

Report of Supervisory Committee

The third meeting of the third Supervisory Committee of the Company was held at Conference Room at 6th floor of the office building of the Company. 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. The meeting was presided by Mr. Wang Maoxian, Chairman of the Supervisory Committee. This meeting considered and approved the following resolutions:

1. To consider and approve the report of the Supervisory Committee for the year of 2003.
2. To consider and approve the annual report and summary for the year of 2003.
3. To consider and approve the financial report for the year of 2003.
4. To consider and approve the profit distribution plan for the year of 2003.
5. Independent Opinion of the Supervisory Committee regarding relevant matters of the Company in 2003:
 1. Legal operation of the Company: During the reporting period, the Company implemented surveillance over its shareholders' meetings, the procedure for convening meetings of the Board of Directors, items to be resolved, execution of resolutions of shareholders' meetings by the Board of Directors, as well as the integrity, diligence and commitment of the Company's directors and senior management, in accordance with the Company Law and the relevant provisions of the Articles of Association of the Company. The Supervisory Committee is of the opinion that the Company's decision-making procedure is lawful. The Company has been operating in strict compliance with the established internal control system. No misappropriation of the Company's funds by connected parties was found, and the Company has not provided guarantee for any connected parties, other individuals or any third parties. Directors, senior management and managers seriously carried out their commitments in respect of integrity and diligence and did not take any actions which were in violation of laws, regulations or the Company's Articles of Associations nor detrimental to the Company's interests when discharging their duties;
 2. Review of the Company's financial status: The Supervisory Committee approved the examination and audit on the Company's financial status and financial structure and is of the opinion that the Company's financial status is sound without the existence of any significant risks. The audit reports without qualified opinions by the domestic and overseas accounting firms give an objective, fair and true view of the Company's financial status and operating results;
 3. The Company did not have any proceeds for the year of 2003;
 4. The Company did not sell any of its assets in the year of 2003. During the year, the Company acquired Kangxi Copper Company Limited, a smelter in Xichang, Sichuan. The acquisition procedure was in accordance with laws without insider dealings and was not detrimental to the interests of shareholders or incurring loss of the Company's assets.
 5. The Company's procedure for entering into connected transactions for the year of 2003 complied with the relevant provisions of the Listing Rules. The disclosure of information on connected transactions was timely and sufficient. The execution of the contracts of connected transactions was reasonable and fair and was not detrimental to the interests of shareholders or the Company.

By Order of the Board
Wang Maoxian
Chairman
Supervisory Committee

Jiangxi Province, the PRC, 11 March 2004