

Report of Corporate Governance

(Prepared under the Listing Rules of the Hong Kong Stock Exchange)



Corporate Governance Practices

The Board has reviewed its corporate governance documents and is of the view that except for Code A.2.1, the Company has been in compliance with the code provisions in the “Code on Corporate Governance Practices” (the “CG Code”) as set out in Appendix 14 of the Hong Kong Listing Rules.

Code A.2.1 of the CG Code requires that the roles of chairman and chief executive officer should be two separate roles and should not be performed by the same individual. Currently, Mr. Xiao Yaqing serves as the Chairman of the Board as well as the Chief Executive Officer of the Company. Despite such deviation, the Directors are of the opinion that this arrangement is for the benefit of the long term development of the Company and would better coordinate the Board and the executive management.

The Directors believe that the Articles of Association, the scope of responsibilities of the Audit Committee, the scope of responsibilities of the Supervisory Committee and the Codes on Securities Dealings by Directors and Certain Relevant Employees, which constitute the basis for the regular codes on corporate governance of the Company, have covered the principles and the code provisions of the CG Code as set out in Appendix 14 to the Hong Kong Listing Rules. In respect of the following areas, our internal corporate governance documents are more stringent than the CG Code:

1. In addition to the Independent Audit Committee, Remuneration Committee and Nomination Committee, the Company has also established a Planning and Development Committee and Disclosure Committee.
2. All members of the Independent Audit Committee were Independent Non-executive Directors, of whom Mr. Poon Yiu Kin, Samuel, the Chairman of the committee, held the relevant professional qualification or professional knowledge related to accounting or financial management.

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Securities Transactions of the Directors, Supervisors & Relevant Employees

The Board has formulated written guidelines on securities transactions by the Directors, Supervisors and relevant employees of the Company which are on terms no less stringent than the required standard set out in the Model Code under Appendix 10 of the Hong Kong Listing Rules. Following a specific enquiry by the Company, all Directors, Supervisors and relevant employees have confirmed that they have fully complied with the required standards set out in the guidelines.

The Board

An election of the Board was conducted at the 2006 Annual General Meeting of the Company held on May 18, 2007. The third session Board consisted of nine Directors, with four Executive Directors, namely Mr. Xiao Yaqing, Mr. Luo Jianchuan, Mr. Chen Jihua and Mr. Liu Xiangmin, two Non-executive Directors, namely Mr. Shi Chungui and Mr. Helmut Wieser (resigned from the position of non-executive director on September 17, 2007 as Alcoa Inc. sold all its shares in the Company), and three Independent Non-executive Directors, namely Mr. Poon Yiu Kin, Samuel, Mr. Kang Yi and Mr. Zhang Zhuoyuan. Mr. Xiao Yaqing is Chairman and Chief Executive Officer ("CEO"). After due enquiry, the Board considered that Mr. Poon Yiu Kin, Samuel, Mr. Kang Yi and Mr. Zhang Zhuoyuan were independent pursuant to the guidelines set out in Rule 3.13 of the Hong Kong Listing Rules.

Each Director of the Board acted in the interests of the shareholders, and used his best endeavors to perform the duties and obligations as a director in accordance with all the applicable laws and regulations. Duties of the Board included: deciding on the Company's business plan and investment scheme, preparing the Company's profit distribution and loss recovery proposals, formulating the Company's capital operation proposals, and implementing resolutions approved at Shareholders' meetings etc.

The Chairman of the Board was responsible for ensuring that the Directors perform their duties and obligations and maintaining effective operation of the Board as well as ensuring discussion of all material matters on a timely basis. The Chairman has conducted interviews individually with each of the Non-executive Directors to understand their opinions and advice on the operation of the Company and the duties of the Board.

The Secretarial Office of the Board offered comprehensive services to the Directors and provided all the directors with sufficient information relating to the Company on a timely basis in order to enhance their understanding of the Company. It also effectively maintained communications with shareholders to ensure that the views of the shareholders reached the Board.

The Company has appointed a sufficient number of Independent Non-executive Directors with suitable professional qualifications, such as expertise in accounting or financial management, in accordance with the requirements of the Hong Kong Listing Rules. The Company's three Independent Non-executive Directors were independent. They are professionals with extensive experience in the respective fields of finance, resources and metallurgy. They have provided the Company with professional advice with respect to the steady operation and development of the Company. They have also provided supervision in safeguarding and coordinating the interests of the Company and its shareholders.

