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If you have sold or transferred all your shares in **Bank of China Limited** (中國銀行股份有限公司) (the “**Bank**”), you should at once hand this circular and the enclosed proxy form and reply slip 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.

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

(Stock Code: 3988)

- (1) PROPOSAL TO OBTAIN GENERAL MANDATE TO ISSUE NEW SHARES;
(2) PROPOSAL TO ISSUE A SHARE CONVERTIBLE BONDS;
AND
(3) PROPOSAL TO ELECT A SUPERVISOR**

Notice convening the extraordinary general meeting (“**EGM**”) of the Bank to be held at the Multi-function Hall, B2, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, PRC at 2:30 p.m. (registration will begin at 1:00 p.m.) on Friday, 19 March 2010 is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice of the EGM and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon.

For H Shareholders, the proxy form should be returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, 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 EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending, and voting at, the EGM or at any adjourned meeting if you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited (for H Shareholders) on or before Friday, 26 February 2010.

27 January 2010

DEFINITIONS

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

“A Shares”	domestic shares with nominal value of RMB1.00 each in the share capital of the Bank which are listed on the Shanghai Stock Exchange (stock code: 601988)
“A Shareholder(s)”	holder(s) of A Shares
“Articles of Association”	the articles of association of the Bank as amended from time to time
“Assurance Report”	the assurance report on the Utilization Report of Funds Raised prepared by PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company, a copy of which is set out in Appendix D(2) to this circular
“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
“Capital Management Plan”	the capital management plan of the Bank for the period from 2010 to 2012, a copy of which is set out in Appendix B to this circular
“CB Conversion Price”	the price at which the new A Shares will be issued upon conversion of the Convertible Bonds, as may be adjusted from time to time
“CB Holder(s)”	holder(s) of the Convertible Bonds
“CBRC”	the China Banking Regulatory Commission of the PRC
“Convertible Bonds”	convertible corporate bonds in the total amount of not more than RMB40 billion which are convertible into new A Shares, proposed to be issued by the Bank in the PRC
“CSRC”	the China Securities Regulatory Commission of the PRC
“Director(s)”	the director(s) of the Bank
“EGM”	the 2010 first extraordinary general meeting of the Bank to be held at the Multi-function Hall, B2, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, PRC at 2:30 p.m. on Friday, 19 March 2010 for all the Shareholders to consider, and if thought fit, to approve, among other things, the General Mandate, the proposed issuance of the Convertible Bonds and the election of a supervisor of the Bank

DEFINITIONS

“Feasibility Analysis Report”	the feasibility analysis report on the use of proceeds of the proposed issuance of the Convertible Bonds, a copy of which is set out in Appendix C to this circular
“General Mandate”	an unconditional general mandate which may be granted by the Shareholders at the EGM to the Board that during the 12 months from the EGM or up to the conclusion of the next annual general meeting of the Bank or up to the date upon which such authority is revoked or varied by a special resolution of the Shareholders (whichever is the earliest), to separately or concurrently allot, issue and/or deal with A Shares and/or H Shares not exceeding 20% of the aggregate nominal amount of each of the existing A Shares and/or H Shares as at the date on which this resolution is approved by the Shareholders
“H Shares”	overseas listed foreign shares with nominal value 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 Shareholder(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
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	23 January 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Offering Document”	the offering memorandum in relation to the proposed issuance of the Convertible Bond
“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
“Share(s)”	ordinary shares in the capital of the Bank with a nominal value of RMB1.00 each, comprising the A Shares and the H Shares
“Shareholders”	holders of the Shares
“Utilization Report of Funds Raised”	the utilization report of funds raised from the previous issuances of securities by the Bank, a copy of which is set out in Appendix D(1) to this circular



BANK OF CHINA
中國銀行股份有限公司
BANK OF CHINA LIMITED

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

(Stock Code: 3988)

Directors:

Mr. XIAO Gang (Chairman)
Mr. LI Lihui (Vice-chairman and President)
Mr. LI Zaohang
Mr. ZHOU Zaiqun
* Mr. ZHANG Jinghua
* Mdm. HONG Zihua
* Mdm. HUANG Haibo
* Mr. CAI Haoyi
* Mr. WANG Gang
* Mr. LIN Yongze
* 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

27 January 2010

Dear H Shareholders,

**(1) PROPOSAL TO OBTAIN GENERAL MANDATE TO ISSUE NEW SHARES;
(2) PROPOSAL TO ISSUE A SHARE CONVERTIBLE BONDS;
AND
(3) PROPOSAL TO ELECT A SUPERVISOR**

I. INTRODUCTION

The Board of Directors proposes to convene the EGM to consider and, if thought fit, to approve (i) resolutions in relation to (1) the proposal in relation to the granting to the Board of the general mandate on issuance of new Shares, and (2) the proposal in relation to the issuance of the Convertible Bonds, by way of special resolutions, and (ii) resolutions

in relation to (3) the Capital Management Plan, (4) the Feasibility Analysis Report, (5) the Utilization Report of Funds Raised, and (6) the election of Mr. Li Jun as a supervisor of the Bank, by way of ordinary resolutions.

II. PROPOSAL IN RELATION TO GENERAL MANDATE ON ISSUANCE OF NEW SHARES

In order to ensure financing flexibility and to give discretion to the Board to issue new Shares in the event that it becomes desirable to do so, the Board resolved on 22 January 2010 to seek the Shareholders' approval for obtaining the General Mandate, which mandate is an unconditional general mandate to separately or concurrently allot, issue and/or deal with A Shares and/or H Shares not exceeding 20% of the aggregate nominal amount of each of the existing A Shares and H Shares at the date of the granting of the Shareholders' approval. As at the Latest Practicable Date, there were 177,818,910,740 A Shares and 76,020,251,269 H Shares in issue. A maximum of 35,563,782,148 A Shares and/or 15,204,050,253 H Shares, representing 20% of the number of each of the existing A Shares and H Shares, can be separately or concurrently allotted, issued and/or dealt with by the Board pursuant to the General Mandate.

The Board will only exercise its authority under the General Mandate in accordance with the applicable laws and regulations and with the necessary approvals from the CSRC and the other relevant PRC regulatory authorities. The Directors believe that it is in the best interests of the Bank and the Shareholders to grant a general authority to the Board to issue new Shares, the ability to do so would give the Board the flexibility to capture the opportunity if it arises.

Apart from the proposed issuance of the Convertible Bonds, the Bank has also conducted feasibility studies on other possible financing plans including the issuance of new H Shares under the General Mandate and conducted preliminary enquiries with the relevant PRC regulators. However, the possibility and the timing of the exercise of the General Mandate to issue new H Shares are not definite and will be determined by the Board with reference to various factors including, among other things, the Bank's strategy and development, the Bank's capital needs, market conditions, applicable regulatory requirements and approvals. If and when Shareholders' approval has been obtained at the EGM for the grant of the General Mandate, the Board may implement steps to enquire further with the relevant PRC regulators about the feasibility of exercising the General Mandate to issue new H Shares in whole or in part in due course, having regard to the various factors mentioned above. In addition, pursuant to the relevant PRC laws and regulations, if the Bank issues any new A Shares under the General Mandate, such issuance is subject to a separate Shareholders' approval even if the General Mandate has been approved at the EGM.

The General Mandate will end on the earliest of (i) the conclusion of the next annual general meeting following the passing of the relevant resolution, (ii) 12 months from the date of passing of the Shareholders' resolution at the EGM, and (iii) the date upon which such authority is revoked or varied by a special resolution of the Shareholders.

III. PROPOSAL IN RELATION TO THE ISSUANCE OF THE CONVERTIBLE BONDS

The Board announced that at the meeting of the Board held on 22 January 2010, the proposal in relation to the issuance of the Convertible Bonds has been duly passed. It is contemplated that the Convertible Bonds would be issued by way of exercise of the General Mandate. The proposed issuance of the Convertible Bonds is further subject to (i) approval of the relevant Shareholders at the EGM by way of special resolution in accordance with the Articles of Association; and (ii) approval of the CSRC and other relevant PRC authorities.

In accordance with the relevant provisions of the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for the Issuance of Securities by Listed Companies, and any other relevant laws, regulations and legal documents with the force of law, the Bank has satisfied the criteria for the issuance of convertible bonds in the PRC. The Board considered and approved the proposal for the issuance of the Convertible Bonds with details as follows:

(1) Type of securities to be issued

The type of the securities to be issued by the Bank is convertible corporate bonds which can be converted into the A Shares.

(2) Issue size

The total amount of the Convertible Bonds will be not more than RMB40 billion. The actual size of the issuance shall be determined by the Board within the above scope, subject to the authorization by the Shareholders at the Shareholders' meeting of the Bank.

(3) Par value and issue price

The Convertible Bonds will be issued at par with a nominal value of RMB100 each.

(4) Term

The term of the Convertible Bonds will be six years from the date of issuance.

