

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Bank of China Limited** (中國銀行股份有限公司), you should at once hand this circular and the accompanying proxy form, reply slip for the Annual General Meeting and, if applicable, the 2007 Annual Report to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3988)

Annual General Meeting

A notice convening the Annual General Meeting of Bank of China Limited to be held at Central Garden Hotel, No. 18 Gaoliangqiaoxiejie, Xizhimenwai Ave., Haidian District, Beijing, the People's Republic of China and at Island Ballroom, Island Shangri-La, Hong Kong, Level 5, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 19 June 2008 at 3:00 p.m. (registration will begin at 2:00 p.m.) is set out in pages 6 to 8 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice of the Annual General Meeting and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon. For H-Share Holders, the proxy form should be returned to the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited, and for A-Share Holders, the proxy form should be returned to the Bank's Board Secretariat in person or by post as soon as possible but in any event not less than 24 hours before the time stipulated for convening the Annual General Meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending, and voting at, the Annual General Meeting or at any adjourned meeting if you so wish.

If you intend to attend the Annual General Meeting in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited (for H-Share Holders) or to the Bank's Board Secretariat (for A-Share Holders) before Friday, 30 May 2008.

CONTENTS

	<i>Page</i>
DEFINITIONS	2
LETTER FROM THE BOARD	4
NOTICE OF ANNUAL GENERAL MEETING	6
APPENDIX I BUSINESS OF THE ANNUAL GENERAL MEETING	9
APPENDIX II 2007 PERFORMANCE APPRAISAL AND BONUS PLANS FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE EXECUTIVE DIRECTORS, THE CHAIRMAN OF THE BOARD OF SUPERVISORS AND THE SUPERVISORS	12
APPENDIX III DUTY REPORT OF INDEPENDENT DIRECTORS	14

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A-Shares”	domestic shares of RMB1.00 each in the share capital of the Bank which are listed on the Shanghai Stock Exchange (stock code: 601988)
“A-Share Holder(s)”	holder(s) of A-Shares
“AGM” or “Annual General Meeting”	the annual general meeting of the Bank to be held at Central Garden Hotel, No. 18 Gaoliangqiaoxiejie, Xizhimenwai Ave., Haidian District, Beijing, the PRC and at Island Ballroom, Island Shangri-La, Hong Kong, Level 5, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 19 June 2008 at 3:00 p.m. (registration will begin at 2:00 p.m.)
“Annual Caps”	the proposed annual caps for the three financial years ending 31 December 2010 in respect of the Continuing Connected Transactions
“Bank”	Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC and the H-Shares and A-Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Board” or “Board of Directors”	the board of Directors of the Bank
“BOCHK Group”	BOC Hong Kong (Holdings) Limited and its subsidiaries
“PRC Company Law”	the Company Law of the People’s Republic of China (as amended from time to time)
“Continuing Connected Transactions”	the Investment Connected Transactions and the Inter-bank Connected Transactions
“Director(s)”	the director(s) of the Bank
“Group”	the Bank and its subsidiaries
“H-Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars (stock code: 3988)
“H-Share Holder(s)”	holder(s) of H-Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Independent Non-executive Director(s)” or “Independent Director(s)”	the independent non-executive Director(s) of the Bank
“Inter-bank Connected Transactions”	the continuing connected transactions as set out in the section headed “Particulars of the Continuing Connected Transactions – Inter-bank Connected Transactions” contained in the letter from the Board of the circular of the Bank dated 22 February 2008
“Investment Connected Transactions”	the continuing connected transactions as set out in the section headed “Particulars of the Continuing Connected Transactions – Investment Connected Transactions” contained in the letter from the Board of the circular of the Bank dated 22 February 2008
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

LETTER FROM THE BOARD



(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3988)

Board of Directors:

