

# 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 shareholders and 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 sit in Board meetings and to opine on major issues such as production operations, technological reforms, project development and investments; to seriously monitor the guiding principles for decision-making and the major decisions made to ensure 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, 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, further enhancing production safety management and financial budget management, increasing economic efficiency and implementing positive investment plans. The consolidated net profit of the Company for 2001 amounted to Rmb1,438,060,000 according to International Accounting Standards, generating satisfactory revenue for shareholders. The Company has also achieved asset value maintenance and enhancement.

The Supervisory Committee has regularly examined accounting evidence, books of accounts and accounting reports and has reviewed part of the intermediary's report on the Company. 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 functions of the Company have complied with 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 reviewed 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 general meeting and believes that it truly and objectively reflects the operating results and asset status of the Company for 2001. In the course of the Company's operations, the 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 have been found so far.

The Supervisory Committee is satisfied with the assurances furnished and the results and economic efficiencies achieved by the Company, and is fully confident about the Company's prospects for development. Members of the Supervisory Committee shall continue to effectively monitor the operation of the Company and contribute to its development.

On Behalf of  
the Supervisory Committee

**Zhang Jie**  
*Chairman of  
the Supervisory Committee*

5th March 2002