |
| Equity incentive commitment                                 |     |  |  |  |  |  |
| Other commitments for medium and small shareholders         |     |  |  |  |  |  |
| Perform the commitment promptly or not                      | Yes |  |  |  |  |  |

#### **IV. Predict of the business performance from January to June 2017**

Warnings and reasons of the predict that the cumulative net profit from the begin of the year to the end of next report period may be loss or have great changes comparing with the same period of last year

Applicable    Not applicable

#### **V. Securities Investment**

Applicable     Not applicable

No security investment in Period.

#### **VI. Derivative investment**

Applicable     Not applicable

No derivative investment in the Period.

#### **VII. Registration form for receiving research, communication and interview in the report period**

Applicable     Not applicable

No registration form for receiving research, communication or interview in the Period.

#### **VIII. External security against the rules**

Applicable     Not applicable

The Company has no external security against the rules in the Period.

#### **IX. Controlling shareholders' and its related party's non-business capital occupying of the listed company**

Applicable     Not applicable

There are no controlling shareholders' and its related party's non-business capital occupying of the listed company.

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Shenzhen Nanshan Power Co., Ltd

2017-04-21

In RMB

| Items  | Closing Balance  | Opening Balance  |
|--|------------------|------------------|
| Current assets:  |                  |                  |
| Monetary funds   | 419,739,030.46   | 1,415,550,406.02 |
| Settlement provisions  |                  |                  |
| Capital lent   |                  |                  |
| Financial liability measured by fair value and with variation reckoned into current gains/losses |                  |                  |
| Derivative financial assets  |                  |                  |
| Notes receivable   | 1,000,000.00     | 600,000.00       |
| Accounts receivable  | 201,940,969.35   | 166,808,672.42   |
| Accounts paid in advance   | 72,588,731.56    | 43,663,090.22    |
| Insurance receivable   |                  |                  |
| Reinsurance receivables  |                  |                  |
| Contract reserve of reinsurance receivable   |                  |                  |
| Interest receivable  |                  |                  |
| Dividend receivable  |                  |                  |
| Other receivables  | 399,858,952.41   | 395,804,901.21   |
| Purchase restituted finance asset  |                  |                  |
| Inventories  | 81,348,142.00    | 80,684,079.57    |
| Divided into assets held for sale  |                  |                  |
| Non-current asset due within one year  |                  |                  |
| Other current assets   | 526,709,945.77   | 548,542,780.69   |
| Total current assets   | 1,703,185,771.55 | 2,651,653,930.13 |
| Non-current assets:  |                  |                  |

|  |                  |                  |
|--|------------------|------------------|
| Loans and payments on behalf   |                  |                  |
| Finance asset available for sales  | 59,315,000.00    | 59,315,000.00    |
| Held-to-maturity investment  |                  |                  |
| Long-term account receivable   |                  |                  |
| Long-term equity investment  | 19,807,335.23    | 20,305,064.18    |
| Investment property  | 2,949,543.51     | 2,998,577.91     |
| Fixed assets   | 1,517,064,137.74 | 1,544,562,696.68 |
| Construction in progress   | 30,687,621.84    | 8,008,476.13     |
| Engineering material   |                  |                  |
| Disposal of fixed asset  | 159,602.00       |                  |
| Productive biological asset  |                  |                  |
| Oil and gas asset  |                  |                  |
| Intangible assets  | 50,428,432.13    | 51,081,104.21    |
| Expense on Research and Development  |                  |                  |
| Goodwill   |                  |                  |
| Long-term expenses to be apportioned   |                  |                  |
| Deferred income tax asset  | 2,896,583.01     | 2,896,583.01     |
| Other non-current asset  | 22,882,181.78    | 22,882,181.78    |
| Total non-current asset  | 1,706,190,437.24 | 1,712,049,683.90 |
| Total assets   | 3,409,376,208.79 | 4,363,703,614.03 |
| Current liabilities:   |                  |                  |
| Short-term loans   | 269,660,000.00   | 796,840,000.00   |
| Loan from central bank   |                  |                  |
| Absorbing deposit and interbank deposit  |                  |                  |
| Capital borrowed   |                  |                  |
| Financial liability measured by fair value and with variation reckoned into current gains/losses |                  |                  |
| Derivative financial liability   |                  |                  |
| Notes payable  | 233,275,804.17   | 292,275,804.17   |
| Accounts payable   | 48,035,525.48    | 6,329,078.85     |
| Accounts received in advance   |                  |                  |
| Selling financial asset of repurchase  |                  |                  |
| Commission charge and  |                  |                  |