Mr. XIAO Gang (*Chairman*)
Mr. LI Lihui (*Vice-chairman and President*)
Mr. LI Zaohang
Mr. ZHOU Zaiqun
* Mr. ZHANG Jinghua
* Mdm. HONG Zhihua
* Mdm. HUANG Haibo
* Mr. CAI Haoyi
* Mr. WANG Gang
* Mr. LIN Yongze
* Sir Frederick Anderson GOODWIN
* Mr. SEAH Lim Huat Peter
** Mr. Anthony Francis NEOH
** Mr. Alberto TOGNI
** Mr. HUANG Shizhong
** Mdm. HUANG Danhan

* *Non-executive Directors*

** *Independent Non-executive Directors*

Registered Office:
No. 1 Fuxingmen Nei Dajie
Xicheng District
Beijing 100818
PRC

Place of Business in Hong Kong:
8th Floor
Bank of China Tower
1 Garden Road
Hong Kong

30 April 2008

Dear H-Share Holders,

1. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at Central Garden Hotel, No. 18 Gaoliangqiaoxiejie, Xizhimenwai Ave., Haidian District, Beijing, the PRC and at Island Ballroom, Island Shangri-La, Hong Kong, Level 5, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 19 June 2008 at 3:00 p.m.

The purpose of this circular is to provide you with the notice of the AGM and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

2. BUSINESS TO BE CONSIDERED AT THE AGM

The items of business to be considered at the AGM are described in detail in the notice of the AGM set out in pages 6 to 8 of this circular. At the AGM, ordinary resolutions will be proposed to approve the (i) 2007 Annual Report; (ii) 2007 Working Reports of the Board of Directors and the Board of Supervisors; (iii) 2007 Annual Financial Statements; (iv) 2008 Annual Budget; (v) 2007 Profit Distribution Plan; (vi) re-appointment of external auditors and their audit fees; (vii) re-election of Sir Frederick Anderson GOODWIN as a Non-executive Director; (viii) 2007 Performance Appraisal and Bonus Plans for the Chairman of the Board of Directors, the Executive Directors, the Chairman of the Board of Supervisors and the Supervisors; (ix) Remuneration Adjustment Scheme for the Non-executive Directors; (x) the Continuing Connected Transactions between the Bank and BOCHK Group and the Annual Caps; and a special resolution will be proposed to consider and approve the Bank's proposal regarding the issue of Renminbi-denominated bonds in Hong Kong for an amount not exceeding RMB7 billion.

In order to enable you to have a better understanding on the resolutions to be proposed at the AGM and to make an informed decision thereof, we have provided in this circular background information to the resolutions to be proposed at the AGM (see Appendix I), 2007 Performance Appraisal and Bonus Plans for the Chairman of the Board of Directors, the Executive Directors, the Chairman of the Board of Supervisors and the Supervisors (see Appendix II), and the Duty Report of the Independent Directors (see Appendix III).

LETTER FROM THE BOARD

3. THE AGM

The proxy form and the reply slip of the AGM are also enclosed.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the enclosed proxy form in accordance with the instructions printed thereon. For H-Share Holders, the proxy form should be returned to the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited, and for A-Share Holders, the proxy form should be returned to the Bank's Board Secretariat in person or by post as soon as possible but in any event not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending, and voting at, the AGM or at any adjourned meeting if you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited (for H-Share Holders) or to the Bank's Board Secretariat (for A-Share Holders) before Friday, 30 May 2008.

The Bank's Board Secretariat is located at Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, the People's Republic of China (Telephone: (8610) 6659 4567 or (8610) 6659 2756, Fax: (8610) 6659 4579). The Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited, is located at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8633).

4. VOTING BY POLL

According to article 96 of the Bank's Articles of Association, resolutions at a shareholders' general meeting shall be decided by show of hands unless requested by the listing rules of the place where the Bank's shares are listed or a poll is demanded before or after any vote on a show of hands. A poll may be demanded by:

- (i) the Chairman of the meeting; or
- (ii) at least two shareholders entitled to vote, present in person or by proxy; or
- (iii) one or more shareholders present in person or by proxy holding individually or jointly 10% (inclusive) or more of the shares carrying the right to vote at the meeting.

