

# **REPORT OF THE SUPERVISORY COMMITTEE**

## **To Shareholders,**

Facing keen competition in the PRC market during 2000, JCCL has strengthened internal control to increase production volume steadily including an increase in the production of copper cathode by 24% and gold production by 20%. Furthermore, JCCL has endeavoured to enhance technical and economic levels and the effects of expense control was apparent. Notwithstanding the existence of various unfavourable circumstances, JCCL recorded a turnover of Rmb3,524,512,000, representing an increase of 30% over the previous year; a net profit of Rmb108,661,000, representing an increase of 369%; cash inflow from operating activities amounting to Rmb687 million, representing an increase of 78%.

During the year, the Supervisory Committee has proceeded with its best endeavours to perform all of its duties and rights vested by JCCL's Articles of Association in order to safeguard the interests of the shareholders.

The Supervisory Committee considers that the Board of Directors of JCCL has been operating smoothly and the management has strictly acted under the decisions and resolutions of the Board of Directors in 2000. The directors, managers and senior management have performed their functions diligently in strict compliance with JCCL's Articles of Association.

The accounting department of the Supervisory Committee performed its functions in accordance with the relevant provisions so as to protect the interests of JCCL and its shareholders. It has regularly reviewed JCCL's financial statements, accounting books, records and other accounting information, supervised income and expenditures, exercised internal control and audited the accounting books of JCCL. The committee is of the opinion that the financial management of JCCL was prudent and sound.

The Supervisory Committee has participated in reviewing of the financial statements, the Report of Directors and the proposed appropriation of profit, and considers that such reports are fair and accurate.

The Supervisory Committee is satisfied with the performance of JCCL during 2000 as well as the results attained, and is full of confidence in the prospect of JCCL hereafter.

By Order of the Supervisory Committee  
**Wang Zhenkun**  
*Chairman of the Supervisory Committee*

16 March 2001