

## RISK OF FOREIGN EXCHANGE

The Group's revenues are primarily denominated in Renminbi ("RMB"). We use foreign currencies principally to purchase raw materials and equipment and to pay dividends on our H Shares. Because applicable foreign exchange regulations have already significantly reduced the Government's foreign exchange controls, we are able to make payments for current account transactions without prior approval from exchange control authorities. There is no assurance that such policies will continue.

However, our operations may be exposed to the effect of fluctuations in the exchange rates of RMB against other currencies. We believe that, since the price of domestic alumina is determined with reference to the price of imported alumina, the appreciation of the RMB will influence on the price fluctuation of the domestic aluminum market as well as affect prices in the domestic spot market of alumina and increase the Company's competition pressure in the international market. In respect of product cost, the appreciation of the RMB brings benefits to the import of raw materials, equipments and overseas investments.

## DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

In accordance with Articles 95 and 117 of the Company's Articles of Association, all Directors and Supervisors were appointed for a three-year term. At the expiry of the term of office, the term is renewable upon re-election. Members of the second Board of Directors and Supervisory Committee are:

Executive Directors:	Xiao Yaqing, Xiong Weiping, Luo Jianchuan, Chen Jihua
Non-executive Directors:	Shi Chungui, Joseph C. Muscari
Independent Non-executive Directors:	Poon Yiu Kin, Samuel, Wang Diansuo, Kang Yi
Supervisors:	Luo Tao, Yuan Li, Ou Xiaowu

Due to changes in work allocations, Mr. Xiong Weiping, an Executive Director, resigned from his office as a director of the Company on August 23, 2006. Mr. Zhang Chengzhong has been recommended as a candidate for the position of Executive Director of the Company previously assumed by Mr. Xiong, Mr. Zhang's appointment is subject to approval by the Special General Meeting to be held on October 13, 2006. Biographical details of Mr. Zhang are as follows:

Mr. Zhang Chengzhong, 46, is a Vice President of the Company and has been employed by the Company since 2001. Mr. Zhang obtained a Master's degree in Metallurgy Engineering. He is a professor-grade senior engineer with extensive experience in alumina production and research. Mr. Zhang previously served as the Deputy Director and then the Director of the alumina production facility in Shanxi Aluminum Plant of the Company, the Deputy Director and then the Director of the research institute affiliated with the Shanxi Aluminum Plant as well as the Deputy Director and then the Director of the Shanxi Aluminum Plant.

Due to changes in work allocations, Mr. Luo Tao, resigned from the position of Supervisor and the Chairman of the Supervisory Committee of the Company on August 23, 2006. Mr. Ao Hong has been recommended as a candidate for the position of a Supervisor and the Chairman of the Supervisory Committee of the Company previously assumed by Mr. Luo Tao. Mr. Ao's appointment is subject to approval by the Special General Meeting to be held on October 13, 2006. Biographical details of Mr. Ao are as follows:

Mr. Ao Hong, 45, is a Deputy General Manager of the Company. Mr. Ao graduated from Kunming University of Science and Technology and majored in Metallurgy. He is the holder of a Master's degree and is a professor-grade senior engineer with extensive experience in non-ferrous metals, corporate management, corporate governance and internal control. Mr. Ao previously served as the engineer, senior engineer, Head of General Office and Vice Chairman of Beijing General Research Institute for Non-ferrous Metals, the Chairman of GRINM Semiconductor Materials Co., Ltd., Guorui Electronic Materials Co., Ltd., Beijing Guojing Infrared Optical Technology Co., Ltd., Guowei Silver Anticorrosive Materials Company and Guo Jing Micro-electronic Holdings Ltd. in Hong Kong.

Due to changes in work allocations, Mr. Ou Xiaowu resigned from the position of Supervisor of the Supervisory Committee of the Company on August 23, 2006. Mr. Zhang Zhankui has been recommended as a candidate for the position of a Supervisor of the Supervisory Committee of the Company previously assumed by Ou Xiaowu, Mr. Zhang's appointment is subject to approval by the Special General Meeting to be held on October 13, 2006. Biographical details of Mr. Zhang are as follows:

Mr. Zhang Zhankui, 47, is the deputy head of the finance department of the Company. Mr. Zhang is a postgraduate of economic management and a senior accountant. He has extensive experience in corporate finance accounting, fund management, auditing and business management. Mr. Zhang previously served as the head of finance department and then the head of audit department of China General Design Institute for Non-ferrous Metals, Deputy General Manager of Beijing Enfei Techindustry Group, head of accounting division of finance department and deputy head of finance department of China Copper and Zinc Holdings Company, manager of listing fund and finance department and head of fund division of finance department of Chalco and manager of comprehensive division of finance department of the Company.

## **EMPLOYEES, PENSION PLANS AND WELFARE FUND**

The Group had approximately 86,200 employees (including those of controlling subsidiaries) as of June 30, 2006. The remuneration package of the employees includes wages, bonuses and allowances. Employees also receive welfare benefits including medical care, housing subsidies, child care and education, retirement and other miscellaneous items. In accordance with the applicable PRC regulations, the Group currently joins pension contribution plans organized by provincial and municipal governments, under which each of the Group's plants is required to contribute to the pension fund an amount equal to a specified percentage of the sum of its employees' salaries, bonuses and various allowances. The amount of contribution as a percentage of the employees' salary varies around 20% from plant to plant, depending in part on the location of the plant and the average age of the employees. The Company had not paid retirement benefits to its employees by the end of June 30, 2006.