

Significant Events

(1) Corporate Governance

The Company has strictly complied with the requirements of the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, relevant provisions of China Securities Regulatory Commission and Shanghai Stock Exchange Listing Rules and seriously performed its corporate governance obligations in line with the requirements of relevant documents issued by China Securities Regulatory Commission.

During the reporting period, pursuant to the newly revised Company Law of the PRC, Securities Law of the PRC, and the Notice on Strengthening the Corporate Governance Activities of Listed Company, the Company self-examined its corporate governance, and formulated and published the "Self-examination Report and Reform Plan Announcement" and at the same time, revised some of the rules with a view to further improving its corporate governance. For details, please refer to China Securities Journal and Shanghai Securities News dated on July 11, 2007 and China Securities Journal and Shanghai Securities News dated on December 27, 2007.

Since its inception, the Company has been completely independent from its controlling shareholder in terms of business, staff, assets, organisation and finance. The Company has independent and complete business and has the ability to operate on its own.

(2) Material acquisitions

i. Mergers by acquisition of Lanzhou Aluminum and Baotou Aluminum

On April 24, 2007, the Company issued 631.93 million A shares and completed the merger of Lanzhou Aluminum by way of share exchange. The total purchase cost of the transaction was determined at RMB4,324 million and the fair asset value was RMB2,400 million. As a result of the share exchange and merger of Lanzhou Aluminum, the Company recorded an increase of RMB632 million in share capital, an increase of RMB3,632 million in capital reserve, and recognized RMB1,924 million of goodwill.

Significant Events *(Continued)*

On December 28, 2007, the Company issued 637.88 million new A Shares and completed the merger of Baotou Aluminum with the Company by way of share exchange.

ii. Acquisition of minority Interest

On April 24, 2007, the Company issued 604.80 million A shares and completed the merger of the subsidiary Shandong Aluminum by way of share exchange. The total purchase cost was determined at RMB4,079 million. As a result of the share exchange and merger of Shandong Aluminum, the Company recorded an increase of RMB605 million in share capital.

On November 23, 2007, the Company acquired 49% minority interest in its subsidiary Hewan Power Plant with RMB497 million in cash.

iii. Acquisition of equity interests in fabrication plants and primary aluminum production plant subsequent to the reporting period

On March 17, 2008, the Board of the Company passed a resolution for approving the proposed acquisition of the respective equity interests in five aluminum fabrication plants and one primary aluminum plant from Chinalco by way of open tender at the China Beijing Equity Exchange, detailed as follows:

Aluminum fabrication plants	Percentage held by Chinalco and to be bid for by the Company
("Target Companies")	("Target Equity")
Huaxi Aluminum Company Limited ("Huaxi Aluminum")	56.86%
Chinalco Ruimin Co., Ltd. ("Chinalco Ruimin")	75%
Chinalco Southwest Aluminum Cold Rolling Company Limited ("CSWA Cold Rolling Co., Ltd.") (under construction)	100%
Chinalco Southwest Aluminum Cold Rolling Company Limited ("Chinalco SW Aluminum")	60%
Chinalco Henan Aluminum Company Limited ("Henan Aluminum")	84.02%
<hr/>	
Primary Aluminum Plant	
Lanzhou Liancheng Longxing Aluminum Company Limited ("Longxing Aluminum")	100%

Significant Events *(Continued)*

Table showing the aluminum fabrication capacities of each of the aluminium fabrication plants of the Target Companies:

Aluminum Fabrication Plants	Annual Production Capacity (tonnes)
Huaxi Aluminum	16,000
Chinalco Ruimin	120,000
CSWA Cold Rolling Co., Ltd. (under construction)	250,000
Chinalco SW Aluminum	350,000
Henan Aluminum	355,000

The Company will bid in an open tender process at China Beijing Equity Exchange for the transfer of the respective Target Equity Interests in the Target Companies from Chinalco (the "Transfer"). By reason of the tender conditions, the Board considers that the Company will have a good chance of success in the open tender process. The total consideration for the Transfer will not exceed RMB 4,180 million (or approximately HK\$4,460 million). If the Company is successful in the bidding, the acquisition agreement in relation to the proposed Transfer will be entered into between the Company and Chinalco (the "Acquisition Agreement").