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Attendance of the independent non-executive directors at the Board meetings:

Name of independent non-executive director	Required attendance at Board meetings	Attendance in person <i>(number of times)</i>	Attendance by proxy <i>(number of times)</i>	Absence <i>(number of times)</i>
Poon Yiu Kin, Samuel	4	3	1	0
Kang Yi	4	4	0	0
Zhang Zhuoyuan	3	3	0	0

During the reporting period, the Independent non-executive Directors of the Company did not propose any objection to the proposed resolutions at board meetings and proposals of other meetings.

Other than their working relationships with the Company, none of the Directors, Supervisors or the senior management has any financial, business or family relationships or any relationships in other material aspects with each other.

Other than the service contract entered into by each of them, none of the Directors or the Supervisors has any personal and substantive interest, direct or indirect, in the material contracts entered into by the Company or any of its subsidiaries during 2007.

In 2007, the Company held four regular Board meetings, with an average attendance rate of 94.45% (including attendance by proxy), in which, Mr. Xiao Yaqing, Mr. Luo Jianchuan, Mr. Chen Jihua, Mr. Liu Xiangmin, Mr. Shi Chungui, Mr. Poon Yiu Kin, Samuel, Mr. Kang Yi and Mr. Zhang Zhuoyuan attended all meetings (including attendance by proxy). Details of the meetings were recorded by a designated officer, and all proposals approved in each meeting were passed as resolutions of the Board, which were recorded and stored electronically in accordance with relevant laws and regulations. The principal activities of the Board in 2007 were as follows:

- Review of the Company's annual business plan and budget;
- Review of the Company's annual and interim results reports;
- Review of annual profit distribution and final dividend distribution proposals;

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- Review of significant investments and merger/ acquisition activities;
 - Review of the Company's remuneration scheme for Directors, Supervisors and senior management etc.
- (3) On August 20, 2007, the Company convened the second meeting of the Third Session of the Board, considered and approved 9 proposals including 2007 interim report, 2007 interim dividend distribution plan and special dividend distribution plan, and amendments to the Articles of Association. Announcement of the resolutions was published in China Securities Journal, Shanghai Securities Post, Wen Wei Po and South China Morning Post on August 21, 2007.

Particulars of each board meetings in 2007 are as follows:

- (1) On March 10, 2007, the Company convened the 12th meeting of the Second Session of the Board, considered and approved a total of 15 resolutions including 2006 annual report, 2006 profit distribution plan and dividend distribution plan, 2007 production and financial plan, 2007 capital expenditure plan and financing plan, 2007 annual remuneration for Directors, Supervisors and Senior management, and director candidates for the Third Session of the Board. Announcement of the resolutions was published in Hong Kong Economic Times and South China Morning Post on March 11, 2007.
- (2) On May 18, 2007, the Company convened the first meeting of the Third Session of the Board, considered and approved 17 resolutions including the election of Chairman of the Third Session of the board, appointment of members of the special committees to the Board, appointment of senior management officers of the Company, and the specific Distribution Plan for 2006 final Dividend. Announcement of the resolutions was published in China Securities Journal, Hong Kong Economic Times and South China Morning Post on May 19, 2007.
- (4) On October 29, 2007, the Company convened the third meeting of the Third Session of the Board, considered and approved 3 proposals including 2007 third quarterly report, the acquisition of 49% equity interests in Lanzhou Aluminum He Wan Power Plant Limited from Aluminum Corporation of China by the Company, provision of guarantee for loans in favour of Jiaozuo Coal Group Zhaogu (Xinxiang) Energy Co., Ltd by the Company. Announcement of the resolutions was published in China Securities Journal and Shanghai Securities Post on October 30, 2007.

Implementation of Resolutions of the General Meetings by Directors:

During the reporting period, subject to provisions of the relevant laws and regulations and the Articles of Association, all members of the Board of the Company implemented resolutions approved by the general meetings and completed matters assigned by the general meeting.

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The major agendas of the half-year and annual Board meetings were determined in the previous year to ensure all Directors had the opportunity to propose the matters to be discussed at the meetings. Each board meeting were notified fourteen days before convening the meeting and the resolutions would be provided to the Directors ten days prior to the meeting, which gave them sufficient time to review the resolutions.