|   |                  |                  |
|---|------------------|------------------|
| commission payable                        |                  |                  |
| Wage payable                              | 49,673,846.65    | 45,823,790.61    |
| Taxes payable                             | 68,320,749.90    | 234,534,017.11   |
| Interest payable                          | 3,248,488.22     | 4,580,481.81     |
| Dividend payable                          |                  |                  |
| Other accounts payable                    | 77,433,707.85    | 79,532,095.96    |
| Reinsurance payables                      |                  |                  |
| Insurance contract reserve                |                  |                  |
| Security trading of agency                |                  |                  |
| Security sales of agency                  |                  |                  |
| Divided into liability held for sale      |                  |                  |
| Non-current liabilities due within 1 year | 541,000,000.00   | 463,000,000.00   |
| Other current liabilities                 |                  |                  |
| Total current liabilities                 | 1,290,648,122.27 | 1,922,915,268.51 |
| Non-current liabilities:                  |                  |                  |
| Long-term loans                           | 56,180,000.00    | 343,900,000.00   |
| Bonds payable                             |                  |                  |
| Including: preferred stock                |                  |                  |
| Perpetual capital securities              |                  |                  |
| Long-term account payable                 |                  |                  |
| Long-term wages payable                   |                  |                  |
| Special accounts payable                  |                  |                  |
| Projected liabilities                     | 27,100,000.00    | 27,100,000.00    |
| Deferred income                           | 45,108,527.70    | 45,818,868.15    |
| Deferred income tax liabilities           |                  |                  |
| Other non-current liabilities             |                  |                  |
| Total non-current liabilities             | 128,388,527.70   | 416,818,868.15   |
| Total liabilities                         | 1,419,036,649.97 | 2,339,734,136.66 |
| Owner's equity:                           |                  |                  |
| Share capital                             | 602,762,596.00   | 602,762,596.00   |
| Other equity instrument                   |                  |                  |
| Including: preferred stock                |                  |                  |
| Perpetual capital securities              |                  |                  |

|   |                  |                  |
|---|------------------|------------------|
| Capital public reserve                              | 362,770,922.10   | 362,770,922.10   |
| Less: Inventory shares                              |                  |                  |
| Other comprehensive income                          |                  |                  |
| Reasonable reserve                                  |                  |                  |
| Surplus public reserve                              | 332,908,397.60   | 332,908,397.60   |
| Provision of general risk                           |                  |                  |
| Retained profit                                     | 616,883,126.15   | 644,271,987.22   |
| Total owner's equity attributable to parent company | 1,915,325,041.85 | 1,942,713,902.92 |
| Minority interests                                  | 75,014,516.97    | 81,255,574.45    |
| Total owner's equity                                | 1,990,339,558.82 | 2,023,969,477.37 |
| Total liabilities and owner's equity                | 3,409,376,208.79 | 4,363,703,614.03 |

Legal Representative: President Yang Haixian

Person in charge of accounting works: Director GM Wu Dongxiang, CFO Huang Jian

Person in charge of accounting institute: Financial Manager Leng Jiwei (act for the financial management dept.)

