

Other Information

I Profit Distribution during the Report Period

Profit Distribution in 2005 The 2005 profit distribution plan of the Bank was adopted at the 2005 annual general meeting of shareholders, i.e., to distribute a profit of RMB 1.375 billion to the registered shareholders of the Bank as of 31 December, 2005. The plan has been implemented.

According to the resolutions of the board meeting held on 29 August 2006, the Bank transferred 10% of the net profit from January to June 2006 to the statutory surplus reserve, set aside RMB4,291 million as general reserve fund. The Bank does not declare any dividend for the first half of 2006.

II Listing of H-Share and A-Share

The H-Share of the Bank was listed on The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange) on 1 June 2006. The 25,568,590,000 H-Shares were issued on the initial public offering. Following the exercise of the over-allotment option on 9 June 2006, a further of 3,835,288,000 H-Shares were issued. The issuance of H-Shares accounted for 11.9% of the total enlarged share capital at an issue price of HK\$2.95 per share. With the issuance of the shares, US\$11.2 billion was raised. The H-Share IPO was the fourth largest around the world to date, the largest for the financial sector, the Largest in Asia excluding Japan, and the largest global offering by a Chinese company.

The Bank issued its A-Share in the domestic market from 19 to 23 June 2006. These shares were issued at an issue price of RMB3.08 per share and commenced trading on the Shanghai Stock Exchange on 5 July 2006. As the largest domestic listing of A-Share on the domestic market so far, 6,493,506,000 A-Shares were offered, representing 2.56% of the fully diluted share capital. A total of RMB 19,999,998,480 was raised, and our IPO was the largest A share offering to date.

The IPOs of H-Share and A-Share account for 14.14% of the total enlarged share capital of the Bank. After the IPOs, the share capital of the Bank increased to RMB253,839,162,009 or 253,839,162,009 shares. The two IPOs and successful listing marked a milestone in the stock reform of the Bank. Since 19 July 2006, the Bank (A share code: 601988) has been included in SSE 180 index and SSE 50 index.

Other Information

III Changes in Share Capital and Shareholdings of Substantial Shareholders

1. Changes in Share Capital

	1 Jan 2006						30 June 2006	
	Number of shares	Allotment of shares	Bonus Shares	Shares transferred from the surplus reserve	Increase of share capital	Others	Subtotal	Number of shares
I. Unlisted shares								
i. Shares held by the state(promoter's shares)	174,128,718,217					-2,803,313,477	-2,803,313,477	171,325,404,740
ii. Shares held by the state				8,514,415,652		-8,514,415,652	-8,514,415,652	
iii. Shares held by domestic legal person								
iv. Shares held by foreign legal person	35,298,644,140					-35,298,644,140	-35,298,644,140	
v. Shares of legal person promoters								
vi. Shares held by staff								
vii. Preferred shares or other shares					6,493,506,000		6,493,506,000	6,493,506,000
Subtotal	209,427,362,357							177,818,910,740
II. Listed shares								
i. RMB-denominated ordinary shares								
ii. Domestically listed foreign shares								
iii. Overseas listed foreign shares					29,403,878,000	46,616,373,269	76,020,251,269	76,020,251,269
iv. Others								
Subtotal	0							76,020,251,269
III. Total	209,427,362,357							253,839,162,009

(i) The number of shares in the column of "Preferred Shares or Other Shares" is the number of A Shares offered by the Bank to the public from 12 to 29 June 2006, which were registered with the Shanghai Branch of China Securities Depository and Clearing Corporation on 29 June 2006, and commenced trading on the Shanghai Stock Exchange on 5 July 2006.