The Board attached great importance to the influence on the Company's development strategy arising from the changes of the external environment. In 2007, the Company seized opportunities and adjusted its development strategies, maintaining steady earnings against market changes.

The total remuneration, including the basic salary, performance-linked salary, incentive-linked salary and discretionary bonus of the Directors in 2007 amounted to RMB5.32 million. Independent Non-executive Directors were only entitled to receive director's fees but not other salaries or remuneration.

The remuneration of each Director for the year is set out on page 12.

As at December 31, 2007, no stock appreciation rights had been granted under the Stock Appreciation Rights Plan adopted by the Company.

Audit Committee

An Audit Committee has been established under the Board. The duties of the Audit Committee are mainly to review the Company's financial reports, consider the appointment of independent auditors and approve audit and audit-related services, and supervise the Company's internal financial reporting procedures and management policies.

The Committee comprised three Independent Non-executive Directors, namely Mr. Poon Yiu Kin, Samuel, Mr. Kang Yi and Mr. Zhang Zhuoyuan. Mr. Poon is the Chairman of the Committee.

The Audit Committee would annually hold at least two meetings to review the accounting policies, internal control and the relevant financial issues and connected transactions of the Group, so as to ensure completeness, fairness and accuracy of the Company's financial statements and other relevant information. In 2007, the Audit Committee held four meetings with an average attendance rate of 92% based on the current three members, of which, Mr. Poon Yiu Kin, Mr. Kang Yi and Mr. Zhang Zhuoyuan attended all the meetings.

In 2007, the Audit Committee reviewed the Company's annual and interim financial reports, considered the reports concerning the Company's internal control, and submitted its audit reports and related advice to the Board. Details of the meetings were recorded by a designated officer, and all resolutions passed at each meeting were recorded and stored electronically in accordance with relevant rules.

Members of the Audit Committee performed their duties diligently and provided suggestion in relation to the production operation and management of the Company from a fair and independent perspective.

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Remuneration Committee and Nomination Committee

A Remuneration and Nomination Committee has been established under the Board. At the first meeting of the Third Session of the Board held on May 18, 2007, Remuneration and Nomination Committee was divided into two committees, namely Remuneration Committee and Nomination Committee.

The Remuneration Committee consisted of one Executive Director and three Independent Non-executive Directors. Independent Directors, Mr. Kang Yi, Mr. Zhang Zhuoyuan and Mr. Poon Yiu Kin, Samuel and Executive Director, Mr. Chen Jihua, were the members of the Remuneration Committee under the Third Session. Mr. Kang Yi was the Chairman of the Committee. Duties of the Remuneration Committee include:

1. Review and discuss the Company's remuneration policies for Directors, supervisors and senior management;
2. Review operation results indicators and performance assessment management measures of Executive Committee;
3. Review and discuss the Company's remuneration and bonus policies for members of Executive Committee and senior management;
4. Provide advice on other material events regarding remuneration.

The Nomination Committee consisted of two Executive Directors and three Independent Non-executive Directors. Mr. Xiao Yaqing, Mr. Luo Jianchuan, Mr. Zhang Zhuoyuan, Mr. Kang Yi and Mr. Poon Yiu Kin, Samuel, were the members of the Nomination Committee of the Third Session. Mr. Xiao Yaqing was the Chairman of the Committee. Duties of the Nomination Committee included:

1. Discussing and recommending candidates for independent director of the Board;
2. Discussing and recommending members of the Board or other personnel to be candidates for members of the Special Committee;
3. Preparing the appointment management procedures and re-election plan for members of Executive Committee and senior management;
4. Providing advice to the appointment and dismissal of the members of Executive Committee and other senior management;
5. Providing advice to the appointment and dismissal of other personnel which is considered as material.

Meetings convened by the Remuneration and Nomination Committee and Nomination Committee in 2007 were as follows:

The eighth meeting of the Remuneration and Nomination Committee of the Second Session of the Board of the Company was held on March 10, 2007. All committee members attended the meeting at which proposals in relation to the nomination of candidates for Directors of the third session of the Company's Board and withdrawal of Directors, Supervisors and Senior Management's remuneration in 2007 were considered and approved, and relevant resolutions were passed.