## 2. Balance Sheet of Parent Company

In RMB

| Item   | Closing balance  | Opening balance  |
|--|------------------|------------------|
| Current assets:  |                  |                  |
| Monetary funds   | 197,701,188.99   | 1,119,323,850.36 |
| Financial liability measured by fair value and with variation reckoned into current gains/losses |                  |                  |
| Derivative financial liability   |                  |                  |
| Notes receivable   |                  |                  |
| Accounts receivable  | 107,128,887.03   | 54,934,957.47    |
| Account paid in advance  | 47,605,818.65    | 14,823,585.50    |
| Interest receivable  |                  |                  |
| Dividends receivable   |                  |                  |
| Other receivables  | 1,106,856,820.06 | 1,094,134,273.27 |
| Inventories  | 72,156,234.68    | 72,731,417.64    |
| Divided into assets held for sale  |                  |                  |
| Non-current assets maturing within one year  |                  |                  |
| Other current assets   | 437,493,802.00   | 447,404,211.11   |
| Total current assets   | 1,968,942,751.41 | 2,803,352,295.35 |

|  |                  |                  |
|--|------------------|------------------|
| Non-current assets:  |                  |                  |
| Available-for-sale financial assets  | 59,315,000.00    | 59,315,000.00    |
| Held-to-maturity investments   |                  |                  |
| Long-term receivables  |                  |                  |
| Long-term equity investments   | 691,982,849.76   | 691,982,849.76   |
| Investment property  |                  |                  |
| Fixed assets   | 226,673,879.82   | 229,535,920.87   |
| Construction in progress   | 855,519.23       | 709,640.09       |
| Project materials  |                  |                  |
| Disposal of fixed assets   | 159,602.00       |                  |
| Productive biological assets   |                  |                  |
| Oil and natural gas assets   |                  |                  |
| Intangible assets  | 3,724,027.98     | 4,056,650.19     |
| Research and development costs   |                  |                  |
| Goodwill   |                  |                  |
| Long-term deferred expenses  |                  |                  |
| Deferred income tax assets   |                  |                  |
| Other non-current assets   |                  |                  |
| Total non-current assets   | 982,710,878.79   | 985,600,060.91   |
| Total assets   | 2,951,653,630.20 | 3,788,952,356.26 |
| Current liabilities:   |                  |                  |
| Short-term borrowings  |                  | 460,000,000.00   |
| Financial liability measured by fair value and with variation reckoned into current gains/losses |                  |                  |
| Derivative financial liability   |                  |                  |
| Notes payable  | 109,066,042.58   | 168,066,042.58   |
| Accounts payable   | 216,392.16       | 427,800.87       |
| Accounts received in advance   |                  |                  |
| Wage payable   | 30,889,605.11    | 27,224,865.99    |
| Taxes payable  | 63,248,658.78    | 222,340,992.27   |
| Interest payable   | 362,303.33       | 1,546,004.16     |
| Dividend payable   |                  |                  |
| Other accounts payable   | 248,781,946.57   | 170,040,022.78   |

