

Report of the Supervisory Committee

To all shareholders:

In 2003, in accordance with the Company Law of the Peoples' Republic of China, the relevant laws and regulations of Hong Kong and London where the Company was listed, the Articles of Association of the Company and the authorities derived therefrom, the three members of the Supervisory Committee of Beijing Datang Power have conscientiously exercised their functions and powers to monitor the operation of the Company in a lawful and effective way. They have performed their duties with due initiatives, faithfulness, diligence and



prudence to protect the interests of shareholders and the Company. Major work carried out by the Supervisory Committee in 2003 included: to attend the general meetings and the Board's meetings and to opine on production operations and project development; 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 shareholders; to audit regularly the financial conditions, review the financial reports submitted by intermediary, 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 2003, the Directors, the President and other senior management of the Company have fulfilled their responsibilities dutifully and diligently, and have actively organised the staff to conscientiously carry out their duties, with a view to implementing standardised operations, further enhancing production safety management, implementing various investment plans and actively developing greenfield projects. All these efforts have led to good economic effectiveness. In accordance with IFRS, total consolidated assets, consolidated operating revenue and consolidated net profit of the Company and its subsidiaries for 2003 amounted to approximately Rmb35,544 million, Rmb9,951 million and Rmb1,812 million, respectively. Basic earnings per share was RMB0.35.

The Supervisory Committee has examined the financial management systems of the Company and its subsidiaries and believed that the financial management systems of the Company and its subsidiaries were well-developed and effective. 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

and its subsidiaries. In the opinion of the Supervisory Committee, the financial statements, 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 IFRS. The Supervisory Committee has not discovered any problems in respect of the foregoing.

The Supervisory Committee has reviewed the Report of the Directors, the financial report and the profit distribution plan prepared by the Board of Directors of the Company for submission to the general meeting and has given full concurrence thereto. 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 with faithfulness and have dutifully and diligently discharged their duties and 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

17th March 2004