

# Report of the Supervisory Committee



During 2007, in accordance with the Company Law of the PRC (the “Company Law”), the Articles of Association of Datang International Power Generation Co., Ltd. (the “Articles of Association”), Order of Meeting of the Supervisory Committee of Datang International Power Generation Co., Ltd. (the

“Order of Meeting of Supervisory Committee”) and the relevant requirements of the listing rules of the Company’s listing locations, members of the Company’s Supervisory Committee dutifully and conscientiously discharged their duties and exercised their monitoring duty in compliance with the principle of being accountable to all shareholders of the Company to protect the rights of the shareholders of the Company and the interests of the Company.

During the reporting period, the Supervisory Committee held five meetings. The quorum at each meeting was in compliance with the relevant requirements as stipulated by the Company Law and the Articles of Association. On 30 March 2007, the sixth meeting of the fifth session of Supervisory Committee was held, considering and approving the 2006 Work Report of the Supervisory Committee and its summary, the 2006 Financial Report, the 2007 Financial Budget, the Proposed 2006 Profit Distribution Plan and the “Order of Meeting for the Supervisory Committee of Datang International Power Generation Co., Ltd.”. On 26 April 2007, the seventh meeting of the fifth session of Supervisory Committee was held by way of written correspondence, considering and approving the 2007 First Quarterly Report of the Company. On 11 May 2007, the eighth meeting of the fifth session of the Supervisory Committee was held by way of written correspondence, considering and approving the nominations of the candidates for the sixth session of the Supervisory Committee. On 27 August 2007, the first meeting of the sixth session of the Supervisory Committee was held, considering and approving the 2007 Interim Report and its summary, as well as electing the chairman and vice chairman

of the sixth session of the Supervisory Committee. On 25 October 2007, the second meeting of the sixth session of the Supervisory Committee was held, considering and approving the 2007 Third Quarterly Report. The Supervisory Committee attended the 2006 annual general meeting and the 2007 first and second extraordinary general meetings, as well as four Board meetings and two Audit Committee meetings.

During 2007, the Board conscientiously implemented various resolutions approved at the 2006 annual general meeting and the 2007 extraordinary general meetings. All major operation decisions of the Company were rational and the decision-making process was lawful and valid. In the corporate governance self-inspection and reform activities for listed companies initiated by the China Securities Regulatory Commission (the “CSRC”) and the Beijing Securities Regulatory Bureau in 2007, the Company has further established and enhanced its internal control systems in order to further regulate the corporate governance structure and to enhance the Company’s competitiveness. The Board and senior management of the Company fulfilled their duties faithfully and diligently during 2007 and conscientiously discharged their respective duties, with no acts of violation of any State laws, regulations or the Articles of Association discovered and no acts which contravene the Company’s interests were discovered either. The Board and senior management of the Company strengthened the production safety management of the power plants operated by the Company, and the Company management conscientiously implemented various Board resolutions in a diligent and dutiful manner, thereby achieving encouraging operating results. Total assets amounted to RMB121,773 million and sales revenue amounted to RMB32,829 million, while the consolidated net profit attributable to equity holders of the Company was RMB3,406 million and earnings per share amounted to RMB0.29.

In 2007, the Supervisory Committee conscientiously and carefully examined and reviewed the Company’s accounting statements and financial information, and was engaged in the inspection of the 2007 First Quarterly Report, 2007 interim report and 2007 Third Quarterly Report. The Supervisory Committee also



took part in reviewing the auditors' report and offered opinions and recommendations on the auditors' work. The Supervisory Committee is of the view that the preparation of the Company's financial statements complies with the relevant requirements of the Accounting Rules for Business Enterprises and the Accounting Standards for Business Enterprises, and that the Company's 2007 financial report truthfully reflects the financial position and operating results of the Company.

On 13 December 2006, the Company completed the issue of 500 million A shares and the shares were listed on the Shanghai Stock Exchange on 20 December 2006. Net proceeds amounted to RMB3,279 million. As at 31 December 2007, the proceeds were not utilised and no improper utilisation of the proceeds was found as at the date of the report.

The connected transactions engaged by the Company during the Year complied with normal commercial terms. Such transactions complied with the requirements of the State laws, regulations and the Articles of Association, while the information disclosure and related obligations were timely and thoroughly fulfilled in accordance with the listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

During 2007, pursuant to the signed agreement, the Company acquired two 200 MW coal-fired generation units of Xinyu Power Plant; pursuant to the equity acquisition agreement signed with Kailuan Group Co., Ltd. (開灤集團有限公司), the Company acquired from the latter a 34% interest in Yuzhou Mining Company Limited, while the Company's associate Hebei Yuzhou Energy Development Co., Ltd. (河北蔚州能源綜合開發有限公司) acquired another 30% interest in Yuzhou Mining Company Limited. Upon completion of the acquisitions, the Company actually owns a 49% interest in Yuzhou Mining Company Limited. The above acquisitions were considered and approved by the Board of the Company who was of the view that the acquisition considerations were reasonable, and the acquisitions did not harm the interests of the Company's shareholders.

PricewaterhouseCoopers Zhong Tian CPAs Company Limited and PricewaterhouseCoopers (Certified Public Accountants, Hong Kong) have issued auditors' reports with unqualified opinions on the financial statements of the Company and its Subsidiary prepared in accordance with the PRC GAAP and International Financial Reporting Standards, respectively. The Supervisory Committee was of the view that the auditors' reports

truthfully and objectively reflected the financial position and operating results of the Company and validation was given to the relevant elaborations provided by the auditors.

On 30 June 2007, the term of the Company's fifth session of the Supervisory Committee expired. Mr. Zhang Wantuo and Mr. Fu Guoqiang were elected as supervisors of the sixth session of the Supervisory Committee at the Company's 2006 annual general meeting. Mr. Zhang Jie and Mr. Shi Xiaofan were elected as supervisors representing the staff at the Company's staff representatives general meeting, and they formed the sixth session of the Supervisory Committee together with the supervisors elected at the annual general meeting, for a term ending at 30 June 2010. During 2007, members of the sixth session of the Supervisory Committee have attended the training programmes for listed company directors and supervisors organised by the CSRC in the relevant jurisdiction, and have obtained the passing certificates.

In 2008, pursuant to the requirements of the relevant laws and regulations, regulatory stipulations, the Articles of Association and the Rules of Supervisory Committee Meetings, the members of the supervisory committee will continue to strengthen the enforcement of its supervisory function and attend Board meetings and Audit Committee meetings, so as to timely grasp the Company's major decisions and the lawfulness of the decision-making procedures, thereby further improving the protection of shareholders' interest.

In 2008, the Company's production operation scale will further expand. In order to prevent operating risks, the Supervisory Committee will continue to maintain financial supervision as the focus of the supervision effort, as well as regularly understanding the Company's external investment moves and strengthening the communication with the Company's external auditor, thereby joining the Board and the management to strive for enhancement of the company's internal control standard.

By Order of the Supervisory Committee

**Zhang Jie**  
Chairman of the Supervisory Committee

26 March 2008