(5) Interest rate

The annual interest rate of the Convertible Bonds will be not more than 3%, to be finalized by the Board. The Board shall determine the actual annual interest rate with reference to the PRC government policies, market conditions and the actual conditions of the Bank, prior to the issuance of the Convertible Bonds.

(6) Method and timing of interest payment

Interest will be accrued from the date of issuance of the Convertible Bonds and will be paid on each anniversary of the date of issuance of the Convertible Bonds based on the total outstanding principal amount of the Convertible Bonds held by the CB Holders from time to time.

The Bank will not pay interest for those Convertible Bonds which have been converted to the A Shares on or before the relevant interest record dates.

(7) Conversion period

The CB Holders may exercise their rights to convert the Convertible Bonds into the A Shares from the trading day immediately following the expiry of six months after the date of issuance of the Convertible Bonds until the maturity date.

(8) CB Conversion Price and adjustment

The initial CB Conversion Price shall not be lower than (i) the average trading price of the A Shares within 20 trading days preceding the date of publication of the Offering Document, and (ii) the average trading price of the A Shares on the trading day preceding the date of publication of the Offering Document. The Board shall determine the actual initial CB Conversion Price with reference to market conditions prior to the issuance of the Convertible Bonds.

The CB Conversion Price is subject to adjustment, upon the occurrence of certain prescribed events which affect the share capital of the Bank, including but not limited to scrip dividend, capitalization issue, issue of new shares, rights issue or cash dividend payment (excluding share issue as a result of conversion of the Convertible Bonds). The initial CB Conversion Price will be adjusted based on the following formulas:

- (1) Scrip dividend or capitalization issue: $\text{CB Conversion Price after adjustment} = \text{Initial CB Conversion Price} / (1 + \text{Scrip dividend rate})$
- (2) Issue of new Shares or rights issue: $\text{CB Conversion Price after adjustment} = (\text{Initial CB Conversion Price} + \text{Price of new share issue or rights issue} \times \text{New share issue rate or rights issue rate}) / (1 + \text{New share issue rate or rights issue rate})$

Conditions (1) and (2) occur concurrently: $\text{CB Conversion Price after adjustment} = (\text{Initial CB Conversion Price} + \text{Price of New share issue or rights issue} \times \text{New share issue rate or rights issue rate}) / (1 + \text{Scrip dividend rate} + \text{New share issue rate or rights issue rate});$

- (3) Distribution of cash dividend: $\text{CB Conversion Price after adjustment} = \text{Initial CB Conversion Price} - \text{Cash dividend per Share};$

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Conditions (1), (2) and (3) occur concurrently: CB Conversion Price after adjustment = (Initial CB Conversion Price – Cash dividend per Share + Price of new share issue or rights issue x New share issue rate or rights issue rate) / (1 + Scrip dividend rate + New share issue rate or rights issue rate)

(9) Downward adjustment to CB Conversion Price

The CB Conversion Price may be subject to downward adjustments if, during the term of the Convertible Bonds, the closing prices of the A Shares in any 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing CB Conversion Price. The Board may propose any such adjustments for the Shareholders to consider and seek their approval at a general meeting.

(10) Conversion method of fractional share

The number of the Shares to be requested by the CB Holders for conversion shall be in whole number. The remaining balance of the fractional share will be paid in cash by the Bank to the CB Holders at par with accrued interest within five trading days after the date of conversion in accordance with the relevant regulations of the regulators such as the Shanghai Stock Exchange.

(11) Terms of redemption

Within five trading days after the maturity of the Convertible Bonds, the Bank will redeem all the Convertible Bonds which have not been converted into the A Shares at a certain ascent ratio of the par value (including the final term of interest). The Board shall determine the specific ascent ratio with reference to market conditions.

During the term of the Convertible Bonds, if the closing price of the A Shares is not lower than 130% of the prevailing CB Conversion Price in at least 15 trading days out of any 30 consecutive trading days, the Bank has the right to redeem all or part of the Convertible Bonds which have not been converted into the A Shares based on the par value plus the accrued interest.

(12) Redemption at the option of the CB Holders

The Convertible Bonds are not subject to redemption at the option of the CB Holders. However, if the use of proceeds from the issuance of the Convertible Bonds by the Bank deviates from the description in the Offering Document, and it is so deemed by the CSRC as a deviation, the CB Holders have a one-off right to request the Bank to redeem the Convertible Bonds at par value plus any accrued interest.

(13) Dividend rights of the year of conversion

The new A Shares to be issued as a result of the conversion of the Convertible Bonds shall rank pari passu with all the existing Shares.

(14) Method of issuance and target subscribers

The method of the issuance of the Convertible Bonds will be determined by the Board. The target investors are public investors and institutional investors who have maintained securities accounts with the Shanghai branch of China Securities Depository and Clearing Corporation Limited.

(15) Subscription arrangement for the existing A Shareholders

The existing A Shareholders, except for the controlling shareholder of the Bank, are entitled to preferential rights to subscribe for no less than 50% of the total principal amount of the Convertible Bonds.

(16) CB Holders and meetings

The CB Holders have their rights and obligations. The matters in relation to the CB Holders can be resolved through the meetings of the CB Holders.

Principal rights of the CB Holders include but not limited to: entitlement to interests, conversion rights according to the terms of the Convertible Bonds, entitlement to exercise redemption rights according to the terms of the Convertible Bonds.

Principal obligations of the CB Holders include but not limited to: compliance with the relevant terms of the Convertible Bonds, making due payment of the subscription amount.

Circumstances that the CB Holders will convene meeting(s) include but not limited to: proposed changes to the terms of the Offering Document, the Bank's default in paying principal and interests on time, reduction of the Bank's capital, or merger, separation, dissolution or bankruptcy of the Bank.

(17) Use of proceeds from the issuance of the Convertible Bonds

The proceeds from the issuance of the Convertible Bonds, after deduction of expenses, will be applied to replenish the capital base and working capital of the Bank in order to improve the capital adequacy ratio of the Bank.

(18) Special provisions in relation to supplementary capital

In order to satisfy the requirements of the CBRC in relation to the treatment of convertible bonds as the supplementary capital of a bank and pursuant to the Administrative Measures regarding the Capital Adequacy Ratio of Commercial Banks, the Convertible Bonds will contain the following special provisions: (a) the exercise of redemption right under the Convertible Bonds is conditional upon the obtaining of the approval by the CBRC; and (b) the CB Holders' claims are subordinated to the claims from the depositors and other ordinary creditors and are equivalent to other subordinated debts of the Bank.

(19) Guarantee and security

There is no guarantee or security in relation to the proposed issuance of the Convertible Bonds.

(20) The validity period of the resolution of the issuance of the Convertible Bonds

The resolution of the issuance of the Convertible Bonds will be valid for 12 months from the date on which the resolution is approved at a Shareholders' meeting of the Bank.

(21) Matters relating to authorization in connection with the issuance of the Convertible Bonds

To ensure smooth implementation of the issuance of the Convertible Bonds, it will be proposed at a Shareholders' meeting to authorize the Board, which will then designate a board committee set up for this purpose, to handle matters regarding the issuance of the Convertible Bonds under the framework and principles as approved at a Shareholders' meeting and within the validity period of the resolution of issuance of the Convertible Bonds, including but not limited to those set out below:

1. to formulate and implement the final proposal for the issuance of the Convertible Bonds prior to the issuance, including but not limited to: issue size, proportion of preferential allocation to existing A Shareholders, interest rate of the Convertible Bonds, rules of the meetings of the CB Holders, timing of the issuance, accounts for the funds to be raised and any other matters in relation to the issuance of the Convertible Bonds;
2. if the PRC government announces new regulations in relation to the issuance of the Convertible Bonds, or the regulatory authorities have new requirements, or there are changes in market conditions, to adjust the issuance proposal accordingly unless such adjustments are specifically required by the laws, regulations and the Articles of Association to be resolved at a Shareholders' meeting;
3. to produce, amend and file the application and any other materials in relation to the issuance and listing of the Convertible Bonds according to the requirements of the relevant regulatory authorities;
4. to amend, execute and implement all the contracts, agreements and other documents (including but not limited to underwriting and sponsorship agreements and agreements relating to the proceeds from the issuance of the Convertible Bonds) during the course of the issuance;

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5. based on the issuance and conversion of the Convertible Bonds, to appropriately amend the relevant provisions of the Articles of Association, and to deal with the matters in relation to the changes of registration with administration for industry and commerce, changes of registered share capital and listing of the Convertible Bonds;
6. subject to laws and regulations to the extent permitted, in accordance with the requirements of the regulatory authorities and in view of the actual conditions of the Bank, to appropriately amend and supplement the final proposal of the issuance of the Convertible Bonds; and
7. to deal with other matters in relation to the issuance of the Convertible Bonds.

