

Stock Code: 000037, 200037

Notice No.: 2018-026

Short Form of the Stock: Shen Nandian A, Shen Nandian B

Shenzhen Nanshan Power Co., Ltd.

Summary of Semi-Annual Report 2018

I. Important Notice

The summary is abstract from full-text of semi-annual report, for more details of operating results, financial condition and future development plan of the Company; investors should found in the full-text of semi-annual report that published on media appointed by CSRC.

Objection statement of directors, supervisors and senior executives

Name	Position	Content and reason
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Statement

Other directors attending the Meeting for semi-annual report deliberation except for the followed

Name of director absent	Title for absent director	Reasons for absent	Attorney
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Prompt of non-standard audit opinion

Applicable Not applicable

Profit distribution pre-plan of common stock or capitalizing of common reserves pre-plan deliberated by the Board in the reporting period

Applicable Not applicable

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

Profit distribution pre-plan of preferred stock deliberated and approved by the Board in the reporting period

Applicable Not applicable

II. Company profile

1. Company Profile

Short form of the stock	Shen Nandian A, Shen Nandian B	Stock code	000037, 200037
Stock exchange for listing	Shenzhen Stock Exchange		
Person/Way to contact	Secretary of the Board	Rep. of security affairs	
Name	Zhang Jie		
Office add.	16/F-17/F, Hantang Building, OCT, Nanshan District, Shenzhen, Guangdong Province		

Tel.	0755-26003611	
E-mail	investor@nspower.com.cn	

2. Main accounting data and financial indexes

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	Current period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	1,079,760,214.80	872,962,697.33	23.69%
Net profit attributable to shareholders of the listed company (RMB)	30,012,095.22	-22,629,201.38	-232.63%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses (RMB)	28,904,372.78	-25,113,210.11	-215.10%
Net cash flow arising from operating activities (RMB)	52,590,634.28	-65,448,855.27	-180.35%
Basic earnings per share (RMB/Share)	0.050	-0.040	-225.00%
Diluted earnings per share (RMB/Share)	0.050	-0.040	-225.00%
Weighted average ROE	1.46%	-1.30%	-212.31%
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	3,264,506,507.10	2,883,804,392.70	13.20%
Net assets attributable to shareholder of listed company (RMB)	1,988,630,180.61	1,958,618,085.39	1.53%

3. Number of shares and shares held

In Share

Total common stock shareholders in reporting period-end		30,739	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0		
Top ten shareholders						
Full name of Shareholders	Nature of shareholder	Proportion of shares held	Shareholding numbers	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
HONG KONG NAM HOI (INTERNATIONAL) LTD	Overseas corporate	15.28%	92,123,248			
Shenzhen Guangju Industrial Co., Ltd.	State-owned corporate	12.22%	73,666,824			
SHENZHEN ENERGY	State-owned corporate	10.80%	65,106,130			

(GROUP) CO., LTD.						
BOCI SECURITIES LIMITED	Overseas corporate	1.44%	8,690,627			
Zeng Ying	Domestic nature person	1.14%	6,878,096			
China Merchants Securities (HK) Co., Limited	State-owned corporate	1.13%	6,823,369			
Liu Fang	Domestic nature person	0.93%	5,604,273			
Meiyi Investment Property Co., Ltd.	Domestic non-state-owned corporate	0.77%	4,615,800			
Li Baoqin	Domestic nature person	0.66%	3,989,100			
Zhang Heping	Domestic nature person	0.64%	3,840,300			
Explanation on associated relationship among the aforesaid shareholders	1. 100% equity of HONG KONG NAM HOI (INTERNATIONAL) LIMITED 100% held by SHENZHEN ENERGY (GROUP) CO., LTD 2. The Company is unknown whether there exists associated relationship or belongs to the consistent actor among the other shareholders.					
Shareholders involving margin business	Among the top ten shareholders, Ms. Liu Fang holds 2,659,373 shares through credit transaction guarantee securities account					

4. Changes of controlling shareholders or actual controller

Changes of controlling shareholders in reporting period

Applicable Not applicable

Changes of controlling shareholders had no change in reporting period.