|   |                  |                  |
|---|------------------|------------------|
| Divided into liability held for sale      |                  |                  |
| Non-current liabilities due within 1 year | 207,000,000.00   | 123,000,000.00   |
| Other current liabilities                 |                  |                  |
| Total current liabilities                 | 659,564,948.53   | 1,172,645,728.65 |
| Non-current liabilities:                  |                  |                  |
| Long-term loans                           | 1,000,000.00     | 305,500,000.00   |
| Bonds payable                             |                  |                  |
| Including: preferred stock                |                  |                  |
| Perpetual capital securities              |                  |                  |
| Long-term account payable                 |                  |                  |
| Long-term wages payable                   |                  |                  |
| Special accounts payable                  |                  |                  |
| Projected liabilities                     |                  |                  |
| Deferred income                           | 25,653,053.94    | 26,051,964.27    |
| Deferred income tax liabilities           |                  |                  |
| Other non-current liabilities             |                  |                  |
| Total non-current liabilities             | 26,653,053.94    | 331,551,964.27   |
| Total liabilities                         | 686,218,002.47   | 1,504,197,692.92 |
| Owners' equity:                           |                  |                  |
| Share capita                              | 602,762,596.00   | 602,762,596.00   |
| Other equity instrument                   |                  |                  |
| Including: preferred stock                |                  |                  |
| Perpetual capital securities              |                  |                  |
| Capital public reserve                    | 289,963,039.70   | 289,963,039.70   |
| Less: Inventory shares                    |                  |                  |
| Other comprehensive income                |                  |                  |
| Reasonable reserve                        |                  |                  |
| Surplus reserve                           | 332,908,397.60   | 332,908,397.60   |
| Retained profit                           | 1,039,801,594.43 | 1,059,120,630.04 |
| Total owner's equity                      | 2,265,435,627.73 | 2,284,754,663.34 |
| Total liabilities and owner's equity      | 2,951,653,630.20 | 3,788,952,356.26 |

## 3. Consolidated Profit Statement

In RMB

| Item   | Current Period | Last Period    |
|--|----------------|----------------|
| I. Total operating income  | 318,755,094.24 | 244,369,581.94 |
| Including: Operating income  | 318,755,094.24 | 244,369,581.94 |
| Interest income  |                |                |
| Insurance gained   |                |                |
| Commission charge and commission income                              |                |                |
| II. Total operating cost   | 353,161,278.27 | 307,460,792.12 |
| Including: Operating cost  | 309,853,787.59 | 235,656,874.76 |
| Interest expense   |                |                |
| Commission charge and commission expense                             |                |                |
| Cash surrender value   |                |                |
| Net amount of expense of compensation                                |                |                |
| Net amount of withdrawal of insurance contract reserve               |                |                |
| Bonus expense of guarantee slip                                      |                |                |
| Reinsurance expense  |                |                |
| Operating tax and extras   | 1,624,279.24   | 2,294,763.29   |
| Sales expenses   | 815,174.84     | 903,530.46     |
| Administration expenses  | 22,795,473.90  | 21,320,442.94  |
| Financial expenses   | 18,072,562.70  | 47,285,180.67  |
| Losses of devaluation of asset                                       |                |                |
| Add: Changing income of fair value(Loss is listed with "-")          |                |                |
| Investment income (Loss is listed with "-")                          | -497,728.95    | -547,925.93    |
| Including: Investment income on affiliated company and joint venture |                |                |
| Exchange income (Loss is listed with "-")                            |                |                |
| III. Operating profit (Loss is listed with "-")                      | -34,903,912.98 | -63,639,136.11 |

|   |                |                |
|---|----------------|----------------|
| Add: Non-operating income   | 1,585,394.76   | 2,093,790.05   |
| Including: Disposal gains of non-current asset  |                |                |
| Less: Non-operating expense   | 11,127.35      | 28,711.19      |
| Including: Disposal loss of non-current asset   | 1,127.35       | 7,531.70       |
| IV. Total Profit (Loss is listed with “-”)  | -33,329,645.57 | -61,574,057.25 |
| Less: Income tax expense  | 300,272.98     | 633,056.68     |
| V. Net profit (Net loss is listed with “-”)   | -33,629,918.55 | -62,207,113.93 |
| Net profit attributable to owner’s of parent company  | -27,388,861.07 | -46,283,508.47 |
| Minority shareholders’ gains and losses   | -6,241,057.48  | -15,923,605.46 |
| VI. Net after-tax of other comprehensive income   |                |                |
| Net after-tax of other comprehensive income attributable to owners of parent company  |                |                |
| (I) Other comprehensive income items which will not be reclassified subsequently to profit of loss  |                |                |
| 1. Changes as a result of re-measurement of net defined benefit plan liability or asset   |                |                |
| 2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss |                |                |
| (II) Other comprehensive income items which will be reclassified subsequently to profit or loss   |                |                |
| 1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss      |                |                |
| 2. Gains or losses arising from changes in fair value of available-for-sale financial assets  |                |                |