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The first meeting of the Remuneration Committee of the third session of the Board was held on May 18, 2007. Apart from Mr. Chen Jihua who appointed Mr. Kang Yi to attend and exercise the voting right at absolute discretion on his behalf, all other committee members attended the meeting. The meeting mainly concerned the withdrawal of discretionary bonus of the Company's Directors, Supervisors and Senior Management, and the proposal in relation to liability insurance of the Company's Directors, Supervisors and Senior Management etc., and relevant resolutions were formulated.

The first and second meetings of the Nomination Committee of the third session of the Company's Board were held on May 18, 2007 respectively. All committee members attended the meeting. The first meeting mainly discussed proposals in relation to candidates for the Chief Executive Officer, President and Secretary of the Board of the Company etc., and relevant resolutions were formulated. The second meeting mainly discussed proposals concerning candidates for the Vice President, Chief Financial Officer, members of the Working Committee, Remuneration Committee of the Board, Audit Committee, Planning and Development Committee of the Company and so forth, and relevant resolutions were formulated.

Details of every meeting would be taken down by a professional recording secretary. All issues approved in the meetings were recorded and filed in compliance with relevant law and regulations.

Planning and Development Committee

A Planning and Development Committee has also been established under the Board. The Committee consists of executive Directors, Mr. Luo Jianchuan, Mr. Liu Xiangmin, vice President Mr. Ding Haiyan. Mr. Luo Jianchuan was Chairman of the Committee. Duties of the Committee included the review and evaluation of the Company's development, financial budget, investment, business operation and strategic plan of annual investment returns. The Planning and Development Committee has operated under its codes on procedures.

Supervisory Committee

The third session of Supervisory Committee of the Company consisted of three members, with one supervisor being elected from the staff as a representative of the employees. The Supervisory Committee was responsible for supervision of the Board and its members and senior management, in order to prevent them from abusing their authorities and violating the legal interests of shareholders, the Company and its staff. In 2007, the Supervisory Committee took initiatives by convening four meetings, at which the Committee reviewed the Company's financial position and legal compliance of corporate operations as well as work performance of the senior management.

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Information Disclosure and Disclosure Committee

Great importance is attached by the Company to the information disclosure on an accurate, timely, fair, just and transparent basis in compliance with the disclosure requirements of the Listing Rules. All discloseable information (including annual and interim results) were subject to the approval of the Company's Disclosure Committee with the CEO as its Chairman. For the purpose of disclosure of financial statements and the related information, the Chief Financial Officer ensured that the Company's results and financial position had been reflected on a true and fair basis under the relevant accounting principles and requirements.

General Meeting

General meeting is the highest authority of the Company. It provides a good opportunity for direct communications and building a sound relationship between the Board and the shareholders of the Company. Therefore, the Company attaches great importance to such meetings. In 2007, the Company convened five general meetings, one class meeting for holders of A shares and one H class meeting for holders of H shares, namely

2007 First Special General Meeting held at 10:00 a.m. on February 27, 2007;

2007 Second Special General Meeting held at 10:30 a.m. on February 27, 2007;

2006 Annual General Meeting held on May 18, 2007;

2007 Third Special General Meeting held on July 10, 2007;

2007 Fourth Special General Meeting held at 2:00 p.m. on October 12, 2007;

First Class Meeting for Holders of A Shares held at 2:30 p.m. on October 12, 2007; and

First Class Meeting for holders of H Shares held at 2:45 p.m. on October 12, 2007.

Above meetings were convened and held in the conference room of the Company, No. 62, North Xizhimen Street, Beijing. The meetings mainly considered and approved the following:

- the Report of the Directors, Report of Supervisory Committee and Consolidated Financial Report for 2007;
- the profit distribution and final dividend distribution proposals for 2007;
- the remuneration proposal of 2007 for the Company's Directors and Supervisors;
- the interim dividend distribution proposals and special dividend distribution proposals for 2007;
- re-election of the Directors and the Supervisors;
- the Issue of A shares and new A shares; and
- the issue of short-term corporate bonds and long-term bonds.

On the whole, all resolutions were approved with an approval average rate of 99.24%.

The Chairman of the Board chaired such general meetings and explained to the shareholders the procedures for voting before the shareholders considered and voted on each resolution. Some Directors also attended the General Meetings. Members of Audit Committee, Remuneration Committee and Nomination Committee had been informed to attend the meetings as observers.

