

Report of the Supervisory Committee



To all shareholders:

According to the Company Law of the Peoples' Republic of China, the relevant laws and regulations of Hong Kong and London where the Company was listed and the Articles of Association of the Company, 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. The principal duties are: to attend 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, rules and regulations governing the listing of securities and the Articles of Association and that they are in the interests of staff and shareholders, in particular shareholders with shares in circulation; to audit regularly the financial conditions, investigate into fundamentals of financial work, review the financial reports submitted by auditors, 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.

The Supervisory Committee confirmed that during 2002, the Directors, the President and other senior management of the Company have actively organised the staff to carry out

their duties prudently, and have obtained satisfactory results in implementing standardised operations, further enhancing production safety management, developing newly-established projects and implementing a number of meticulous works in order to enhance economic efficiency. The consolidated net profit of the Company and its subsidiaries for 2002 amounted to approximately Rmb1,404,612,000 according to International Accounting Standards.

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 and International Financial Reporting Standards. 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 by the Board of Directors of the Company to the general meeting and believes that it truly and objectively reflects the operating results. 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.

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

3rd March 2002