

The forecast of the consolidated profit after tax and minority interests but before extraordinary items of the Group for the year ending 31st December, 2003 is set out in the section headed “Financial information — Profit forecast” in this prospectus.

(i) **Bases and assumptions**

The Directors have prepared the forecast of the consolidated profit after tax and minority interests but before extraordinary items of the Group for the year ending 31st December, 2003, on the basis of the audited financial statements of the Group for the six months ended 30th June, 2003, the unaudited consolidated management accounts of the Group for the four months ended 31st October, 2003 and a forecast of the consolidated results of the Group for the remaining two months ending 31st December, 2003. The Directors are not aware of any extraordinary items which have arisen or are likely to arise in respect of the year ending 31st December, 2003. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those adopted by the Group as set out in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus, and on the following bases and assumptions:

- there will be no material changes in the existing political, legal (including changes in legislation, laws on regulations, governmental policies or rules), regulatory, fiscal or economic conditions in the PRC, in which the Group carries on businesses;
- there will be no material changes in inflation rate, interest rates or foreign currency exchange rates from those prevailing as at the date of the Prospectus; and
- there will be no material changes in the bases, rates, taxation or duties in the PRC.

(ii) Letters

The following is the text of a letter, prepared for inclusion in this Prospectus, received by the Directors from Ernst & Young, and from the sponsor, China Everbright Capital Limited, in connection with the profit forecast of the Group for the year ending 31st December, 2003.


安永會計師事務所

15th Floor
Hutchison House
10 Harcourt Road
Central
Hong Kong

11th December, 2003

The Directors
Fujian Zijin Mining Industry Co., Ltd.
China Everbright Capital Limited

Dear Sirs,

We have reviewed the accounting policies and calculations adopted in arriving at the forecast of the consolidated profit after tax and minority interests but before extraordinary items of Fujian Zijin Mining Industry Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) for the year ending 31st December, 2003 (the “Forecast”), for which you as directors of the Company are solely responsible, as set out in the paragraph headed “Profit Forecast” under the section headed “Financial Information” in the prospectus of the Company dated 11th December, 2003 (the “Prospectus”). The Forecast has been prepared by the directors of the Company based on the audited consolidated results of the Group for the six months ended 30th June, 2003, the unaudited consolidated management accounts of the Group for the four months ended 31st October, 2003 and a forecast of the consolidated results of the Group for the remaining two months of the year ending 31st December, 2003.

In our opinion, the Forecast, so far as the accounting policies and calculations are concerned, has been properly complied in accordance with the bases and assumptions adopted by the directors of the Company as set out in Appendix II to the Prospectus, and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our Accountants’ Report dated 11th December, 2003, the text of which is set out in Appendix I to the Prospectus.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

**China Everbright Capital Limited**

40th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

11th December, 2003

The Directors
Fujian Zijin Mining Industry Co., Ltd.

Dear Sirs,

We refer to the forecast of the consolidated profit after tax and minority interests but before extraordinary items of Fujian Zijin Mining Industry Co., Ltd. (the “Company”) and its subsidiaries (together the “Group”) for the year ending 31st December, 2003 (the “Forecast”) as set out in the prospectus of the Company dated 11th December, 2003.

We have discussed with you the bases and assumptions upon which the Forecast has been made. We have also considered the letter dated 11th December, 2003 addressed to you and us from Ernst & Young regarding the accounting policies and calculations upon which the Forecast has been made.

On the basis of the foregoing and on the bases and assumptions made by you and the accounting policies and calculations reviewed by Ernst & Young, we have formed the opinion that the Forecast, for which you as directors are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
China Everbright Capital Limited
Kelvin Wu
Managing Director