A full version of the proposal in relation to the issuance of the Convertible Bonds is set out in Appendix A to this circular.

The Shareholders and potential investors should be aware that the proposed issuance of the Convertible Bonds is subject to the approvals set out above being obtained and various factors including the market conditions, and therefore the proposed issuance of the Convertible Bonds may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the Shares.

IV. IMPLICATIONS OF ISSUANCE OF CONVERTIBLE BONDS UNDER THE PRC REGULATORY REQUIREMENTS

The proposed issuance of the Convertible Bonds by the Bank may lead to issuance of new A Shares upon conversion of the Convertible Bonds. For illustrative purpose, based on the proposed issue size of the Convertible Bonds of RMB40 billion and assuming the CB Conversion Price at approximately RMB3.9 (by reference to the average closing price of the A Shares for the 12 months ended 31 December 2009), the maximum number of A Shares to be issued is approximately 10,256 million Shares, representing (i) 5.45% of the enlarged total issued A share capital of the Bank, and (ii) 3.88% of the enlarged total issued share capital of the Bank. The exact number of A Shares to be issued as a result of the conversion of Convertible Bonds is subject to various factors, including the CB Conversion Price. The Board recognizes that conversion of the Convertible Bonds into new A Shares will result in dilution of the interests of the existing Shareholders in the share capital of the Bank.

Under the relevant PRC laws and regulations, the proposed issuance of the Convertible Bonds is subject to the approval of the Shareholders at the EGM and the obtaining of the approvals from the relevant PRC regulatory authorities.

V. IMPLICATIONS OF ISSUANCE OF CONVERTIBLE BONDS UNDER HONG KONG REGULATORY REQUIREMENTS

All the subscribers of the Convertible Bonds will be third parties independent of the Bank and its connected persons (as defined under the Hong Kong Listing Rules).

LETTER FROM THE BOARD

The Board anticipates that the Bank will continue to maintain sufficient public float in compliance with the minimum requirement of the Hong Kong Listing Rules as applicable to the Bank.

VI. PROPOSAL IN RELATION TO THE CAPITAL MANAGEMENT PLAN

In order to strengthen the capital management of the Bank to ensure capital sufficiency, the proposal in relation to the capital management plan for the period from 2010 to 2012 has been prepared accordingly. A full version of the Capital Management Plan is set out in Appendix B to this circular. The Capital Management Plan, which was considered and approved by the Board on 22 January 2010, is subject to Shareholders' approval by way of ordinary resolution pursuant to the requirements of the CBRC.

VII. PROPOSAL IN RELATION TO THE FEASIBILITY ANALYSIS REPORT

The net proceeds raised from the issuance of the Convertible Bonds, after deduction of the issuance costs, will be applied to replenish the capital base and working capital of the Bank. Details in relation to the use of proceeds to be raised by the Bank from the proposed issuance of the Convertible Bonds are set out in the Feasibility Analysis Report, a copy of which is set out in Appendix C to this circular. The Feasibility Analysis Report, which was considered and approved by the Board on 22 January 2010, is subject to Shareholders' approval by way of ordinary resolution pursuant to the requirements of the CSRC.

VIII. PROPOSAL IN RELATION TO THE UTILIZATION REPORT OF FUNDS RAISED

The funds previously raised by the Bank during its H Share initial public offering and A Share initial public offering have been used to increase the Bank's capital base. The Board prepared an utilization report on the use of funds raised by the Bank during its H Share initial public offering and A Share initial public offering. PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company has been appointed by the Bank to issue the Assurance Report. Full versions of the Utilization Report of Funds Raised and the Assurance Report are respectively set out in Appendices D(1) and D(2) to this circular. The Utilization Report of Fund Raised, which was considered and approved by the Board on 22 January 2010, is subject to Shareholders' approval by way of ordinary resolution pursuant to relevant requirements of the CSRC.

IX. PROPOSAL IN RELATION TO THE ELECTION OF A SUPERVISOR OF THE BANK

The board of supervisors of the Bank proposed to elect Mr. Li Jun as a supervisor of the Bank. Pursuant to Articles 65 and 176 of the Articles of Association, the appointment of a supervisor is subject to Shareholders' approval. The biographical details of Mr. Li Jun are set out in Appendix E to this circular for the Shareholders' information. The Bank will issue a separate announcement under Rule 13.51(2) of the Hong Kong Listing Rules when Mr. Li Jun is duly appointed as a supervisor of the Bank.

LETTER FROM THE BOARD

X. THE EGM

The resolutions in relation to the General Mandate, the proposed issuance of the Convertible Bonds, the Capital Management Plan, the Feasibility Analysis Report, the Utilization Report of Funds Raised and the election of a supervisor are subject to approval of the Shareholders at the EGM.

Notice, proxy form and the reply slip of the EGM are enclosed herewith.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible. For H Shareholders, the proxy form should be returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, 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 EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending, and voting at, the EGM or at any adjourned meeting if you so wish.

If you intend to attend the EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited (for H Shareholders) on or before Friday, 26 February 2010. The Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555).

XI. VOTING BY POLL

Pursuant to the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of the EGM will be voted 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 EGM.

XII. RECOMMENDATION

The Board considers that the resolutions set out in the notice of the EGM are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions.

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



BANK OF CHINA

中國銀行股份有限公司

BANK OF CHINA LIMITED

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

(Stock Code: 3988)

NOTICE OF 2010 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2010 first extraordinary general meeting (the “**EGM**”) of Bank of China Limited (the “**Bank**”) will be held at the Multi-function Hall, B2, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing, the People’s Republic of China (“**PRC**”) at 2:30 p.m. (registration will begin at 1:00 p.m.) on Friday, 19 March 2010 for the purpose of considering and approving the following resolutions:

SPECIAL RESOLUTIONS

1. “**THAT:**

- (a) Subject to paragraphs (i), (ii) and (iii) below, the Board and/or a board committee as authorized by the Board be and is hereby granted, during the Relevant Period (as hereafter defined), an unconditional general mandate to separately or concurrently allot, issue and/or deal with A Shares and/or H Shares, and to make or grant offers, agreements, options or conversion rights in respect thereof:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements, options or conversion rights which might require the exercise of such powers after the end of the Relevant Period;
 - (ii) the aggregate nominal amount of the A Shares and/or H Shares to be allotted, issued and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with by the Board shall not exceed 20% of the aggregate nominal amount of each of the existing A Shares and/or H Shares at the date of the passing of this resolution; and
 - (iii) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or applicable laws, rules and regulations of other government or regulatory bodies and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained.

NOTICE OF EGM

- (b) For the purpose of this special resolution, “Relevant Period” means the period from the date of passing of this special resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Bank following the passing of this special resolution; or
 - (ii) the expiration of the 12-month period following the passing of this special resolution; or
 - (iii) the date on which the authority granted to the Board set out in this special resolution is revoked or varied by a special resolution of the shareholders of the Bank in a general meeting.
 - (c) Contingent on the Board resolving to issue shares pursuant to paragraph (a) of this special resolution, the Board is authorized to increase the registered capital of the Bank to reflect the number of shares to be issued by the Bank pursuant to paragraph (a) of this special resolution and to make such appropriate and necessary amendments to the Articles of Association of the Bank as they think fit to reflect such increase in the registered capital of the Bank and to take any other action and complete any formality required to effect the issuance of shares pursuant to paragraph (a) of this special resolution and the increase in the registered capital of the Bank.” (Note 1)
2. **“THAT** each of the following items in respect of the proposed issuance of the A share convertible corporate bonds (“**Convertible Bonds**”) within the PRC by the Bank be and is hereby individually approved, and shall be implemented subsequent to the granting of the approval from the relevant governmental authorities in the PRC upon application:
- 2.1 Type of securities to be issued
 - 2.2 Issue size
 - 2.3 Par value and issue price
 - 2.4 Term
 - 2.5 Interest rate
 - 2.6 Method and timing of interest payment
 - 2.7 Conversion period
 - 2.8 CB Conversion Price and adjustment
 - 2.9 Downward adjustment to CB Conversion Price
 - 2.10 Conversion method of fractional share
 - 2.11 Terms of redemption
 - 2.12 Redemption at the option of the CB Holders
 - 2.13 Dividend rights of the year of conversion
 - 2.14 Method of issuance and target subscribers
 - 2.15 Subscription arrangement for the existing A Shareholders
 - 2.16 CB Holders and meetings
 - 2.17 Use of proceeds from the issuance of the Convertible Bonds
 - 2.18 Special provisions in relation to supplementary capital
 - 2.19 Guarantee and security

NOTICE OF EGM

- 2.20 The validity period of the resolution of the issuance of the Convertible Bonds
- 2.21 Matters relating to authorization in connection with the issuance of the Convertible Bonds” (Note 1)

ORDINARY RESOLUTIONS

3. “**THAT** the Capital Management Plan (2010 to 2012) be and is hereby approved and confirmed.” (Note 1)
4. “**THAT** the Feasibility Analysis Report on Use of Proceeds of the Public Issuance of A Share Convertible Corporate Bonds by the Bank be and is hereby approved and confirmed.” (Note 1)
5. “**THAT** the Utilization Report on the Use of Proceeds from the Previous Issuance of Securities by the Bank be and is hereby approved and confirmed.” (Note 1)
6. “**THAT** the election of Mr. Li Jun as a supervisor of the Bank be and is hereby approved and confirmed.” (Note 1)

By Order of the Board
Bank of China Limited
YEUNG Cheung Ying
Company Secretary

27 January 2010

Notes:

1. Details of the resolution are set out in the circular (“**Circular**”) of the Bank dated 27 January 2010. Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.
2. In accordance with the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all the resolutions set out in this notice of EGM will be voted by poll.
3. Any shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy needs not be a shareholder of the Bank. 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 EGM.
4. 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 Shareholders) or the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited (for H Shareholders), at least 24 hours before the EGM 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, PRC. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. Completion and return of a proxy form will not preclude a shareholder of the Bank from attending in person and voting at the EGM or any adjournment thereof should he/she so wishes.