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Particulars of each general meeting in 2007 are as follows:

- (1) At 10:00 a.m. on February 27, 2007, the Company convened the 2007 First Special General Meeting, considered and approved 5 proposals including the application of waiver limit of continuing connected transactions for the coming three years, the amendment to the Articles of Association and the issue of long-term corporate bonds. Announcement of the resolutions was published in Hong Kong Economic Times and South China Morning Post on February 28, 2007.
- (2) At 10:30 a.m. on February 27, 2007, the Company convened the 2007 Second Special General Meeting, considered and approved 4 proposals including the merger of Shandong Aluminum Industry Co., Ltd. and Lanzhou Aluminum Co., Ltd. with the Company by way of share exchange and the adjustment to the resolution of issuing domestic listing RMB-dominated ordinary shares passed at 2005 Annual General Meeting. Announcement of the resolutions was published in Hong Kong Economic Times and South China Morning Post on February 28, 2007.
- (3) At 10:00 a.m. on May 18, 2007, the Company convened the 2006 Annual General Meeting, considered and approved 11 proposals including Report of the Board, Report of the Supervisory Committee, the Audited Financial Statements, 2006 final profit distribution and dividend declaration proposals of the Company, election of directors of the third session Board, election of supervisors of the third session Supervisory Committee. Announcement of the resolutions was published in China Securities Journal, Hong Kong Economic Times and South China Morning Post on May 19, 2007.
- (4) At 9:00 a.m. on July 10, 2007, the Company convened the 2007 Third Special General Meeting, considered and approved 3 proposals including 2006 final dividend specific distribution proposals, buying the 2007-2008 liability insurance for the Directors, Supervisors and other senior management. Announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Hong Kong Economic Times and South China Morning Post on July 11, 2007.
- (5) At 2:00 p.m. on October 12, 2007, the Company convened the 2007 Fourth Special General Meeting, considered and approved 8 resolutions including the merger of Baotou Aluminum with the Company by way of share exchange through the issue of new A shares, the amendment to the Articles of Association, 2007 interim dividend distribution plan and special dividend distribution plan, and the adjustment to the waiver limit of connected transactions on mutual supply of products and services. Announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Wen Wei Po and The Standard on October 13, 2007.
- (6) At 2:30 p.m. on October 12, 2007, the Company convened the first class meeting for holders of A shares, considered and approved the resolutions on the merger of Baotou Aluminum Co., Ltd. with the Company by way of share exchange through issuing new A Shares. Announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Wen Wei Po and The Standard on October 13, 2007.

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(7) At 2:45 p.m. on October 12, 2007, the Company convened the first class meeting for holders of H shares, considered and approved 2 proposals including the merger of Baotou Aluminum Co., Ltd. with the Company by way of share exchange through issuing new A Shares and approving the application to the Securities and Futures Commission by Chinalco and the parties acting in concert with it for a Whitewash Waiver. Announcement of the resolutions was published in China Securities Journal, Shanghai Securities News, Wen Wei Po and The Standard on October 13, 2007.

Investor Relationships

The Company has established a designated department for investor relations, which is responsible for matters concerning investor relations and has formulated the "Investor Relations Management Measures" to regulate the relationships with the investors. The Company's management maintains close communications with investors, analysts and the media by various means including roadshows, individual interviews, meetings and investors' visits to the Company, thereby further increasing investors' recognition of the Company. In 2007, the Company arranged designated senior management to visit investors in two global roadshows, arranged five corporate visits for investors, arranged more than sixty visits to the Company by investors, and participated in thirteen investors' meetings arranged by investment banks. In addition, our investor relationships department is also responsible for answering investors' enquiries and replying mails on a timely basis.

As at December 31, 2007, the market capitalization of the Company's shares was RMB440.8 billion. For details of classes of shareholders and the total shareholding, please refer to page 25.

Qualified Accountant

In accordance with the waiver granted by the Stock Exchange of Hong Kong from strict compliance with Rule 3.24 of Hong Kong Listing Rules concerning the appointment of a qualified accountant of the Company, the Company has appointed Mr. Wang Jianhui (an associate member of the Association of Chartered Certified Accountants and a certified accountant of the Chinese Institute of Certified Public Accountants) to assist Mr. Chen Jihua in the discharge of his responsibilities as the Qualified Accountant under the Hong Kong Listing Rules.