|  |                |                |
|--|----------------|----------------|
| 3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets |                |                |
| 4. The effect hedging portion of gains or losses arising from cash flow hedging instruments                            |                |                |
| 5. Translation differences arising on translation of foreign currency financial statements                             |                |                |
| 6. Other   |                |                |
| Net after-tax of other comprehensive income attributable to minority shareholders                                      |                |                |
| VII. Total comprehensive income  | -33,629,918.55 | -62,207,113.93 |
| Total comprehensive income attributable to owners of parent Company  | -27,388,861.07 | -46,283,508.47 |
| Total comprehensive income attributable to minority shareholders   | -6,241,057.48  | -15,923,605.46 |
| VIII. Earnings per share:  |                |                |
| (i) Basic earnings per share   | -0.05          | -0.08          |
| (ii) Diluted earnings per share  | -0.05          | -0.08          |

Enterprise combine under the same control in the Period, the combined party realized net profit of 0 Yuan before combination, and realized 0 Yuan at last period for combined party

Legal Representative: President Yang Haixian

Person in charge of accounting works: Director GM Wu Dongxiang, CFO Huang Jian

Person in charge of accounting institute: Financial Manager Leng Jiwei (act for the financial management dept.)

#### 4. Profit Statement of Parent Company

In RMB

| Item                           | Current Period | Last Period   |
|--------------------------------|----------------|---------------|
| I. Operating income            | 129,531,789.50 | 46,513,779.10 |
| Less: Operating cost           | 139,882,897.99 | 45,467,181.41 |
| Operating tax and extras       | 318,215.05     | 1,738,950.92  |
| Sales expenses                 |                |               |
| Administration expenses        | 12,669,948.85  | 2,885,320.94  |
| Financial expenses             | -3,162,126.45  | 9,926,311.23  |
| Losses of devaluation of asset |                |               |

|   |                |                |
|---|----------------|----------------|
| 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 “-”)  | -20,177,145.94 | -13,503,985.40 |
| Add: Non-operating income   | 858,110.33     | 653,790.33     |
| 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 “-”)   | -19,319,035.61 | -12,850,195.07 |
| Less: Income tax expense  |                |                |
| IV. Net profit (Net loss is listed with “-”)  | -19,319,035.61 | -12,850,195.07 |
| V. Net after-tax of other comprehensive income  |                |                |
| (I) Other comprehensive income items which will not be reclassified subsequently to profit of loss  |                |                |
| 1. Changes as a result of re-measurement of net defined benefit plan liability or asset   |                |                |
| 2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss |                |                |
| (II) Other comprehensive income items which will be reclassified subsequently to profit or loss   |                |                |
| 1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss      |                |                |

|  |                |                |
|--|----------------|----------------|
| 2. Gains or losses arising from changes in fair value of available-for-sale financial assets                           |                |                |
| 3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets |                |                |
| 4. The effect hedging portion of gains or losses arising from cash flow hedging instruments                            |                |                |
| 5. Translation differences arising on translation of foreign currency financial statements                             |                |                |
| 6. Other   |                |                |
| VI. Total comprehensive income   | -19,319,035.61 | -12,850,195.07 |
| VII. Earnings per share:   |                |                |
| (i) Basic earnings per share   |                |                |
| (ii) Diluted earnings per share  |                |                |