By virtue of the Hong Kong Listing Rules, the votes for approving the resolutions in respect of the Continuing Connected Transactions are required to be taken by way of a poll. Meanwhile, as a good corporate governance practice, the Chairman of the AGM has indicated that he would direct that each of the other resolutions set out in the notice of the AGM be voted on by poll. Results of the poll voting will be published on the Bank's website at www.boc.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.

5. RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that the Continuing Connected Transactions and the Annual Caps have been entered into in the ordinary and usual course of the Group's business, on normal commercial terms, are fair and reasonable and are in the interests of the Bank and its shareholders as a whole. The Board also considers that all the other resolutions proposed for consideration and approval by the shareholders at the AGM are in the best interests of the Bank and its shareholders as a whole. Accordingly, the Board recommends shareholders to vote in favour of all the proposed resolutions.

Yours faithfully,
By order of the Board
Bank of China Limited
XIAO Gang
Chairman

NOTICE OF ANNUAL GENERAL MEETING



(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3988)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Bank of China Limited (the "Bank") will be held at Central Garden Hotel, No. 18 Gaoliangqiaoxiejie, Xizhimenwai Ave., Haidian District, Beijing, the People's Republic of China and at Island Ballroom, Island Shangri-La, Hong Kong, Level 5, Pacific Place, Supreme Court Road, Central, Hong Kong on Thursday, 19 June 2008 at 3:00 p.m. (registration will begin at 2:00 p.m.) for the purpose of considering the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the 2007 Annual Report of the Bank.
2. To consider and approve the 2007 Working Report of the Board of Directors of the Bank.
3. To consider and approve the 2007 Working Report of the Board of Supervisors of the Bank.
4. To consider and approve the 2007 Annual Financial Statements of the Bank.
5. To consider and approve the 2008 Annual Budget of the Bank.
6. To consider and approve the 2007 Profit Distribution Plan of the Bank.
7. To consider and approve the re-appointment of PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers as the external auditors of the Bank and their audit fees for 2008.
8. To consider and approve the re-election of Sir Frederick Anderson GOODWIN as a Non-executive Director of the Bank.
9. To consider and approve the 2007 Performance Appraisal and Bonus Plans for the Chairman of the Board of Directors, the Executive Directors, the Chairman of the Board of Supervisors and the Supervisors of the Bank.
10. To consider and approve the Remuneration Adjustment Scheme for the Non-executive Directors of the Bank.
11. To consider and approve the Continuing Connected Transactions between the Bank and BOCHK Group and the Annual Caps. ^{Note 2}
12. To consider the Duty Report of Independent Directors of the Bank. ^{Note 3}

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

13. To consider and approve the resolution in relation to the issue of Renminbi-denominated bonds in Hong Kong for an amount not exceeding RMB7 billion and the authorization of the Board of Directors to finalize and deal with all related matters.

"It is proposed to approve the Bank to issue bonds denominated in Renminbi on the following principal terms and authorise the Board of Directors to finalize the terms of such issues including the timing of the issue, the issue size, the term and the interest rate, as well as the execution of all related documentations.

- (a) Issue size

Taking into account the total amount of Renminbi-denominated deposit in Hong Kong and the development of Hong Kong bond market, the issue size will not exceed RMB7 billion.

- (b) Term

In accordance with investment preference of Hong Kong investors and the utilization of the Bank's funds, the term will not exceed three years.

- (c) Interest rate

The nominal rate of the Renminbi-denominated bonds will be determined by reference to the level of Renminbi deposit rate on the Chinese mainland and Hong Kong and the level of bond yield in the relevant bond market, and will be finalized by reference to the term of the bonds and prevailing market conditions."