Corporate Management and Internal Control

The Company convened unperiodic Working Committee Meetings, which were chaired by the Chairman of the Working Committee and attended by its members, and President Meetings, which were chaired by the senior management with attendants including department heads from the Company's headquarters. The Company's operation, implementation of investment projects and financial issues were considered and determined at such meetings. The Company's management including managers from branches, subsidiaries, associated companies and department heads from the headquarters convenes annual and interim work meetings in order to summarize and arrange works for a year and a half year. The meetings have facilitated coordination, communication and implementation of the Company's various operations.

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The Board and the senior management attached much importance to the establishment and improvement of the internal control system. In 2007, the Company has established and further improved its corporate internal control system in accordance with section 404 of the U.S. Sarbanes-Oxley Act .

In 2007, the Board conducted the reviews on the effectiveness of the system of internal control comprising financial control, operation control, compliance control and risk management functions.

The Company had established effective internal control system which was in compliance with the requirements of regulatory bodies in the international capital market, and had for the first time acquired from external auditors a report which certifies the double compliance in terms of the effectiveness of internal control and validity of the management's commentaries.

In 2007, with reference to the regulatory document on corporate governance of listed companies issued by regulatory bodies in the PRC, Hong Kong and Taiwan, the Company continued to perfect, optimize, testify and evaluate internal controls such as production and operation, financial management and information disclosure of the Company, in particular those relevant to financial reporting when the internal control system of the Company was still in effect.

— According to the standardized requirements for internal control, we had undergone reorganization and optimization of the established systems with regard to changes of internal and external operational environment of the Company. Tests were also conducted so as to ensure that the design and operation of the systems were effective and sustainable.

— The Company carried out restructuring with respect to two substantial defects in the computer control of the Company's internal control and had achieved the goal of creating an internal control system without substantial defects.

Auditor's remuneration

PricewaterhouseCoopers, Hong Kong, Certified Public Accountants, and PricewaterhouseCoopers Zhong Tian CPAs Limited Company were reappointed as the Company's independent auditor at the last Annual General Meeting for a term ended on the date of the next Annual General Meeting.

A remuneration of RMB39.50 million was paid to PricewaterhouseCoopers, Hong Kong, Certified Public Accountants, and PricewaterhouseCoopers Zhong Tian CPAs Limited Company. A remuneration of RMB28.50 million was paid for the audit and audit related services. A remuneration of RMB11 million was paid for the advisory services on SAP implementation project.

Directors' and Auditors' Acknowledgment

All directors acknowledge their responsibility for preparing the accounts for the year ended December 31, 2007.

For auditors' reporting responsibilities, please refer to the auditors' report.

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Compliance and Exemption of Corporate Governance Obligations Imposed by New York Stock Exchange

Based on its Listing Rules, New York Stock Exchange (“NYSE”) imposes a series of corporate governance standards for companies listed on the NYSE. However, NYSE has granted permission to listed companies of foreign private issuers to follow their respective “home country” practice and waivers for compliance with corporate governance standards. One of the conditions for such waiver is for the listed company to disclose in its annual report how the corporate governance practices in its “home country” differ from those followed by companies under NYSE listing standards.

The Company has compared the material corporate governance standards generally adopted by the companies incorporated in the PRC and the standards developed by NYSE, as follows:

A majority of Independent Directors

NYSE requires that the board of a listed company must comprise a majority of Independent Directors. There is no identical corporate governance requirement in the PRC. The Board of the Company currently comprises three Independent Directors and six directors which is in compliance with the requirement by the PRC securities regulatory authorities that the board of a listed company shall comprise at least one-third of independent directors.

Corporate Governance Committee

NYSE requires a listed company to establish a Corporate Governance Committee which comprises entirely of Independent Directors. The Corporate Governance Committee shall be co-established with the Nomination Committee and have a written charter. The Corporate Governance Committee is responsible (i) for recommending to the board a set of corporate governance guidelines applicable to the corporation; and (ii) supervising the operation of the Board and the management.

The Corporate Governance Committee shall also be subject to evaluation annually. Like most of the other companies incorporated in the PRC, the Company believes that corporate governance measures are of critical importance and should be implemented by the Board. The Company accordingly does not separately maintain a Corporate Governance Committee.