## 5. Consolidated Cash Flow Statement

In RMB

| Item  | Current Period | Last Period    |
|---|----------------|----------------|
| I. Cash flows arising from operating activities:                    |                |                |
| Cash received from selling commodities and providing labor services | 335,696,983.79 | 159,473,281.47 |
| Net increase of customer deposit and interbank deposit              |                |                |
| Net increase of loan from central bank                              |                |                |
| Net increase of capital borrowed from other financial institution   |                |                |
| Cash received from original insurance contract fee                  |                |                |
| Net cash received from reinsurance business                         |                |                |
| Net increase of insured savings and                                 |                |                |

|   |                 |                |
|---|-----------------|----------------|
| investment  |                 |                |
| Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses |                 |                |
| Cash received from interest, commission charge and commission   |                 |                |
| Net increase of capital borrowed  |                 |                |
| Net increase of returned business capital   |                 |                |
| Write-back of tax received  | 788,829.24      | 647,705.34     |
| Other cash received concerning operating activities   | 8,927,278.01    | 12,291,336.49  |
| Subtotal of cash inflow arising from operating activities   | 345,413,091.04  | 172,412,323.30 |
| Cash paid for purchasing commodities and receiving labor service  | 345,329,535.67  | 170,022,861.32 |
| Net increase of customer loans and advances   |                 |                |
| Net increase of deposits in central bank and interbank  |                 |                |
| Cash paid for original insurance contract compensation  |                 |                |
| Cash paid for interest, commission charge and commission  |                 |                |
| Cash paid for bonus of guarantee slip   |                 |                |
| Cash paid to/for staff and workers  | 31,892,059.46   | 31,231,432.87  |
| Taxes paid  | 172,293,260.97  | 12,739,371.58  |
| Other cash paid concerning operating activities   | 9,052,073.49    | 11,957,748.02  |
| Subtotal of cash outflow arising from operating activities  | 558,566,929.59  | 225,951,413.79 |
| Net cash flows arising from operating activities  | -213,153,838.55 | -53,539,090.49 |
| II. Cash flows arising from investing activities:   |                 |                |
| Cash received from recovering   |                 |                |

|   |                |                |
|---|----------------|----------------|
| investment  |                |                |
| Cash received from investment income  |                |                |
| Net cash received from disposal of fixed, intangible and other long-term assets           |                |                |
| Net cash received from disposal of subsidiaries and other units                           |                |                |
| Other cash received concerning investing activities                                       |                |                |
| Subtotal of cash inflow from investing activities   |                |                |
| Cash paid for purchasing fixed, intangible and other long-term assets                     | 24,466,180.89  | 4,900,140.03   |
| Cash paid for investment  |                |                |
| Net increase of mortgaged loans   |                |                |
| Net cash received from subsidiaries and other units obtained                              |                |                |
| Other cash paid concerning investing activities   |                |                |
| Subtotal of cash outflow from investing activities  | 24,466,180.89  | 4,900,140.03   |
| Net cash flows arising from investing activities  | -24,466,180.89 | -4,900,140.03  |
| III. Cash flows arising from financing activities   |                |                |
| Cash received from absorbing investment   |                |                |
| Including: Cash received from absorbing minority shareholders' investment by subsidiaries |                |                |
| Cash received from loans  | 101,780,000.00 | 955,000,000.00 |
| Cash received from issuing bonds  |                |                |
| Other cash received concerning financing activities                                       |                | 5,300,000.00   |
| Subtotal of cash inflow from financing activities   | 101,780,000.00 | 960,300,000.00 |
| Cash paid for settling debts  | 838,680,000.00 | 836,000,000.00 |

|  |                  |                  |
|--|------------------|------------------|
| Cash paid for dividend and profit distributing or interest paying              | 21,262,275.18    | 48,199,874.56    |
| Including: Dividend and profit of minority shareholder paid by subsidiaries    |                  |                  |
| Other cash paid concerning financing activities                                |                  |                  |
| Subtotal of cash outflow from financing activities                             | 859,942,275.18   | 884,199,874.56   |
| Net cash flows arising from financing activities                               | -758,162,275.18  | 76,100,125.44    |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate | -29,080.94       | -21,941.75       |
| V. Net increase of cash and cash equivalents                                   | -995,811,375.56  | 17,638,953.17    |
| Add: Balance of cash and cash equivalents at the period -begin                 | 1,389,482,327.86 | 1,016,326,480.06 |
| VI. Balance of cash and cash equivalents at the period -end                    | 393,670,952.30   | 1,033,965,433.23 |