NOTICE OF EGM

5. The H Share Register of Members of the Bank will be closed, for the purpose of determining the eligibility of H Shareholders to attend, and vote at, the EGM, from Saturday, 13 February 2010 to Friday, 19 March 2010 (both days inclusive), during which period no transfer of H shares of the Bank will be registered. For H Shareholders who wish to attend the EGM, 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by 4:30 p.m. on Friday, 12 February 2010. Any H Shareholders whose names appear on the Register of Members of the Bank maintained by Computershare Hong Kong Investor Services Limited as at the close of business on Friday, 12 February 2010 will be eligible to attend, and vote at, the EGM.
6. Shareholders who intend to attend the EGM in person or by proxy should return the reply slip for the EGM to the Board Secretariat of the Bank (for A Shareholders) or the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited (for H Shareholders), by hand, by post or by fax before Friday, 26 February 2010. The address of the Bank's Board Secretariat is Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, PRC (Telephone: (8610) 6659 4572 or (8610) 6659 2756, Fax: (8610) 6659 4579). Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555).
7. 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.
8. The EGM is estimated 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 when attending the EGM.

BANK OF CHINA LIMITED
PROPOSAL IN RELATION TO PUBLIC ISSUANCE OF A SHARE
CONVERTIBLE CORPORATE BONDS

In order to further enhance its comprehensive competitiveness and strengthen the continuous development capabilities, Bank of China Limited (the “**Bank**”) proposes to issue A share convertible corporate bonds (“**Convertible Bonds**”) through public issuance. Pursuant to the relevant requirements of the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures for the Issuance of Securities by Listed Companies and other laws, regulations and compliance legal documents, the Bank fulfills the requirements of public issuance of A share convertible bonds. Details of the proposal for public issuance of the Convertible Bonds are as follows:

I. Type of securities to be issued

The type of the securities to be issued by the Bank is convertible corporate bonds which can be converted into A shares of the Bank.

II. Issue size

The total amount of the Convertible Bonds will be not more than RMB40 billion. The actual size of the issuance shall be determined by the board of directors of the Bank (the “**Board**”) within the above scope, subject to the authorization by the shareholders at the shareholders’ meeting of the Bank (the “**Shareholders’ Meeting**”).

III. Par value and issue price

The Convertible Bonds will be issued at par with a nominal value of RMB100 each.

IV. Term

The term of the Convertible Bonds will be six years from the date of issuance.

V. Interest rate

The annual interest rate of the Convertible Bonds will be not more than 3%, to be finalized by the Board. The Board shall determine the actual annual interest rate with reference to the government policies, market conditions and the actual conditions of the Bank, subject to the authorization by the shareholders at the Shareholders’ Meeting.

VI. Method and timing of interest payment

1. Calculation of the annual interest

Annual interest means the interest to be paid to the holders of the Convertible Bonds (“**CB Holders**”) on each anniversary of the date of issuance of the Convertible Bonds based on the aggregate nominal value of the Convertible Bonds, accrued from the date of issuance.

The formula of calculating annual interest: $I = B \times i$

I: means annual interest;

B: means total par value of the Convertible Bonds held by the CB Holders; and

i: means annual interest rate of the convertible bonds.

2. Means of payment

- (1) Interest of the Convertible Bond will be paid annually, beginning from the first day of the issuance of the Convertible Bond.
- (2) Interest payment date: Interest is payable annually commencing on the full year after the issue date of the Convertible Bonds. Interest will be accrued between the period of preceding interest payment date and the next interest payment date.
- (3) Interest record date: The annual interest record date will be the trading date preceding the interest payment date. The Bank will not pay interest for those Convertible Bonds being transferred to the shares of the Bank on or before the interest record date.
- (4) Tax payable from the interest income should be borne by the CB Holders.

The ascription of the interest and dividend during the year of conversion will be determined by the Board in accordance with the relevant laws and regulations and the regulations of the Shanghai Stock Exchange.

VII. Conversion period

The conversion period starts from the trading day immediately following the expiry of six months after the date of issuance of the Convertible Bonds until the maturity date.

VIII. Determination and adjustment of the price at which the new A Shares will be issued upon conversion of the Convertible Bonds (“CB Conversion Price”)

1. The basis of determining the initial conversion price

The initial conversion price of the Convertible Bonds should not be lower than (1) the average trading price of the A shares of the Bank within 20 trading days preceding the date of publication of the offering document (in the event that during such 20 trading days, the share price has been adjusted due to ex-rights or ex-dividend, the closing price of each of these trading days should be adjusted with reference to the share price after ex-rights or ex-dividend), and (2) the average trading price of the A shares of the Bank on the trading day preceding the date of the offering document of the Convertible Bonds. It will be proposed at the Shareholders' Meeting to authorize the Board to determine the actual initial conversion price with reference to the market conditions prior to the issuance of the Convertible Bonds.

2. Adjustments to Initial CB Conversion Price

The CB Conversion Price is subject to adjustment, upon the occurrence of certain prescribed events which affect the share capital of the Bank, including but not limited to scrip dividend, capitalization issue, issue of new shares, rights issue or cash dividend payment (excluding share issuance as a result of conversion of the Convertible Bonds). The initial CB Conversion Price will be adjusted based on the following formulas:

(1) Scrip dividend or capitalization issue: $P_1 = P_0 / (1 + n)$

(2) Issue of new Shares or rights issue: $P_1 = (P_0 + A \times k) / (1 + k)$

Conditions (1) + (2) occur concurrently: $P_1 = (P_0 + A \times k) / (1 + n + k)$;

(3) Distribution of cash dividend: $P_1 = P_0 - D$;

Conditions (1), (2) and (3) occur concurrently: $P_1 = (P_0 - D + A \times k) / (1 + n + k)$

P_0 means initial CB Conversion Price

n means scrip dividend rate

k means new share issue rate or rights issue rate

A means price of new share issue or rights issue

D means cash dividend per share

P_1 means CB Conversion Price after adjustment

Where the abovementioned changes in shareholding or shareholder's interests occurs, the CB Conversion Price will be adjusted accordingly. The adjustment of the CB Conversion Price, having been resolved by the Board, will be published in the form of an announcement on the media designated by China Securities Regulatory Commission ("**CSRC**"). The announcement will indicate the date of adjustment to the CB Conversion Price, adjustment method and suspension period of share conversion (if necessary). An announcement will also be published (if necessary) on the website of the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") if it is required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (as amended from time to time) ("**Listing Rules**") and the Articles of Association of the Bank. If the CB Conversion Price adjustment date is on or after the CB Holder's application for conversion, and before the share registration date, then such conversion will be based on the adjusted CB Conversion Price.

In the event that the rights and benefits of the CB Holders derived from share conversion rights are affected by the change in the Bank's share class, quantity and/or shareholders' interest due to the possible share repurchase, consolidation, subdivision or any other action which may be taken by the Bank, the Bank will adjust the CB Conversion Price based on the principles of fairness, justice, equality and

protection of the CB Holders' rights. The CB Conversion Price will be adjusted based on the relevant PRC laws and regulations and the relevant provisions of the PRC securities regulatory authorities.

IX. Downward adjustment to CB Conversion Price

1. Permitted adjustment magnitude

The CB Conversion Price may be subject to downward adjustments if, during the term of the Convertible Bonds, the closing prices of the A shares in any 15 trading days out of any 30 consecutive trading days are lower than 80% of the prevailing CB Conversion Price. The Board may propose any such adjustments for the shareholders to consider and seek their approval at a general meeting.