By Order of the Board
YEUNG Cheung Ying
Company Secretary

30 April 2008

Notes:

1. Details of the above resolutions are set out in Appendix I of this circular. The 2007 Performance Appraisal and Bonus Plans for the Chairman of the Board of Directors, the Executive Directors, the Chairman of the Board of Supervisors and the Supervisors, and the Duty Report of the Independent Directors are set out in Appendices II and III of this circular respectively.
2. Details of the Continuing Connected Transactions between the Bank and BOCHK Group and the Annual Caps are set out in the circular despatched to the H-Share Holders of the Bank on 22 February 2008. That circular can also be viewed and downloaded from the Bank's website at www.boc.cn or the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.
3. Pursuant to the requirements under the Rules of Shareholders' Meeting of Listed Companies of the China Securities Regulatory Commission, independent directors shall issue a duty report at the annual general meeting. Such report will be submitted to shareholders for consideration but not for shareholders' approval. The Duty Report of Independent Directors of the Bank is set out in Appendix III of this circular for shareholders' information.
4. **The Board of Directors of the Bank has recommended a final dividend of RMB0.10 per share for the year ended 31 December 2007 and, if such dividend is declared by the shareholders passing Resolution No. 6, it is expected to be paid on or about Tuesday, 8 July 2008 to those shareholders whose names appear on the Register of Members of the Bank on Thursday, 26 June 2008. The Register of Members will be closed from Saturday, 21 June 2008 to Thursday, 26 June 2008 (both days inclusive).** In order to be entitled to the dividend, H-Share Holders who have not registered the transfer documents are required to deposit the transfer documents together with the relevant share certificates at the H-Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on Friday, 20 June 2008.

NOTICE OF ANNUAL GENERAL MEETING

5. According to article 96 of the Bank's Articles of Association, resolutions at a shareholders' meeting shall be decided by show of hands unless requested by the listing rules of the place where the Bank's shares are listed or a poll is demanded before or after any vote on a show of hands. A poll may be demanded by (i) the Chairman of the meeting; or (ii) at least two shareholders entitled to vote, present in person or by proxy; or (iii) one or more shareholders present in person or by proxy holding individually or jointly 10% (inclusive) or more of the shares carrying the right to vote at the meeting.

By virtue of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the votes for approving the resolutions in respect of the Continuing Connected Transactions are required to be taken by way of a poll. Meanwhile, as a good corporate governance practice, the Chairman of the Annual General Meeting has indicated that he would direct that each of the other resolutions set out in the notice of the Annual General Meeting be voted on by poll.

6. Any shareholder entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a shareholder of the Bank.
7. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, should be completed and deposited at the Bank's Board Secretariat (for A-Share Holders) or the H-Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited (for H-Share Holders), at least 24 hours before the Annual General Meeting or any adjourned meeting thereof. The Bank's Board Secretariat is located at Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, the People's Republic of China. Computershare Hong Kong Investor Services Limited is located at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of a proxy form will not preclude a shareholder from attending in person and voting at the Annual General Meeting or any adjournment thereof should he/she so wish.
8. **The H-Share Register of Members of the Bank will be closed, for the purpose of determining shareholders' entitlement to attend the Annual General Meeting, from Tuesday, 20 May 2008 to Thursday, 19 June 2008 (both days inclusive), during which period no transfer of shares will be registered. In order to attend the Annual General Meeting, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 19 May 2008. A-Share Holders whose names appear on the Register of Members maintained by the Shanghai branch of China Securities Depository and Clearing Corporation Limited and H-Share Holders whose names appear on the Register of Members maintained by Computershare Hong Kong Investor Services Limited as at the close of market on Wednesday, 11 June 2008, will be eligible to attend the Annual General Meeting.**
9. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the Register of Members of the Bank in respect of the joint shareholding.
10. Shareholders who intend to attend the Annual General Meeting in person or by proxy should return the reply slip for the Annual General Meeting to the Board Secretariat of the Bank (for A-Share Holders) or the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited (for H-Share Holders), by hand, by post or by fax before Friday, 30 May 2008. The address of the Bank's Board Secretariat is Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, the People's Republic of China (Telephone: (8610) 6659 4567 or (8610) 6659 2756, Fax: (8610) 6659 4579). Computershare Hong Kong Investor Services Limited is located at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8633).
11. The Annual General Meeting is expected to last for about half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses. Shareholders or their proxies shall produce their identity documents.

