

## *Report of the Supervisory Committee*

**Dear Shareholders,**

On behalf of the second session of the Supervisory Committee of Aluminum Corporation of China Limited, I would like to submit to the Annual General Meeting a report on the work of the Supervisory Committee in the past year.

The second session of the Supervisory Committee was approved to be set up at the Annual General Meeting held on June 7, 2004. Three supervisors of the first session of the Supervisory Committee were re-appointed. At Extraordinary General Meeting held on August 23, 2006, Mr. Ao Hong and Mr. Zhang Zhankui were elected as supervisors for the Supervisory Committee of this session. Then existing supervisors, namely Mr. Luo Tao and Mr. Ou Xiaowu resigned for work reason.



**Mr. Ao Hong**  
*Chairman of  
the Supervisory Committee*

### **1. Meeting Convened During the Reporting Period**

The fourth plenary conference of the second session of the Supervisory Committee was held on March 13, 2006, at which the 2005 Report of the Supervisory Committee, the 2005 Financial Report and the 2005 Profit Distribution Plan, etc., were approved.

The fifth plenary conference of the second session of the Supervisory Committee was held on August 23, 2006, at which the interim results report of 2006 were passed.

### **2. Principal duties of the Supervisory Committee**

The Supervisory Committee will carry on its work, perform its duties and focus on a number of issues, such as how to adapt to the Company's continuous development, how to enhance its operating transparency and standardization, how to build the Group's corporate credible image in the capital market, how to effectively protect interests of investors, especially interests of minor investors, how to further improve the Group's corporate governance structure.

The Supervisory Committee is responsible for the supervision over the Board of Directors and its members and the senior management, and for preventing them from abusing their power and authorities and jeopardizing the legal interests of the shareholders, the Company and its staff.

## *Report of the Supervisory Committee (Continued)*

In 2006, the Supervisory Committee mainly carried out the following work:

### **1. Inspection of Implementation of Resolutions of the General Meetings**

Members of the Supervisory Committee attended each of the general meetings and Board meetings as observers. No objection has been made to the reports and proposals submitted by the Board to the general meetings for consideration. The Supervisory Committee exercised supervision and inspection on implementation of the general meetings' resolutions by the Board, the Directors and the senior management. The Supervisory Committee is of the opinion that the Directors and management of the Company have diligently performed their duties in compliance with resolutions of the general meetings. The Company has also held a view of comprehensive and scientific development to modify the growth measures and improve its structural arrangement, and it has captured the opportunity of high demand in the product market in order to increase the production and profit steadily. No violation of any laws or regulations or Articles of Association nor any act which jeopardizes the interests of the Company and shareholders up to present has been found in the conduct of the Company's Directors and the management.

### **2. Inspection of Legal Compliance of the Company's Operations**

The Supervisory Committee exercised supervision on a regular basis over the legal compliance and rationality of the Company's operation and management. It has also exercised supervision over work performance of the Company's Directors and senior management. The Supervisory Committee is of the opinion that the Company's operation is sound and rational, and is in compliance with all applicable laws, regulations and rules. The members of the Board and senior management of the Company have faithfully performed their duties with diligence, and accomplished the duties imposed by the shareholders.

### **3. Inspection of the Company's Daily Operating Activities**

The Supervisory Committee exercised supervision over the Company's operating activities. The Supervisory Committee is of the opinion that the Company has established an improved internal control system, and has made great progress in the formulation and implementation of its internal work procedures, and thus effectively controlled its exposure to various operating risks. The Company's operation is in compliance with the PRC laws and regulations, Articles of Association and its internal work procedures.

#### **4. Inspection of the Company's Financial Position**

The Supervisory Committee verified cautiously the Group's 2006 final financial statements, and supervised and inspected the Company's implementation of relevant financial policies and legislation as well as details on the Company's assets, financial income and expenditure and connected transactions. It is of the opinion that the operating results achieved by the Company were true, the expenses were reasonable and all the connected transactions were entered into on a fair basis. Information on the significant events of the Company over the past year has been disclosed in accordance with relevant regulations. No act which jeopardizes the interests of the Company was discovered. The Supervisory Committee approved the Company's financial audit report presented by PricewaterhouseCoopers, the international auditors.

#### **5. Inspection of the Use of Proceeds**

The Supervisory Committee exercised inspection over the use of the proceeds raised. After the Company received proceeds raised from the listing of its stocks and the additional share offer, the Board has kept its undertakings as stated in the Prospectus, and has effectively used the proceeds in a manner responsible to the shareholders. The use of proceeds recorded satisfactory performance. The Supervisory Committee is of the opinion that up to the present, the construction and merger and acquisition projects have been implemented in accordance with the contents and progresses that have been approved. The above projects have contributed income and profit to the Company.

Confronted by the intensive competition in the aluminum industry and the changing market, the Company is facing various competitive pressures and development opportunities. In order to protect the legal interests of the Company and shareholders, the Supervisory Committee will continue to faithfully perform its duties and enhance its supervision in order for Chalco to better perform and become a stronger player in the increasingly competitive landscape.

By Order of the Supervisory Committee

**Ao Hong**

*Chairman of the Supervisory Committee*

Beijing, PRC  
March 10, 2007