The above-mentioned proposal is subject to approval of two-thirds of the participating shareholders with voting rights. Shareholders who hold the Convertible Bonds should abstain from voting. The adjusted CB Conversion Price should be not less than (a) the average trading price of the A shares of the Bank for the 20 trading days prior to the aforementioned general meeting, (b) the average trading price of the A shares of the Bank on the day immediately before the general meeting of shareholders, (c) the net asset value per share based on the latest audited financial statement, and (d) the nominal value per share.

In the event that another adjustment of CB Conversion Price has been implemented in the aforementioned 20 trading days, the CB Conversion Price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted CB Conversion Price and closing price.

2. Procedures of downward adjustment to CB Conversion Price

If the Bank decides to make a downward adjustment to the CB Conversion Price, the Bank will publish an announcement in the print media and the website designated by the CSRC for information disclosure. The information disclosed will include the resolutions of general meeting of shareholders and the information disclosure will cover the magnitude of the adjustment, the registration date and the suspension period of share conversion. An announcement will also be published (if necessary) on the website of the Hong Kong Stock Exchange if it is required by the Listing Rules and the Articles of Association of the Bank. Share conversion will be restored for application based on the revised CB Conversion Price on the trading date after the registration date (i.e. the effective date of the downward adjustment to the CB Conversion Price). If the adjustment date is prior to the registration date and on or after the share conversion application date, the share conversion application should be executed based on the price after the adjustment.

X. Conversion method of fractional share

The number of the shares to be requested by the CB Holders for conversion shall be in whole number. The remaining balance of the fractional share will be paid by the Bank to the CB Holders at par with accrued interest in cash within the five trading days after the date of conversion in accordance to the relevant regulations of Shanghai Stock Exchange and other regulatory authorities.

XI. Terms of redemption

1. Terms of redemption at maturity

Within five trading days after the maturity of the Convertible Bonds, the Bank will redeem all the Convertible Bonds which have not been converted into the A shares of the Bank at a certain ascent ratio of the par value (including the final term of interest). The Board shall determine the specific ascent ratio with reference to market conditions.

2. Terms of conditional redemption

During the term of the Convertible Bonds, if the closing price of the A shares of the Bank is equal to or not lower than 130% of the CB Conversion Price in at least 15 trading days out of any 30 consecutive trading days, the Bank has the right to redeem all or part of the Convertible Bonds based on the par value plus the accrued interest. For any year in which interest is accrued, the Bank may redeem the Convertible Bonds upon first time when the conditions for redemption are satisfied. If the redemption right is not exercised when first time the conditions for redemption are satisfied, such redemption right shall not be exercised in the relevant year.

Formula for calculating current accrued interest is: $I_A = B \times i \times t / 365$

I_A : Accrued interest for the current period;

B: Aggregate nominal value of the convertible bond held by the CB Holders;

i: Interest rate of the convertible bond; and

t: Number of days of interest accrued, actual calendar days from the last interest payment date to the redemption date (excluding the redemption date).

In the event that any adjustment of share conversion price has been implemented in the aforementioned trading days, the CB Conversion Price will be calculated based on the date prior to and after the adjustment, in accordance with the adjusted CB Conversion Price and closing price.

In addition, when the outstanding balance of un-converted Convertible Bonds is below RMB30 million, the Board can decide whether to redeem all the outstanding Convertible Bonds based on the par value plus the accrued interest.

To meet the requirements for the Convertible Bonds to form as part of the supplementary capital, the exercise of the redemption right needs to be conditional on the approval from China Banking Regulatory Commission (“**CBRC**”).

XII. Redemption at the option of the CB Holders

If the use of proceeds from the issuance of the Convertible Bonds by the Bank deviates from the description in the offering document, and it is so deemed by the CSRC as a deviation, the CB Holders will have a one-off right to request the Bank to redeem the Convertible Bonds at par value plus any accrued interest. Under this scenario, the CB Holders may request the Bank to redeem their Convertible Bonds during the redemption declaration period after it is announced by the Bank. If the CB Holders do not exercise their redemption rights during the redemption declaration period, they shall not exercise such rights later on. Other than that, the Convertible Bonds cannot be redeemed at the option of the CB Holders.

XIII. Dividend rights of the year of conversion

The new A shares of the Bank to be issued as a result of the conversion of the Convertible Bonds shall rank pari passu with all the existing issued shares of the Bank, and enjoy dividend rights from the date of shareholder registration.

XIV. Method of issuance and target subscribers

The specific method of the issuance of the Convertible Bonds will be determined by the Board as authorized by the Shareholders’ meeting. The target investors are natural persons, legal persons, securities investment funds and other investors that are compliant with the laws who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, but except for those prohibited by state laws and regulations.

XV. Subscription arrangement for the existing A Shareholders

The existing A shareholders except for the controlling shareholder of the Bank are entitled to preferential rights to subscribe for not less than 50% of the total principal amount of the Convertible Bonds. The specific preferential allocation ratio will be determined by the Board under the authorization of the general meeting of the shareholders in accordance with the market conditions, and should be disclosed in the offering document. The remaining portion of the preferential issuance and those which have been given up by the existing A shareholders will be subscribed through the combination of offline placement to institutional investors and online issuance through the online pricing system of Shanghai Stock Exchange, the rest of the Convertible Bonds will be underwritten by the underwriting syndicates.

XVI. CB Holders and meetings

1. The rights and obligations of CB Holders

(1) Rights of CB Holders

- ① Entitlement to interests in accordance with the amount of the Convertible Bonds held by the CB Holders
- ② Conversion rights according to the terms of the Convertible Bonds
- ③ Entitlement to exercise redemption rights according to the terms of the Convertible Bonds
- ④ Assignment, bestowal, pledge of the Convertible Bonds in accordance with the laws, administrative regulations and the Articles of Association of the Bank
- ⑤ Obtain relevant information in accordance with the laws, and the Articles of Association of the Bank
- ⑥ Claim principal and interests in accordance with the agreed period and manner
- ⑦ Other rights entitled in accordance with the laws, administrative regulations and Articles of Association as creditors of the Bank

(2) Obligations of the CB Holders

- ① Compliance with the relevant terms of the Convertible Bonds
- ② Making due payment of the subscription amount
- ③ Except as specified in laws, regulations, or the offering document, the CB Holders shall not request the Bank to make prepayment of the principal and interests of the Convertible Bonds
- ④ Compliance with other obligations undertaken by the CB Holders in accordance with the laws, administrative regulations and the Articles of Association

2. Meetings of the CB Holders

(1) Convening the meetings of CB Holders

The Board shall convene a CB Holders' meeting when any of the following circumstances arises:

- ① proposal for changes of terms of the offering document;
- ② the Bank's default in paying principal and interests on time;
- ③ reduction of the Bank's capital, merger, separation, dissolution or bankruptcy of the Bank; and
- ④ other matters which may significantly affect the material interests of the CB Holders.

The following agencies or individuals could propose the convening of the CB Holders' meeting:

- ① the Board;
- ② written proposal submitted by the CB Holders who hold 10% or more of the total par value of the outstanding Convertible Bonds; and
- ③ other organizations or persons designated by CSRC.

(2) Convening of the meeting of CB Holders

- ① CB Holders' meeting will be convened and hosted by the Board; and
- ② the meeting of CB Holders should be convened by the Board within 30 days after the proposal of the meeting has been raised or received by the Board. The Board shall publish a notice in at least one designated newspaper and website 15 days prior to the meeting of the CB Holders, which specifies the meeting time, venue, contents, and methods etc as confirmed by the Board.

(3) Participants of the CB Holders' meetings

Unless the laws and regulations indicate otherwise, the CB Holders and their representatives have the right to attend the CB Holders' meeting and to exercise their voting rights.

The following institutions or persons may participate in the CB Holders' meeting and submit proposal for reference, but do not have voting rights:

- ① the issuer of the Convertible Bonds (i.e. the Bank);
- ② other key connected parties.

The Board should hire lawyers to attend the CB Holders' meeting, issue legal opinion in relation to the calling of the meeting, the convening of the meeting, voting procedure, and the qualifications of the participants.

(4) Procedures of the CB Holders' meetings

- ① The Chairman of the meeting will announce the meeting agenda and important notice, confirm and announce the scrutineer, and present the proposals. Voting will be commenced after discussion of the proposals, the resolution will be effective upon witness by a lawyer.
- ② CB Holders' meetings will be chaired by the Board's Chairman. If the Chairman is unable to attend the meeting, the Chairman shall authorize a director to host the meeting. If both are not able to host the meeting, a representative elected by the CB Holders representing more than 50% of the total par value of the Convertible Bonds in attendance should host the meeting.
- ③ The convener should record the attendees of the meeting. The record should list out the participants' names (or companies name), identity card number, residential address, the total par value of the Convertible Bonds held by the participant, the appointing CB Holder's name (or companies names) etc..

(5) Voting and resolution of the CB Holders' meeting

- ① The voting method is one vote per certificate of the Convertible Bond.
- ② Voting will be processed by open ballot.
- ③ Effective resolution should be passed by attendees holding more than two-thirds of the total par value of the Convertible Bonds.
- ④ All the items contained in the proposals should be discussed and voted separately.