1. 2007 ANNUAL REPORT

The results of the Group for the year ended 31 December 2007 are set out in the Bank's 2007 Annual Report. The report is available in English and Chinese and may be downloaded from the Bank's website at www.boc.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. You may also obtain a copy of the report (in English or Chinese or both) free of charge from the Bank's H-Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

If you have any queries about how to obtain copies of the report or how to access those documents on the Bank's website, please call the Bank's enquiry hotline at (852) 2862 8633.

2. 2007 WORKING REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS

According to the requirements of the *PRC Company Law*, the working reports of the Board of Directors and the Board of Supervisors should be approved by shareholders. Pursuant to the *Rules of Shareholders' Meeting of Listed Companies of the China Securities Regulatory Commission*, the Board of Directors and the Board of Supervisors should each issue a report with respect to their work in the preceding year at annual shareholders' meeting. The Bank's 2007 Working Report of the Board of Directors is set out in relevant sections of its 2007 Annual Report. The Bank's 2007 Working Report of the Board of Supervisors is set out in the "Report of the Board of Supervisors" in its 2007 Annual Report.

3. 2007 ANNUAL FINANCIAL STATEMENTS

The Bank's 2007 Annual Financial Statements are set out in the Audited Financial Statements as contained in the 2007 Annual Report of the Bank.

4. 2008 ANNUAL BUDGET

According to the integrated development strategy and business development requirements, the fixed assets investment budget of the Bank in 2008 is RMB15.45 billion. Details are as follows:

Item (Unit: RMB100 million)	Group		Domestic Operations		Overseas Operations	
	Amount in 2007	Budget for 2008	Amount in 2007	Budget for 2008	Amount in 2007	Budget for 2008
Investment on IT Application/ Electronic Equipment	62.4	70.4	49.7	56.9	12.7	13.5
<i>Include: IT Blueprint</i>	20.5	19.3	20.5	19.3	–	–
Office Building	32.4	63.1	28.3	49.5	4.1	13.6
Operating Facility	16.0	14.0	11.0	11.6	5.0	2.4
Transportation Vehicle	1.8	7.0	1.6	6.0	0.2	1.0
Total	112.6	154.5	90.6	124.0	22.0	30.5

(1) The fixed assets budget for domestic operations is RMB12.4 billion, which includes:

- (i) The budget of electronic equipments is RMB5.69 billion which includes expenditures on IT blueprint, application system and electronic equipments, ATM and self-service equipments, bank card equipments, and campus card items. The budget of investment on IT blueprint is RMB1.93 billion which mainly includes expenditures on electronic equipments, software, and the infrastructure construction of MIS center.
- (ii) The budget of office buildings is RMB4.95 billion which includes expenditure of RMB2.6 billion on outlet construction and expenditure of RMB2.35 billion on office buildings.
- (iii) The budget of operating facilities is RMB1.16 billion which includes expenditures on safety facilities, cashier facilities and other facilities.
- (iv) The budget of transportation vehicles is RMB0.6 billion, which includes expenditures on business-use vehicles and cash-delivery vehicles.

- (2) The fixed assets budget for overseas operations is RMB3.05 billion, which includes expenditures of RMB1.36 billion on office buildings, RMB1.35 billion on electronic equipments, RMB0.24 billion on operation facilities and RMB0.1 billion on transportation vehicles.

5. 2007 PROFIT DISTRIBUTION PLAN

Pursuant to the *Dividend Distribution Policies of the Bank* approved by the Board of Directors in April 2006, the proposed profit distribution for 2007 is as follows:

- (1) Appropriation to statutory surplus reserve of RMB4.626 billion.
- (2) According to the requirements of the local banking authorities, overseas operations appropriated RMB14 million to statutory reserve and regulatory reserve.
- (3) Appropriation to general reserve of RMB10.626 billion.
- (4) No appropriation to the discretionary reserve.
- (5) Total dividend distribution of approximately RMB25.384 billion.

