

SIGNIFICANT EVENTS

(1) Corporate Governance

During the period, the Company has diligently completed on schedule “The Self-Examination Report of Establishing Modern Enterprise System by Listed Companies”. At present, the Company is striving to formulate “Ruling Procedures for General Meeting”, “Ruling Procedures for Board Meeting” and “Ruling Procedures for Supervisory Committee”, etc. The Company is preparing to establish such Special Committees as Salary Review Committee, Strategic Development Committee and Directors’ Nomination Committee, etc..

(2) Interim Dividend

The Board of Directors resolved not to declare the interim dividend for the six months ended 30 June 2002. No interim dividends were distributed for the corresponding period last year.

(3) Implementation of profit appropriation plan during the period

At the annual general meeting of the Company held on 12 June 2002, a resolution on “non-capitalisation of reserves” and cash dividend of RMB0.05 (inclusive of tax for A shares) per share to be distributed to all shareholders based on the total share capital of 2,664,038,200 shares as at the end of 2001 was passed. The respective resolution announcement was published on China Securities Daily, Hong Kong Economic Times and The Standard on 13 June 2002. The dividends were distributed to all shareholders of the Company on 5 July 2002 in accordance with the contents and requirements of the announcement.

(4) As at the end of the reporting period, the Company was not involved in any material litigation or arbitration.

(5) Save and except for the acquisition of Wushan Copper Mine, the Company was not involved in any major acquisition, sale or disposal events as at the end of the reporting period.

(6) Connected Transactions

The connected transactions of the Company conducted during the period complied with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and the transaction amounts have not exceeded the caps as prescribed in the waiver granted by the Stock Exchange.

The details of these transactions are set out in note 13 to the condensed financial statements prepared in accordance with the IAS and in note 46 to the financial statements prepared in accordance with PRC GAAP.

(7) Material Contracts and their performance

1. As at the end of the reporting period, save and except for those which have been mentioned in previous announcements, the Company had no significant events of managing on custody, contracting or leasing assets of other companies, or having other companies managing on custody, contracting or leasing assets of the Company.
2. As at the end of the reporting period, the Company had no external guarantee contracts.
3. As at the end of the reporting period, the Company had no significant contracts concerning financial management on trust.
4. As at the end of the reporting period, the Company did not have deposit on trust at financial institutions or non-financial institutions, and also did not have circumstance of failure to recover time deposits due.

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(8) Unified income tax and local tax preferential policy

According to the notice issued by Jiangxi Tax Bureau on 16 April 2001, the Company (situated at mid-western region of the PRC) was entitled to 50% reduction of unified income tax at a rate of 33% for three years from 2002 to 2004.

(9) Independent Audit Committee

The independent audit committee of the Company held a meeting on 14 August 2002 during which the financial statements and interim report of the Company for the six months ended 30 June 2002 were reviewed and passed. The internal control systems of the Company had been reviewed and was regarded as effective and safe.

(10) Code of Best Practice

None of the directors of the Company is aware of any information which would reasonably indicate that the Company is not, or was not at any time during the period in compliance with the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

(11) Purchase, sale or redemption of the Company's listed securities

There was no purchase, sale, redemption or cancellation of the Company's listed securities by the Company for the six months ended 30 June 2002.

(12) Commitments of shareholders holding over 5% shares of the Company during the end of the period

Details of commitments of shareholders holding over 5% shares of the Company are set out in the same section as in 2001 annual report.