Changes of actual controller in reporting period

Applicable Not applicable

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

5. Total preferred stock shareholders of the Company and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

No preferred stock in reporting period.

6. Corporation Bonds

Whether the Company has a corporation bonds that issuance publicly and listed on stock exchange and without due on the date when annual report approved for released or fail to cash in full on due

No

III. Discussion and analysis by the Management Team

1. Introduction of operation in the reporting period

Does the Company need to comply with disclosure requirements of the special industry

No

In the first half of 2018, China's macro-economy continued the overall smooth and stable development trend, the structural adjustments were further advanced, the new and old kinetic energy continued to be transformed, and the quality and efficiency improved steadily. The economic operation of Guangdong Province is also steadily improving, and the main leading indicators of the industrial economy are generally better than the same period last year. At the same time, since the beginning of this year, especially the middle of May, the continuous hot weather has increased the demand for electricity. According to the statistics and analysis of relevant departments, from January to June, the whole province's total electricity consumption reached 293.049 billion kwh, an increase of 9.28% on a year-on-year basis, and the power demand grew rapidly. However, due to the tight supply of upstream gas sources and the difficulty in purchasing incremental gas sources, gas turbine power plants have the risks of out of gas and outage during the summer.

During the reporting period, the Company overcame the pressure of shortage of gas, fierce market competition and aging equipment, and continued to adhere to the "1+5" strategic roadmap as the guideline, took "focusing on benefits, increasing gas sources, and promoting transformation" as the management policy, strived to improve the operational benefits of main business, continuously improved the core competitiveness, and innovated and carried out a series of fruitful work, and achieved a year-on-year turnaround in operating results. First is to pay close attention to the safety production, environmental protection and economic operation of subordinate power plants, which achieved the safety "five no" and reached the environmental protection standards. Second is to set up the electricity selling centers, while striving for the base electric quantity, the Company thoroughly studied the trading rules of electricity market in Guangdong Province and conscientiously formulated the trading strategies for contractual electricity quantity transfer transactions and monthly concentrated bidding transactions to maximize the production efficiency. Third is to cooperate with Shenzhen Gas Group Co., Ltd. to complete the construction of technical transformation project for ShenRan natural gas terminal station of Nanshan Thermal Plant, and signed the Natural Gas Purchase and Sale Agreement with it, which not only broadened the supply channels of natural gas but also eased the short supply of upstream gas sources. Fourth is to establish a fuel center, give full play to the advantages of large-scale procurement, and coordinate the procurement of natural gas in various power plants within the system, which enhanced the Company's bargaining power; Fifth is to establish a fund center which not only guaranteed the fund security but also effectively saved the financial costs by strengthening the fund management within the system. The sixth is to steadily promote the various work of the "Shenzhen Blue" technical transformation project in the early stages according to the relevant government policies, and strive to complete the upgrade of at least one set of low-nitrogen burners in accordance with the requirements of the government. The seventh is to track the government's policy dynamics and related work progress on the land of Qianhai and do its utmost to protect the interests of the Company's shareholders and employees. The eighth is to further promote the Company's standardized operation level and management performance, we revised the Company's "Articles of Association" and other six corporate governance systems, formulated and improved relevant management regulations and business processes, and set up an information center to provide supports for further enhancing the management efficiency. Ninth is to strengthen the party building work, and incorporate the relevant regulations of party building work into the "Articles of Association" to organically combine the strengthening of party leadership with the improvement of corporate governance.

During the reporting period, the Company achieved operating income of 107,976 million Yuan, net profit attributable to parent Company amounted as 30.01 million Yuan, which increased 52.64 million Yuan over that of last period noted as (22.63) million Yuan, basic earnings per share comes to 0.05 Yuan.

2. Relevant items involving financial report

(1) Particulars about the changes in aspect of accounting policy, estimates and calculation method compared with the financial report of last fiscal period

Applicable Not applicable

(2) Major accounting errors within reporting period that needs retrospective restatement

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in reporting period.

(3) Particulars about the change of consolidation range compared with the financial report of last fiscal period

Applicable Not applicable

The Company had no particular about the change of consolidation range compared in reporting period.