The Board has proposed a final dividend (including tax) of RMB0.10 per share, amounting to approximately RMB25.384 billion to all A-Share Holders and H-Share Holders whose names appear on the Register of Members of the Bank at the close of business on Thursday, 26 June 2008, subject to the approval of shareholders at the Annual General Meeting. If approved, the 2007 final dividend of the Bank will be denominated and declared in RMB. Dividend for A-Share Holders will be paid in RMB and dividend for H-Share Holders will be paid in Hong Kong dollars. RMB will be converted into Hong Kong dollars based on the average exchange rate prevailing one week before Thursday, 19 June 2008 (such day inclusive), being the date of holding the Bank's Annual General Meeting, as announced by the People's Bank of China. The dividend distribution date is expected to be Tuesday, 8 July 2008.

6. RE-APPOINTMENT OF EXTERNAL AUDITORS AND THEIR AUDIT FEES

The Board of Directors proposed to re-appoint PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers (together referred to as "PricewaterhouseCoopers") as the Bank's external auditors responsible for the related auditing issues under CAS 2006 and IFRS for the year 2008 respectively. The total audit fees to be paid by the Bank will be RMB179.679 million subject to the Annual General Meeting's approval.

For the year ended 31 December 2007, the auditors' fees paid by the Group for the audit of its financial statements (including the audit of the financial statements for overseas branches and subsidiaries) to PricewaterhouseCoopers and its member firms were RMB216 million.

PricewaterhouseCoopers has not provided any material non-audit services to the Bank. In 2007, the total professional fees paid for non-audit services to PricewaterhouseCoopers was RMB11 million.

7. RE-ELECTION OF NON-EXECUTIVE DIRECTOR

Article 123 of the Articles of Association of the Bank (hereinafter the "Articles") provides that Directors shall be elected by the shareholders and serve a term of office of three years calculated from the date of approval by the China Banking Regulatory Commission. A Director may serve consecutive terms if he/she is re-elected upon the expiration of his/her term. The term of office of the incumbent Non-executive Director Sir Frederick Anderson GOODWIN will expire in January 2009. According to the stipulation in the Articles, in case of expiration of term of office before the annual general meeting in 2009, as a matter of principle, a Director needs to be re-elected at the forthcoming Annual General Meeting. Sir Frederick Anderson GOODWIN has expressed his willingness to be re-elected upon expiration of his term of office. The Board proposes Sir Frederick Anderson GOODWIN to be re-elected at the forthcoming Annual General Meeting. Sir Frederick Anderson GOODWIN's term of office will be three years, calculated continuously from the date of expiration of his present term of office.

Sir Frederick Anderson GOODWIN, aged 49, is the Group Chief Executive of the Royal Bank of Scotland (hereinafter the "RBS Group"). Prior to joining RBS Group in 1998, he served as the Chief Executive of Clydesdale Bank Plc from 1995 to 1998 and was a partner of Touche Ross from 1988 to 1995. Sir Frederick Anderson GOODWIN currently is also the Chairman of the Prince's Trust. Sir Frederick Anderson GOODWIN graduated from the University of Glasgow with a Bachelor's degree in Law in 1979. RBS China, one of our strategic investors, is a subsidiary of RBS Group. Since August 1998, Sir Frederick Anderson GOODWIN has served as a director of RBS Group, the holding company of one of the world's largest banking and financial services groups, whose primary listing is on the London Stock Exchange.

Save as disclosed above, Sir Frederick Anderson GOODWIN does not have any relationship with any Director, senior management or substantial or controlling shareholder of the Bank. He does not have any interests in the shares of the Bank or its associated companies within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong.

Non-executive Director Sir Frederick Anderson GOODWIN does not receive any director's fee from the Bank nor hold any other position with the Bank or any of its subsidiaries. He has not entered into any service contract with the Bank. Save as disclosed above, he has not held any directorships in other listed public companies in the last three years. There is nothing in respect of Sir Frederick Anderson GOODWIN which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules nor are there any matters that need to be brought to the attention of the shareholders of the Bank. He has not been penalized by the China Securities Regulatory Commission and other relevant departments and stock exchange.

