



Mr. Zhang Jie

Chairman of the Supervisory Committee

Report of the Supervisory Committee

TO ALL SHAREHOLDERS:

The three members of the supervisory committee of Beijing Datang Power have conscientiously exercised their functions and powers to protect the interests of the shareholders and the interests of the Company in adherence to the principle of faithfulness and have performed their duties with due prudence, initiative and diligence pursuant to the Company Law of the Peoples' Republic of China, the relevant laws and regulations of Hong Kong and the Articles of Association of the Company. Our principal duties are: to attend meetings of the Board of Directors and to furnish actively our views on production operations, technological improvements, project development and investments of the Company; to monitor effectively the guiding principles for decision-making and the decisions made to ensure their compliance with the laws and regulations of the State and the Articles of Association and that they are in the interests of shareholders and staff; to audit regularly the financial conditions, conduct examination of the standard of accounting, review the financial reports submitted by intermediaries, carry out vetting of the financial report and profit distribution plan submitted to the general meeting by the Board of Directors and conscientiously supervise the process.

With the assistance of various intermediaries and professionals, the Directors, President and other senior management of the Company have actively organised the staff to carry out their duties pursuant to the Articles of Association and have obtained satisfactory results in implementing standardised operations, enhancing production safety, increasing economic efficiency. Profit after taxation of the Company for 2000 amounted to Rmb1,375,300,000 according to International Accounting Standards, generating satisfactory revenue for shareholders.

The Supervisory Committee has conducted regular examination of accounting evidence, books of account and accounting reports and has carried out random review of the auditor's report prepared by an intermediary. In the opinion of the Supervisory Committee, the financial statements of the Company have been accurately and lucidly prepared with completeness in information, and the financial management and accounting of the Company have been consistent with the provisions of the Accounting Law of the People's Republic of China and the accounting standards issued by the Ministry of Finance of the People's Republic of China. The Supervisory Committee has not discovered any problems in respect of the foregoing.

The Supervisory Committee has audited the financial report and profit distribution plan prepared by the Board of Directors of the Company for submission to the general meeting and gives full concurrence thereto.

The Supervisory Committee has reviewed the Report of the Directors to be submitted to the shareholders and believes that its content reflects the actual state of the Company. In the course of the Company's operations, members of the Company's Board of Directors, the President and other senior management of the Company have complied with their fiduciary duties and discharged their duties diligently in the exercise of their rights or performance of their obligations. No cases of power abuse or infringement of the interests of shareholders and staff of the Company have been found so far.

The Supervisory Committee is satisfied with the assurances furnished and the results and economic efficiencies achieved by the Company. Accordingly, we are fully confident about the Company's prospects for development.

On Behalf of the Supervisory Committee

Zhang Jie

Chairman of the Supervisory Committee

6th March, 2001