- ⑤ A resolution will be valid after it has been resolved by the CB Holders at the CB Holders' meeting and subject to approval by the CSRC or other regulatory authorities, the resolution will be effective from the date of approval.
- ⑥ Unless otherwise agreed or the people who disagree with the resolutions and the absentees of the meeting of the CB Holders receive special compensation, the resolutions are equally applicable to all the CB Holders.
- ⑦ After the resolutions are passed by the CB Holders at the meeting of the CB Holders, the Board will publish an announcement to inform the CB Holders of the resolutions and execute such resolutions.

XVII. Use of proceeds from the issuance of the Convertible Bonds

The proceeds from the issuance of the Convertible Bonds, after deduction of the issuance costs, will be applied to replenish the capital base and working capital of the Bank in order to improve the capital adequacy ratio of the Bank.

Subject to the approval by the CBRC, the total proceeds after deduction of the administrative expenses will be fully used for replenishment of the Bank's supplementary capital, and for the replenishment of the core capital after conversion of the Convertible Bonds; otherwise, such proceeds will be used to replenish core capital after conversion of the Convertible Bonds.

XVIII. Special provisions in relation to supplementary capital

In order to satisfy the requirements of the CBRC in relation to the treatment of convertible bonds as the supplementary capital of a bank and pursuant to the Administrative Measures regarding the Capital Adequacy Ratio of Commercial Banks, the Convertible Bonds will contain the following special provisions:

- (1) the exercise of redemption right under the Convertible Bonds is conditional upon the obtaining of the approval by the CBRC; and
- (2) the CB Holders' claims are subordinated to the claims from the depositors and other ordinary creditors and are equivalent to other subordinated debts of the Bank.

XIX. Guarantee and security

There is no guarantee or security in relation to the proposed issuance of the Convertible Bonds.

XX. The validity period of the resolution of the issuance of the Convertible Bonds

The resolution of the issuance of the Convertible Bonds will be valid for 12 months from the date of the passing of the relevant resolutions at the Shareholders' Meeting.

XXI. Matters relating to authorization in connection with the issuance of the Convertible Bonds

To ensure smooth implementation of the issuance of the Convertible Bonds, it will be proposed at the Shareholders' Meeting to authorize the Board, which will then designate a board committee set up for this purpose, to handle matters regarding the issuance of the Convertible Bonds under the framework and principles as approved at the Shareholders' Meeting and within the validity period of the resolution of issuance of the Convertible Bonds, including but not limited to those set out below:

1. to formulate and implement the final proposal for the issuance of the Convertible Bonds prior to the issuance, including but not limited to: issue size, proportion of preferential rights to subscribe for the Convertible Bonds to be allocated to existing A shareholders, interest rate of the Convertible Bonds, rules of the meetings of the CB Holders, timing of the issuance, accounts for the funds to be raised and any other matters in relation to the issuance of the Convertible Bonds;
2. if the PRC government announces new regulations in relation to the issuance of the Convertible Bonds, or the regulatory authorities have new requirements, or there are changes in market conditions, to adjust the issuance proposal accordingly unless such adjustments are specifically required by the laws, regulations and the Articles of Association to be resolved at a Shareholders' meeting;
3. to produce, amend and file the application and any other materials in relation to the issuance and listing of the Convertible Bonds according to the requirements of the relevant securities regulatory authorities;
4. to amend, execute and implement all contracts, agreements and other documents (including but not limited to underwriting and sponsorship agreements and agreements relating to the funds raised from the issuance of the Convertible Bonds) during the course of the issuance;
5. based on the issuance and conversion of the Convertible Bonds, to appropriately amend the relevant provisions of the Articles of Association of the Bank, and to deal with the matters in relation to the change of registration with administration for industry and commerce, change of registered share capital and listing of the Convertible Bonds;
6. subject to laws and regulations to the extent permitted, in accordance with the requirements of the regulatory authorities and in view of the actual conditions of the Bank, to appropriately amend, adjust and supplement the final proposal of the issuance of the Convertible Bonds; and
7. to deal with other matters in relation to the issuance of the Convertible Bonds.

BANK OF CHINA LIMITED
CAPITAL MANAGEMENT PLAN (2010–2012)

To further strengthen capital management and ensure capital adequacy and pursuant to the Administrative Measure on Commercial Banks Capital Adequacy Ratio, the Notice on Improvement of Commercial Banks Capital Replenishment Mechanism issued by China Banking Regulatory Commission (“**CBRC**”), as well as the Strategic Development Planning of Bank of China, the following plan is compiled.

I. Capital management principles

Bank of China Limited (the “**Bank**”) will follow the principles below for its capital management:

- (1) Maintain high asset quality and adequate capital, support the implementation of strategic development plan, and meet regulatory requirements.
- (2) Fully identify, quantify, monitor, mitigate and control all kinds of major risks, ensure adequate capital for the risk exposure and risk management purposes.
- (3) Optimize asset structure, allocate economic capital in reasonable manners, and ensure sustainable development of the Bank.

II. Capital management target

Considering the combined effect of the regulatory requirements, the Bank’s development strategies, risk sensitivity and the implementation of the New Basel Capital Accord, and with reference to the prestigious international banks’ capital adequacy ratios, the Bank has set its capital management target in 2010 to 2012 as follows:

Items	2010	2011	2012
Capital adequacy ratio	≥11.5%		
Core capital adequacy ratio	≥8%		

As of today, the CBRC has not determined the minimum capital adequacy ratio for the Bank. The Bank will establish and perfect the internal capital adequacy assessment procedures, re-examine and evaluate capital adequacy ratio target periodically, and adjust and update promptly in accordance with the regulatory requirements.

III. Capital replenishment mechanism

When the capital adequacy ratio of the Bank and its subsidiaries (the “**Group**”) falls to a level close to or lower than the expected target, the Bank will on a priority basis improve the capital adequacy ratio through refining capital structure, improving profitability, adjusting dividend distribution policy and the growth rate of risk assets.

The Bank will appropriately raise funds through external channels to replenish capital when the conditions below are reached or triggered:

- (1) the Group capital adequacy ratio is lower than the target, predetermined by the management, which require the capital replenishment externally
- (2) other capital replenishment plan determined by the Board and senior management of the Bank

IV. The necessity of capital replenishment

With the full implementation of strategic development plan, increasingly stringent financial regulatory requirements and the implementation of the New Basel Capital Accord, and after considering the demand and supply for capital in 2010 to 2012, the Bank needs to replenish its capital from external sources to ensure capital adequacy.

- (1) **Meet the strategic development requirements.** In March 2009, the board of directors of the Bank considered and adopted a new strategic development plan, which defines its strategic objective as “Delivering growth and excellence, becoming a leading international bank”, and its strategic positioning as “To be a large multinational banking group based on a diversified and integrated cross-border business platform, with a core business of commercial banking”. According to the strategic development plan, the Bank will maintain a rapid growth in asset scale, and therefore will have ongoing capital needs.
- (2) **Satisfy the regulatory capital requirements.** In order to further strengthen the capital constraint, the CBRC has imposed specific requirements on the perfection of capital replenishment mechanism of commercial banks. It requires commercial banks not only to deduct the full amount of the subordinated debts of other banks in calculating the capital adequacy ratio, but also to maintain adequate high quality capital. Given the increasingly stringent regulatory capital requirements, the Bank’s capital replenishment pressure has further increased.
- (3) **Meet the requirements of the New Basel Capital Accord.** According to the regulatory requirements, the Bank will implement the New Basel Capital Accord by the end of 2010. The New Basel Capital Accord expands the scope of risk measurement, and requires banks to implement internal capital adequacy assessment process to ensure sufficient capital for the major risks exposed. According to quantitative analysis, it is estimated that the implementation of the New Basel Capital Accord will lead to a decrease in capital adequacy ratio, and therefore will increase the capital replenishment pressure.

V. Feasibility study of capital replenishment

Against the background of deeply improving China’s financial industry reform, expanding the capacity of the capital market, and improving operating results continuously in the banking industry, the Bank faces favourable environment for capital replenishment both

internally and externally. In the long run, capital replenishment will lay a solid foundation for the Bank's future development, and will be conducive to the continuous enhancement of shareholders' value.

- (1) **Increasingly abundant capital replenishment channels.** With the continuous development of China's financial markets, the capital replenishment channels have steadily increased, and therefore provides more channels for the Bank to replenish its capital. The Bank could raise capital either through debt or equity financing or otherwise.
- (2) **Steadily thriving capital markets.** In recent years, the proportion of direct financing has gradually increased in the PRC. The capital markets have been continuously expanding. The investors have become more sophisticated and the market's capability of absorbing large scale refinancing by banks has increased. Such environment provides financing platform for the Bank's capital replenishment.
- (3) **Gradually improving operating results.** Benefiting from the rapid economic growth in the PRC and implementation of the strategic development plan, the Bank hopes to steadily improve its profitability, and therefore increase its attractiveness to the investors.