8. 2007 PERFORMANCE APPRAISAL AND BONUS PLANS FOR THE CHAIRMAN OF THE BOARD OF DIRECTORS, THE EXECUTIVE DIRECTORS, THE CHAIRMAN OF THE BOARD OF SUPERVISORS AND THE SUPERVISORS

The 2007 Performance Appraisal and Bonus Plans for the Chairman of the Board of Directors, the Executive Directors, the Chairman of the Board of Supervisors and the Supervisors of the Bank are set out in Appendix II.

9. REMUNERATION ADJUSTMENT SCHEME FOR THE NON-EXECUTIVE DIRECTORS

According to the resolutions of the Extraordinary General Meeting of Shareholders held on 30 December 2004 and the 2006 Annual General Meeting, the remuneration of Directors is only paid to the Independent Directors. The current remuneration scheme of the Independent Directors is as follows:

The remuneration before tax to Independent Directors paid by the Bank is as follows: basic remuneration of RMB200,000/person/year, additional duty allowance of RMB200,000/person/year will be paid to the persons who serve as the chairmen of Risk Policy Committee or Audit Committee, and additional duty allowance of RMB100,000/person/year will be paid to the chairmen of other special committees. Additional duty allowance of RMB50,000/person/year/special committee will be paid to the persons being members of special committees. The remuneration for the Directors who take positions concurrently in several committees will be calculated in an accumulative manner.

To continuously improve the corporate governance level of the Bank, it is hereby proposed to extend the above remuneration scheme of the Independent Directors to the Non-executive Directors.

10. CONTINUING CONNECTED TRANSACTIONS AND ANNUAL CAPS

Details of the Continuing Connected Transactions between the Bank and BOCHK Group and the Annual Caps are set out in the circular to the H-Share Holders dated 22 February 2008. That circular can also be viewed and downloaded from the Bank's website at www.boc.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.

11. DUTY REPORT OF INDEPENDENT DIRECTORS

Pursuant to the requirements under the *Rules of Shareholders' Meeting of Listed Companies of the China Securities Regulatory Commission*, independent directors shall issue a duty report at the annual general meeting. Such report will be submitted to shareholders for consideration but not for shareholders' approval. The Duty Report of Independent Directors of the Bank is set out in Appendix III of this circular for shareholders' information.

12. ISSUE OF RENMINBI-DENOMINATED BONDS IN HONG KONG

The Board of Directors proposed to issue bonds denominated in Renminbi in Hong Kong for an amount not exceeding RMB7 billion. The proposal will become effective subject to approval by shareholders by way of a special resolution at the Annual General Meeting. Details of the proposal to issue bonds denominated in Renminbi in Hong Kong are set out in Resolution No. 13 in the notice of the Annual General Meeting contained in this circular.

The 2007 Performance Appraisal and Bonus Plans for the Chairman of the Board of Directors, the Executive Directors, the Chairman of the Board of Supervisors and the Supervisors are written in Chinese. The English version of this Appendix II is an unofficial translation and is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

**2007 Performance Appraisal and Bonus Plan
for Mr. XIAO Gang, the Chairman of the Board of Directors of the Bank**

In accordance with the *Management Measures on Performance Evaluation of the Chairman of the Board of Directors of Bank of China* and the *Management Rules on Remuneration of the Chairman of the Board of Directors, Chairman of the Board of Supervisors of Bank of China*, the Personnel and Remuneration Committee of the Board of Directors and the Board of Directors have completed the 2007 performance evaluation for Mr. XIAO Gang, the Chairman of the Board of Directors, according to relevant procedures. With the annual evaluation result, it is proposed that the total annual bonus for Mr. XIAO Gang in 2007 be RMB960,000.

