

Work of Supervisory committee

During the reporting period, the Company's Supervisory Committee held four meetings.

1. The fifth meeting of the second Supervisory Committee of the Company was held at Room 602 of the Company's office building at 8:00 a.m. on 9 April 2002. The meeting was presided by Mr. Wang Zhenkun, Chairman of the Supervisory Committee. Five supervisors should have attended the meeting and four supervisors attended the meeting, which complied with the Company Law and the relevant provisions of the Articles of Association of the Company. This meeting considered the Audit Report of the Supervisory Committee and the Report of the Supervisory Committee in advance.
2. The sixth meeting of the second Supervisory Committee of the Company was held at Room 602 of the Company's office building at 11:30 a.m. on 11 April 2002. The meeting was presided by Mr. Wang Zhenkun, Chairman of the Supervisory Committee. Five supervisors should have attended the meeting and five supervisors attended the meeting, which complied with the Company Law and the relevant provisions of the Articles of Association of the Company. This meeting considered and approved the following resolutions:
 - (1) the 2001 Annual Report;
 - (2) the 2001 Report of the Supervisory Committee;
 - (3) the resolutions of the Supervisory Committee in 2001.
3. The seventh meeting of the second Supervisory Committee of the Company was held at Room 602 of the Company's office building at 10:00 a.m. on 24 May 2002. The meeting was presided by Mr. Wang Zhenkun, Chairman of the Supervisory Committee. Five supervisors should have attended the meeting and five supervisors attended the meeting. The spirit of reviewing the use of audio and visual telephone conference regarding modern enterprise system for listed companies formulated by China Securities Regulatory Commission and Economic and Trading Commission of the PRC was transmitted, and the matters relating to setting up of such system were discussed in the meeting.
4. The eighth meeting of the second Supervisory Committee of the Company was held at Room 602 of the Company's office building at 10:00 a.m. on 20 August 2002. The meeting was presided by Mr. Wang Zhenkun, Chairman of the Supervisory Committee. Five supervisors should have attended the meeting and five supervisors attended the meeting. This meeting considered and approved the 2002 Interim Report.

Independent Opinion of the Supervisory Committee regarding relevant matters of the Company in 2002

The Supervisory Committee carried out their duties in accordance with the Company Law and the Company's Articles of Associations. During the reporting period, the Supervisory Committee carefully reviewed and monitored the Company's financial management, internal control system, execution of resolutions of general meeting, operating policies and decisions by directors and managers. The Supervisory Committee provided the following independent opinion:

1. Legal Operation of the Company

The Company's internal control system is complete and its decision making procedure is in accordance with law. Directors and managers did not take any actions violating laws, regulations and the Company's Articles of Associations or harming the Company's interests when performing their duties.

2. Review of the Company's Financial Status

The Supervisory Committee is of the opinion that the 2002 audit report prepared by the auditors has truthfully reflected the Company's financial status and operating results.

3. The previous proceeds of the Company were used in the projects as undertaken.

4. Acquisition and Disposal of Assets during the reporting period.

The consideration for the acquisition of Wushan Copper Mine is fair and reasonable and is not detrimental to the interests of shareholders nor resulting in loss of the Company's assets.

5. Connected transactions of the Company were fair and reasonable. There have been no events of harming interests of the listed company.

By order of the Supervisory Committee

Wang Zhenkun

Chairman, Supervisory Committee

Jiangxi, the PRC
8 April 2003