(ii) The Bank invited the National Council for Social Security Fund (SSF) as a strategic investor on 13 March 2006, to which 8,514,415,652 ordinary shares were offered. 25,568,590,000 IPO H-shares were issued in May 2006. 35,298,644,140 non-listed foreign funded shares previously held by The Bank's foreign strategic investors, 8,514,415,652 ordinary shares by the SSF, and 2,803,313,477 ordinary shares transferred by Central SAFE Investments Limited, promoter of the Bank, to SSF as required by the State, were converted to H Shares, and listed on the Hong Kong Stock Exchange on 1 June along with the H shares already offered to the public. The H Share over allotment option was exercised in full, involving 3,835,288,000 H shares on 9 June 2006. In June 2006, 6,493,506,000 A shares were offered to the public. On 29 June 2006, the A shares offered to the public by the Bank and 171,325,404,740 ordinary shares held by Central SAFE Investments Limited, promoter of the Bank, were registered as A-shares. The A-Shares of the Bank were listed on the Shanghai Stock Exchange on 5 July 2006. As of 5 July 2006, the Bank has issued 177,818,910,740 A shares and 76,020,251,269 H shares, representing 253,839,162,009 ordinary shares in aggregate.

2. Number of shareholders and shareholdings

Total number of shareholders As of the end of the reporting period, the Bank's shareholders (A-Share+ H-Share) numbered 1,060,828, including 457,146 holders of H-Share and 603,682 holders of A-Share.

Top Ten Shareholders (The number of shares held by H share shareholders are those recorded in the Register of Members as kept by the H Share Registrar of the Bank)

No.	Name of Shareholder	Type of Shareholder	Type of Share	Shareholding at the End of Report Period (As of 30 June 2006)	Proportion in Total Share Capital(%)	Shares Pledged or Frozen
1	Central SAFE Investments Limited	State owned	A Share	171,325,404,740	67.49	
2	HKSCC Nominees Limited	Foreign	H Share	30,341,965,800	11.95	
3	RBS China Investments S.à.r.l.	Foreign	H Share	20,942,736,236	8.25	
4	Asia Financial Holdings Pte Ltd	Foreign	H Share	10,471,368,118	4.13	
5	National Council for Social Security Fund, PRC	State owned	H Share	8,377,341,329	3.30	
6	UBS AG	Foreign	H Share	3,377,860,684	1.33	
7	Asian Development Bank	Foreign	H Share	506,679,102	0.20	
8	The Bank of Tokyo-Mitsubishi UFJ Ltd	Foreign	H Share	473,052,000	0.19	
9	Wingreat International Limited	Foreign	H Share	420,490,000	0.17	
10	Best Sense Investments Limited	Foreign	H Share	236,526,000	0.09	
10	Turbo Top Limited	Foreign	H Share	236,526,000	0.09	

The Bank is not aware whether the shares of the above shareholders have been pledged or frozen, or the connected relations between the above shareholders.

Other Information

Top ten Shareholders of Listed Shares that are not subject to Selling Restrictions (as at 5 July 2006, being the date of listing of A-Share, the shares held by HKSCC Nominees Limited is as at 30 June, 2006)

No.	Name of Shareholder	Listed Trading Shares	Type of Share
1	HKSCC Nominees Limited	30,341,965,800	H Share
2	ICBC- GF Strategic Selection Balanced Securities Investment Fund	70,669,000	A Share
3	Shanghai Huiyin Investment Limited Corporation	70,000,000	A Share
4	ICBC- E Fund Value Selection Stock Securities Investment Fund	50,397,000	A Share
5	China Life Insurance (Group) Company - Traditional-General Insurance	38,765,000	A Share
6	China Life Insurance Company Limited- Dividend- Personal Dividend-005L-FH002 SH	29,076,000	A Share
7	China Life Insurance Company Limited- Dividend-Group Dividend-005L-FH001 SH	23,982,000	A Share
8	China Pacific Life Insurance Co., Ltd- Dividend-Personal Dividend	23,357,300	A Share
9	China Life Insurance Company Limited- Traditional-General Insurance-005L-CT001 SH	23,260,000	A Share
10	Bank of Communications- Hua An Innovation	23,101,000	A Share

Explanation of the connected relations and the concerted action among the above shareholders

Except that some of the above shareholders may be under the management of the same corporation, the Bank is not aware of the connected relations and the concerted action among the above shareholders.