VI. Capital replenishment methods

In order to meet the capital adequacy ratio target, the Bank will enhance its internal capital accumulation capability, consider the costs and efficiencies of various financing instruments, leverage on its dual listing platforms, capture favourable market conditions, and use various external financing channels to satisfy capital needs.

- (1) **Convertible bonds.** As a hybrid instrument with debt- and equity-like features, coupled with high market acceptance, convertible bonds are important instruments for banks to replenish capital. The Bank plans to issue convertible bonds to the public in the A share market to replenish its supplementary capital before conversion and core capital after conversion.
- (2) **Placing of H shares.** Placing of H shares will directly replenish the core capital, and are conducive to improving the capital quality and further expand the room for supplementary capital replenishment. The Bank may, depending on market conditions, place the H shares.
- (3) **Subordinated debt.** According to the regulatory requirements, commercial banks could replenish supplementary capital through the issue of subordinated debt. In July 2009, the Bank had successfully issued subordinated debt of RMB40 billion. In 2010, subordinated debt of approximately RMB25 billion will mature and will be redeemed by the Bank. Such debt will be re-financed after redemption within the amount as permitted under the regulatory regime.

- (4) **Others.** According to the regulatory requirements, market conditions and realisation of capital adequacy target, the Bank will prudently use other equity financing instruments (such as rights issue, placement, open offer, etc.) to replenish its capital.

VII. Capital management measures

(1) **Strengthen its capital planning and management; ensure its stability of capital adequacy**

The Bank will review its mid-term and long-term capital planning on a regular basis and dynamically adjust its capital planning in a timely manner according to the macroeconomic environment, regulatory requirements, market conditions, business development and other circumstances so as to ensure its capital level meet the requirements of its future business development and risk status.

(2) **Enhance adjustment to its asset structure; improve its capital allocation efficiency**

The Bank will adjust and optimize its balance sheet and off-balance sheet asset structure and give priority to the development of the business with high integrated returns and less capital spending. The Bank will properly increase the level of risk mitigation and reduce capital spending in its business development; ensure steady growth of its loans, improve its securities investment structure and rationally arrange the scale of its direct investment, strengthen the off-balance sheet assets risk management and accurately measure off-balance sheet risk assets; guide business division and offices at all levels to adjust their business structure and customer composition with economical capital allocation restrict the growth of risk asset through economical capital; properly match its capital level with its risk level and improve its capital usage efficiency.

(3) **Strengthen its internal capital adequacy assessment; improve its capital management capability**

The Bank will establish internal capital adequacy assessment process; to ensure adequate identification, measurement, monitoring and reporting of key risk status, ensure its capital levels meet the requirements of major risks it will encounter and its risk management levels, ensure its capital planning meets the requirement of its business conditions, changes in risks and its long-term development strategy. The internal capital adequacy assessment process will serve as an important component in the internal management and decision-making process of the Bank and apply to capital budgeting and allocation, credit and strategic decision-making process.

(4) **Strengthen its stress tests, improve its capital contingency plan**

In accordance with regulatory requirements to establish the stress test system, the Bank is required to conduct rigorous and forward-looking stress tests every half year, with focus on testing the capital needs and capital availability under different pressure to ensure the Bank has an adequate capital level to meet requirements in

adverse market conditions. The Bank will formulate and improve its capital contingency plans, identify policy arrangements and corresponding solutions under pressure, to ensure that it meets any unplanned capital needs. The capital contingency plan of the Bank mainly includes the cost analysis of emergency financing, restrictions on the development of high capital spending business, and adoption of the risk mitigation measures, etc.

(5) Strengthen its capital budget and assessment; enhance its awareness of the capital constraint

The Bank will develop an annual capital budgeting, identify its annual capital requirement, asset structure and capital adequacy requirement, ensure its annual budget is in line with its mid-term and long-term planning and facilitate the implementation of its mid-term and long-term planning. The Bank will strengthen the economical capital budget management of its branches, allocate the capital budget target to domestic and overseas subsidiaries and various business divisions, enhance its capital planning, enhance the awareness of capital constraints of its subordinates at all institutions, increase the economical capital (EVA, RAROC) assessment, and fully reflect the strategic direction and capital constraint requirements of the Group.

BANK OF CHINA LIMITED
FEASIBILITY ANALYSIS REPORT ON USE OF PROCEEDS OF THE PROPOSED
ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS

Since 2009, Bank of China Limited (the “**Bank**”) has obtained milestone achievement in strategic development planning, made significant progress in “Expanding business scale, Refining business structure”, and achieved substantive results in the business development and risks management. As of 30 September 2009, the Bank’s total assets were RMB8,342.336 billion, which doubled that of 2003. While the asset scale continues to expand, the Bank’s profitability has also progressively increased, and therefore has brought impressive return to the shareholders. For the period from January to September 2009, the net profits of the Bank were RMB65.079 billion, increased by 5.32% compared with the same period last year. The return on equity (excluding minority shareholders’ equity, ROE) reached 17.17%. The return on total assets (ROA) reached 1.13%. The asset quality continues to improve. By the end of September 2009, the non-performing loan was RMB75.309 billion, decreased by RMB12.181 billion compared to the end of last year. The non-performing loan ratio was 1.60%, decreased by 1.05 percentage points compared to the end of last year. The impaired loan coverage ratio reached 144.66%, increased by 22.94 percentage points compared to the end of last year.

With the expansion of business, the Bank’s total assets have achieved relatively high growth rate. As a result, the scale of risk assets is subsequently increased and the capital adequacy ratio dropped accordingly. By the end of September 2009, the Bank’s capital adequacy ratio was 11.63%, and core capital adequacy ratio was 9.37%, decreased by 1.80 and 1.44 percentage points respectively compared to the end of last year.

In 2009, the Bank adopted its new strategic development plan, which defines its strategic positioning as “Leveraging the core business of commercial banking, Diversifying services, and Integrating domestic and overseas business development of a large scale multinational banking group”, and its strategic objective as “Pursuit of excellence, Sustainable Development, and World-class bank”. It is now a crucial point for the Bank to implement its strategic development plan. The continuing and rapid increase of domestic economy creates an overall sound environment and development space for the Bank to implement its strategic development plan. However, the rapid business development of the Bank requires sufficient capital support in a few years. In the meantime, the more strict capital regulations and the implementation of the New Basel Capital Accord will impose capital requirements on the Bank as well. To support the rapid business development, the Bank needs to replenish its capital. Currently, there is a tendency of a firm and rising development in the domestic capital market with relatively adequate liquidity, which provides the Bank with good opportunity for replenishing its capital. The Bank proposes to replenish its capital through the issue of A share convertible bonds.

The proceeds from issue of the A share convertible bonds after deducting issue expenses will be applied to replenish the Bank's capital and as working capital. With the approval from China Banking Regulatory Commission, the proceeds from issue of the A share convertible bonds after deducting issue expenses will be applied to replenish the Bank's supplementary capital and to replenish the core capital of the Bank after conversion of the convertible bonds, or otherwise, to replenish the core capital of the Bank after conversion of the convertible bonds.

The issue of the A share convertible bonds will raise the Bank's capital adequacy ratio, strengthen its anti-risk capability and sustainable development, support its future business development, promote steady growth in profitability, and further enhance the shareholders' value.

BANK OF CHINA LIMITED
UTILIZATION REPORT OF FUNDS RAISED FROM PREVIOUS ISSUANCES

(I) The proceeds raised from the previous issuances

According to the Approval of the Issuance of Overseas Listed Foreign Securities of Bank of China Limited (Zheng Jian Guo He Zi [2006] No.8) issued by the China Securities Regulatory Commission, Bank of China Limited (the “**Bank**”) was approved to issue 29,403,878,000 overseas listed foreign shares (H shares) at the offer price of HK\$2.95 per share. The issuance proceeds were fully paid in Hong Kong dollars with a total amount of HK\$86,741,440,100 (equivalent to RMB89,671,452,806.76). The proceeds mentioned in the above were received by the Bank on 9 June 2006. After deduction of the issuance costs of RMB2,782,103,434.35, the net proceeds were equivalent to approximately RMB87,184,408,931.55 (including the interests income accrued on the subscription funds during the frozen period in the amount of RMB295,054,425.53 and the income from the difference between residual balance of the subscription funds in the amount of RMB5,133.61) (together with the proceeds raised from the issuance of the Renminbi-denominated ordinary shares (A Shares) mentioned below, the “**Previous Proceeds**”), which was verified by PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and a capital verification report (PwC ZT Yan Zi [2006] No.82) and a supplementary statement were issued.