As Chinalco is the controlling shareholder of the Company holding, directly and indirectly, approximately 41.78% of the issued share capital of the Company, the Transfer will also constitute a connected transaction for the Company under the Hong Kong Listing Rules and will be subject to the reporting and announcement requirements and approval of the independent shareholders requirements at the general meeting. Chinalco and its associates will abstain from voting in respect of the resolution for approval of the Transfer at the general meeting.

(3) Trust arrangement

The Company had no affairs on trust during the reporting period.

(4) Sub-Contracting

The Company had no sub-contracting arrangement during the reporting period.

Significant Events *(Continued)*

(5) Guarantees

In 2004, the Company and China Construction Bank, Shanxi Aluminum Plant Subbranch entered into a Guarantee Contract, whereby the Company provided several responsibility guarantee for the loan of RMB1.17 billion made to Shanxi Huaze, a subsidiary controlled by the Company. The guarantee would expire following two years upon the expiry of the debt performance period under the principal contract. The Company entered into a guarantee contract with China Construction Bank, Xigu Branch, China Development Bank, Gansu Branch and Industrial and Commercial Bank of China, Xigu Branch respectively, whereby the Company provided guarantee for the loan of RMB917 million made to Lanzhou Aluminum Hewan Power Generation Company, a subsidiary controlled by the Company.

Save as the aforesaid, there was no any other external guarantee provided by the Company.

(6) Fund Management

There was no fund under the management of third parties during the reporting period.

(7) Performance of undertakings

The undertakings made by the Company or its shareholders holding 5% or more of interest during or subsisting to the reporting period are as follows:

As at the end of the reporting period, the Company's undertakings principally relate to the non-competition undertakings of Chinalco including:

1. the Company plans to acquire from Chinalco its aluminum fabrication business when the market condition is mature and under circumstances favorable to the Company and to acquire the pseudo-boehmite business from Chinalco within one year following the issuance of the Company's A shares;
2. the undertaking to acquire the primary aluminum business of Liancheng Aluminum by the end of 2007;
3. the undertaking to solve the competition with Tongchuan Xinguang within one year following the listing of the Company's A shares; and
4. the undertaking to merge the primary aluminum business of Baotou Aluminum as and when appropriate following the issuance of the Company's A shares.

In respect of the above undertakings, the Company is in the process of duly completing the matters undertaken within the time limit. It has started relevant work for acquisition of the primary aluminum business of Liancheng Aluminum and completed the share exchange with Baotou Aluminum (see announcement on March 18).

Significant Events *(Continued)*

As at the end of the reporting period, the undertakings of Chinalco, the controlling shareholder of the Company, mainly included:

1. the undertaking to avoid competition, i.e., following the listing of the Company's A shares on the Shanghai Stock Exchange, Chinalco will inject quality aluminum assets (including but not limited to assets and equity interests of aluminum smelting and processing businesses) as and when appropriate into the Company to facilitate the further improvement of the Company's industry chain; and
2. in addition to an undertaking to voluntarily lock-up for three years in respect of the shares held by Chinalco in the Company upon the listing of the Company's A shares, the undertaking that within 3 months following the listing of the Company's A shares on the Shanghai Stock Exchange, should the Company's A shares trade below the share exchange price of RMB6.60 per share, Chinalco will increase its shareholding in the tradable A shares of the Company by way of competing bid through the Shanghai Stock Exchange until the total quantity of increase reaches 30% of the newly issued tradable A shares pursuant such share exchanges and mergers. During the 12 months following completion of the shareholding increase, Chinalco will not

dispose of any of the tradable A shares of the Company acquired, and will make the relevant information disclosure. In respect of the first undertaking, no violation of such undertaking by Chinalco has been identified by the Company and in respect of the second undertaking, no A shares in the Company had to be acquired by Chinalco during the undertaking period.

(8) Punishments and rectifications involved by listed companies and its directors, supervisors, senior management, shareholders, and de facto controller

During the reporting period, the Company and its directors, supervisors, senior management, shareholders, and de facto controller were not under any investigation, administrative punishment, public criticisms from CSRC and public censures from stock exchanges.