**2007 Performance Appraisal and Bonus Plan
for Mr. LI Lihui, the Vice-chairman of the Board of Directors and the President of the Bank**

In accordance with the *Rules of Bank of China for the Performance Evaluation of the Senior Management* and the *Rules of Bank of China for the Remuneration Management of the Senior Management*, the Personnel and Remuneration Committee of the Board of Directors and the Board of Directors have completed the 2007 performance evaluation for Mr. LI Lihui, the Vice-chairman of the Board of Directors and the President, according to relevant procedures. With the annual evaluation result, it is proposed that the total annual bonus for Mr. LI Lihui in 2007 be RMB949,000.

**2007 Performance Appraisal and Bonus Plan
for Mr. LI Zaohang, the Executive Director and the Executive Vice-president of the Bank**

In accordance with the *Rules of Bank of China for the Performance Evaluation of the Senior Management* and the *Rules of Bank of China for the Remuneration Management of the Senior Management*, the Personnel and Remuneration Committee of the Board of Directors and the Board of Directors have completed the 2007 performance evaluation for Mr. LI Zaohang, the Executive Director and the Executive Vice-president, according to relevant procedures. With the annual evaluation result, it is proposed that the total annual bonus for Mr. LI Zaohang in 2007 be RMB944,000.

**2007 Performance Appraisal and Bonus Plan
for Mr. HUA Qingshan**

Since 15 June 2007, Mr. HUA Qingshan no longer serves as Executive Director and Executive Vice-president of the Bank. In accordance with the *Rules of Bank of China for the Remuneration Management of the Senior Management* and relevant calculating rules, it is proposed that the total annual bonus for Mr. HUA Qingshan in 2007 be RMB461,000.

**2007 Performance Appraisal and Bonus Plan
for Mr. LIU Ziqiang, the Chairman of the Board of Supervisors of the Bank**

China Safe Investment Ltd. has completed the performance measurement for Mr. LIU Ziqiang, the Chairman of the Board of Supervisors. In accordance with the *Management Rules on Remuneration of the Chairman of the Board of Directors, Chairman of the Board of Supervisors of Bank of China*, with the measurement result, it is proposed that the total annual bonus for Mr. LIU Ziqiang in 2007 be RMB944,000.

**2007 Performance Appraisal and Bonus Plan
for Full-time Supervisors of the Bank Assigned by Shareholders**

In accordance with the *Rules of Bank of China for Performance Evaluation of the full-time Supervisors Assigned by Shareholders*, the Chairman of the Board of Supervisors has completed the 2007 performance measurement for full-time Supervisors assigned by shareholders. With measurement results, it is proposed that the total annual bonuses in 2007 for the Supervisors be as follows:

Mr. WANG Xueqiang: RMB494,000; Mr. LIU Wanming: RMB515,000.

DUTY REPORT OF INDEPENDENT DIRECTORS OF
BANK OF CHINA LIMITED

17 March 2008

Dear shareholders,

In accordance with provisions and requirements of the *PRC Company Law*, the *Guidelines for Introducing Independent Directors to the Board of Directors of Listed Companies*, the laws and regulations applicable to Bank of China (the "Bank"), and the Articles of Association of the Bank, we, the Independent Directors, attended meetings of the Board of Directors and the shareholders held in 2007 actively. To the best of our knowledge and belief, we have fully discharged our duties and responsibilities in respect of all major matters in which the Board as a whole had been called upon to make a decision. In discharging our duties and responsibilities, we have in the time available to us, carried out in-depth review of the information provided by the management, and expressed our own attitudes and opinions on relevant issues to the Board and other proposals which need us to give independent opinions, with a view to safeguarding the interests of the Bank and its shareholders, and especially the interests of minority shareholders.

In the course of the discharge of our functions, we have been provided proactive and effective cooperation and assistance from other members of the Board, Senior Management and related personnel.

In 2008, we will continue to work conscientiously and faithfully perform our responsibilities according to the laws and regulations governing the Bank, the Articles of Association of the Bank and good corporate governance practices, with a view to safeguarding the rights and interests of the Bank and its shareholders, especially the interests of minority shareholders.

Bank of China Limited
Independent Directors:
Anthony Francis NEOH
Alberto TOGNI
HUANG Shizhong
HUANG Danhan