Pursuant to the Notice of Approval of Initial Public Offering of Bank of China Limited (Zheng Jian Fa Xing Zi [2006] No.20) issued by the China Securities Regulatory Commission, the Bank was approved to issue 6,493,506,000 Renminbi ordinary shares (A shares) to public investors at the offer price of RMB3.08 per share. The issuance proceeds were fully paid in Renminbi with a total amount of RMB19,999,998,480 (together with the proceeds raised from the issuance of the overseas listed foreign shares (H Shares) mentioned in the above, the “**Previous Proceeds**”). After deduction of the issuance costs of RMB548,536,093.19, the net proceeds were about RMB19,451,462,386.81. The proceeds mentioned above were received by the Bank on 29 June 2006, which was verified by PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and a capital verification report (PwC ZT Yan Zi [2006] No.83) was issued.

(II) The actual utilization of the Previous Proceeds

As stated in the prospectus of overseas listed foreign shares (H shares) of the Bank and the prospectus of Renminbi-denominated ordinary shares (A shares) of the Bank dated June 2006, all of the net proceeds, after deduction of issuance costs, should be used to strengthen the Bank’s capital base. As at 31 December 2008, the actual amount of proceeds used to strengthen the Bank’s capital was RMB106,635,871,318.36. The actual utilization of the proceeds was in line with the relevant disclosures in the prospectuses.

(II) The actual utilization of the Previous Proceeds (Continued)

As at 31 December 2008, the utilization of the Previous Proceeds by the Bank are as follows:

Unit: Renminbi Yuan

Total amount of proceeds raised: 106,635,871,318.36		Accumulated total amount of proceeds used: 106,635,871,318.36									
Among which:		Among which:									
Total amount of H shares proceeds: 87,184,408,931.55		Accumulated total amount of H shares proceeds used: 87,184,408,931.55									
Total amount of A shares proceeds: 19,451,462,386.81		Accumulated total amount of A shares proceeds used: 19,451,462,386.81									
Total amount of proceeds in relation to a change of original use: Nil		Accumulated total amount of proceeds used for the years ended:									
Total amount of proceeds in relation to a change of original use: Nil		Year 2006: 106,635,871,318.36		In which: H shares 87,184,408,931.55		A shares 19,451,462,386.81					
Percentage of amount of proceeds in relation to a change of original use: Nil		Year 2007: 106,635,871,318.36		In which: H shares 87,184,408,931.55		A shares 19,451,462,386.81					
		Year 2008: 106,635,871,318.36		In which: H shares 87,184,408,931.55		A shares 19,451,462,386.81					
No.	Investment project	Total proceeds invested			Accumulated proceeds invested			The ratio of actual proceeds invested over total proceeds raised			
		Pre-offering committed amount	Post-offering committed amount	Actual investment amount	Pre-offering committed amount	Post-offering committed amount	Actual investment amount		The difference between actual investment amount and post-offering committed amount		
H shares											
1	Replenishment of capital base	87,184,408,931.55	87,184,408,931.55	87,184,408,931.55	87,184,408,931.55	87,184,408,931.55	87,184,408,931.55	—	100%		
A shares											
2	Replenishment of capital base	19,451,462,386.81	19,451,462,386.81	19,451,462,386.81	19,451,462,386.81	19,451,462,386.81	19,451,462,386.81	—	100%		
	Total	106,635,871,318.36	106,635,871,318.36	106,635,871,318.36	106,635,871,318.36	106,635,871,318.36	106,635,871,318.36	—	100%		

(II) The actual utilization of the Previous Proceeds (Continued)

The actual utilization of proceeds mentioned in the above has been compared with the relevant disclosures made by the Bank in its annual reports, interim reports and other public documents of the Bank from 2006 to 31 December 2008. The actual utilization of proceeds were in line with the relevant disclosures.

Due to the special nature of banking business, all of the proceeds raised by the Bank were used to strengthen its capital base. The realization of benefits cannot be calculated separately. The proceeds have replenished the Bank's capital base and improved the Bank's capital adequacy ratio.

**ASSURANCE REPORT ON THE UTILIZATION REPORT ON THE USE OF
PROCEEDS FROM PREVIOUS ISSUANCE OF SECURITIES**

PwC ZT Te Shen (2010) No.029

TO THE SHAREHOLDERS OF BANK OF CHINA LIMITED,

We have been engaged by Bank of China Limited (hereinafter referred to as “**the Bank**”) to provide assurance on the Bank’s utilization report (the “**Utilization Report**”) on its use, as of 31 December 2008, of proceeds from its offerings of overseas listed foreign shares (the “**H Share**”) and Renminbi ordinary shares (the “**A Share**”) in June 2006 (collectively referred to as the “**Previous Proceeds**”).

It is the responsibility of the board of directors of the Bank to prepare the Utilization Report in accordance with the Rules Governing the Utilization Report on the Use of Proceeds from Previous Issuance of Securities (Zheng Jian Fa Xing Zi [2007] No.500) issued by the China Securities Regulatory Commission, including the design, implementation and maintenance of internal controls over the preparation of the Utilization Report to ensure its truthfulness, accuracy and completeness and ensure the absence of false records, misleading statements or material omissions. Our responsibility is to express an opinion on the Utilization Report based on our assurance work performed.

We have conducted our assurance work in accordance with the China Standard on Other Assurance Engagements No.3101 — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information to obtain a reasonable level of assurance of whether the Utilization Report is free from material misstatements. In performing our assurance work, we have carried out procedures we deemed necessary in the circumstances of the Bank, including obtaining understanding, inquiries, examination, and re-calculation. The assurance procedures we selected were dependent upon our professional judgment, including our assessment of the risk of material misstatements of the Utilization Report, whether due to fraud or error. In making those risk assessment, we have considered the internal control relevant to the Bank’s preparation of the Utilization Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control. We believe that our assurance procedures provide a reasonable basis for our opinion.

In our opinion, the Utilization Report has been prepared in accordance with the Rules Governing the Utilization Report on the Use of Proceeds from Previous Issuance of Securities (Zheng Jian Fa Xing Zi [2007] No.500) issued by the China Securities Regulatory Commission, and has presented faithfully, in all material aspects, the Bank’s use of Previous Proceeds as of 31 December 2008.

This assurance report is provided for the sole purpose of the Bank's application to the China Securities Regulatory Commission for the offering of A share convertible corporate bonds and forms part of the Bank's application materials or disclosure in connection with the offering of A share convertible corporate bonds as required by the China Securities Regulatory Commission and the stock exchanges where the Bank intends to list its bonds, and should not be used for any other purpose.

PricewaterhouseCoopers Zhong Tian
Certified Public Accountants Limited Company

Certified Public Accountant: Zhu Yu

Certified Public Accountant: Wang Wei

Shanghai, the People's Republic of China
22 January 2010

(The above English translation is for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.)

BANK OF CHINA LIMITED
PROPOSAL IN RELATION TO ELECTION OF A SUPERVISOR

Articles 65 and 176 of the Articles of Association of Bank of China Limited (the “**Bank**”) provide that supervisors representing shareholders shall be elected and removed by the shareholders’ meeting, shall serve a term of office of three years, and may serve consecutive terms if re-elected. The qualification of a supervisor shall be reviewed by the China Banking Regulatory Commission. The 6th meeting of 2009 of the second session of the board of supervisors of the Bank proposed to nominate Mr. Li Jun as a supervisor of the Bank, and proposed the relevant resolution to be submitted to, and considered by, the shareholders’ meeting of the Bank.

As a candidate for the supervisor representing shareholders, Mr. Li’s term of office will end on the annual general meeting of the Bank in 2013. The emoluments of Mr. Li Jun will be determined by the shareholders’ meeting of the Bank and be paid by the Bank. Mr. Li Jun has not entered into any service contract with the Bank as at the date of this circular.

Mr. Li Jun, aged 53, served as Vice Chairman of the board of directors and President of Bank of Communications Co., Ltd. (“**Bank of Communications**”) since September 2006. Mr. Li Jun had served as Vice President of Bank of Communications since November 2000 and Executive Director of Bank of Communications since June 2000. Mr. Li had been Controller General of Bank of Communications from April 1998 to April 2001 and Vice President and President of Wuhan Branch of Bank of Communications from October 1990 to April 1998. Mr. Li resigned from his office as the Executive Director, Vice Chairman of the board of directors and President of Bank of Communications on 29 December 2009. Mr. Li is a senior economist and received a master’s degree in economics from Huazhong University of Science and Technology in 1995.

Save as disclosed above and as at the date of this circular, Mr. Li Jun did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, nor did he hold any other position with the Bank or any of its subsidiaries and was not related to any directors, senior management or substantial or controlling shareholders of the Bank, nor has he received any emoluments from the Bank. Mr. Li Jun 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. Moreover, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited nor are there any issues which need to be brought to the attention of the shareholders. Mr. Li has not been penalized by the China Securities Regulatory Commission or other relevant departments and stock exchange.