

# Report of the Auditors



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PwC ZT Shen Zi (2007) No. 10009

TO THE SHAREHOLDERS OF  
**DATANG INTERNATIONAL POWER GENERATION CO., LTD.**

We have audited the accompanying financial statements of Datang International Power Generation Co., Ltd. (the “Company”) and its subsidiaries and jointly controlled entity (the “Group”), which comprise the consolidated balance sheet of the Group as at 31 December 2006 and the consolidated income statement and statement of income appropriation and cash flow statement for the year then ended, and the balance sheet of the Company as at 31 December 2006 and its income statement and statement of income appropriation and cash flow statement for the year then ended.

## **Management’s Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements in accordance with the Accounting Standards for Business Enterprises and the ‘Accounting System for Business Enterprises’. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Report of the Auditors

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and the Company as of 31 December 2006, and of the financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises and the 'Accounting System for Business Enterprises.

Certified Public Accountant

**Li YanYu**

Certified Public Accountant

**Bi Weiduo**

**PricewaterhouseCoopers**

Zhong Tian CPAs Limited Company

China, Shanghai

30 March 2007