## 6. Cash Flow Statement of Parent Company

In RMB

| Item  | Current Period | Last Period   |
|---|----------------|---------------|
| I. Cash flows arising from operating activities:                    |                |               |
| Cash received from selling commodities and providing labor services | 137,934,652.20 | 82,701,475.00 |
| Write-back of tax received  |                |               |
| Other cash received concerning operating activities                 | 79,010,430.35  | 9,135,128.92  |
| Subtotal of cash inflow arising from operating activities           | 216,945,082.55 | 91,836,603.92 |
| Cash paid for purchasing commodities and receiving labor service    | 231,703,840.65 | 32,770,089.24 |
| Cash paid to/for staff and workers                                  | 19,566,413.11  | 18,177,010.38 |

|   |                 |                |
|---|-----------------|----------------|
| Taxes paid  | 162,249,279.59  | 4,083,939.63   |
| Other cash paid concerning operating activities                                 | 33,403,433.62   | 29,319,811.14  |
| Subtotal of cash outflow arising from operating activities                      | 446,922,966.97  | 84,350,850.39  |
| Net cash flows arising from operating activities                                | -229,977,884.42 | 7,485,753.53   |
| II. Cash flows arising from investing activities:                               |                 |                |
| Cash received from recovering investment  |                 |                |
| Cash received from investment income  |                 |                |
| Net cash received from disposal of fixed, intangible and other long-term assets |                 |                |
| Net cash received from disposal of subsidiaries and other units                 |                 |                |
| Other cash received concerning investing activities                             |                 |                |
| Subtotal of cash inflow from investing activities                               |                 |                |
| Cash paid for purchasing fixed, intangible and other long-term assets           | 35,792.00       | 181,380.00     |
| Cash paid for investment  |                 |                |
| Net cash received from subsidiaries and other units                             |                 |                |
| Other cash paid concerning investing activities                                 |                 |                |
| Subtotal of cash outflow from investing activities                              | 35,792.00       | 181,380.00     |
| Net cash flows arising from investing activities                                | -35,792.00      | -181,380.00    |
| III. Cash flows arising from financing activities                               |                 |                |
| Cash received from absorbing investment   |                 |                |
| Cash received from loans  |                 | 820,000,000.00 |

|  |                  |                |
|--|------------------|----------------|
| Cash received from issuing bonds   |                  |                |
| Other cash received concerning financing activities                            |                  | 5,300,000.00   |
| Subtotal of cash inflow from financing activities                              |                  | 825,300,000.00 |
| Cash paid for settling debts   | 680,500,000.00   | 770,000,000.00 |
| Cash paid for dividend and profit distributing or interest paying              | 11,108,786.09    | 35,507,313.18  |
| Other cash paid concerning financing activities                                |                  |                |
| Subtotal of cash outflow from financing activities                             | 691,608,786.09   | 805,507,313.18 |
| Net cash flows arising from financing activities                               | -691,608,786.09  | 19,792,686.82  |
| IV. Influence on cash and cash equivalents due to fluctuation in exchange rate | -198.86          | -146.16        |
| V. Net increase of cash and cash equivalents                                   | -921,622,661.37  | 27,096,914.19  |
| Add: Balance of cash and cash equivalents at the period -begin                 | 1,119,323,850.36 | 675,408,711.65 |
| VI. Balance of cash and cash equivalents at the period -end                    | 197,701,188.99   | 702,505,625.84 |

## II. Audit report

Whether the 1<sup>st</sup> quarterly report has been audited or not

Yes  No

1Q report of the Company is unaudited.