Substantial Interests in Share Capital

The register maintained by the Bank pursuant to section 336 of the Securities and Futures Ordinance (the “SFO”) of the laws of Hong Kong recorded that, as at 30 June 2006, the following corporations had the following interests (as defined in the SFO) in the Bank set opposite their respective names:

Name of Shareholders	Number of shares held	Type of shares	Percentage of total issued A shares (%)	Percentage of total issued H shares (%)	Percentage of total issued share capital (%)	Capacity
Central SAFE Investments Limited	171,325,404,740	A	96.35	-	67.49	Beneficial owner
The Royal Bank of Scotland Group PLC ^{Note 1}	20,944,789,236	H	-	27.55	8.25	Attributable interests & beneficial owner
RBS CI Limited ^{Note 1}	20,942,736,236	H	-	27.54	8.25	Attributable interests & beneficial owner
RBS China Investments S.à.r.l.	20,942,736,236	H	-	27.54	8.25	Beneficial owner
Temasek Holdings (Private) Limited ^{Note 2}	11,792,559,118	H	-	15.51	4.65	Attributable interests
National Council for Social Security Fund of the PRC	11,317,729,129	H	-	14.89	4.46	Beneficial owner
UBS AG	3,892,847,114 132,154,877 (S)*	H	-	5.12 0.17	1.53 0.05	Attributable interests, beneficial owner & person having a security interest in shares

* “S” denotes short positions

Notes:

- 1.The Royal Bank of Scotland Group PLC (“RBS Group”) holds the entire issued share capital of RBS CI Limited, which in turn holds 51.61% of RBS China Investments S.à.r.l. (“RBS China”). Accordingly, RBS Group and RBS CI Limited are deemed to have the same interests in the Bank as RBS China for the purpose of the SFO.
- 2.Temasek Holdings (Private) Limited (“Temasek”) holds the entire issued share capital of Fullerton Management Pte Ltd, which in turn holds the entire issued share capital of Asia Financial Holdings Pte Ltd. Accordingly, for the purpose of the SFO, Temasek and Fullerton Management Pte Ltd are deemed to have the same interests in the Bank as Asia Financial Holdings Pte Ltd, which has an interest in 11,785,825,118 shares of the Bank.

All the interests stated above represented long positions except stated otherwise. Save as disclosed above, as at 30 June 2006, no other interests or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

IV Significant Related Party Transactions (Under Chinese Laws and Regulations)

(Please refer to Note 32 of the Condensed Consolidated Financial Statements under Related Party Transaction)

V Material Merger and Acquisition, Sales or Restructuring of Assets

Except as stated below, the Bank did not have material merger and acquisition, sales or restructuring of assets during the report period.

Other Information

The following are highlights of the current report period in purchases & sales of assets and mergers:

On 1 June 2006, BOCG Insurance, a wholly-owned subsidiary of the Group, sold a 51% stake of BOCG Life to BOC Hong Kong (Holdings) Limited in which the Bank holds a stake of 65.87%, at the purchase price of HKD900 million by reference to the valuation of BOCG Life as of 31 December 2005. The Group effectively sold a 17.4% stake of BOCG Life to minority shareholders of BOC Hong Kong (Holdings) Limited, and achieved a gain of RMB138 million.

Bank of China Group Investment Limited, a Hong Kong subsidiary of the Group, sold loans at a book value of RMB63 million to an independent third party in May 2006, giving rise to an income of RMB723 million, with net income at RMB660 million.

VI Major Contracts and Performance

During the report period and except as disclosed, the Bank does not have material assets business with other companies to custody, contract or lease their assets, and does not entrust other companies to custody, contract or lease the Bank's material assets

The guarantee business is one of our off-balance sheet items in the ordinary course of our business. We carry out external guarantee business in a prudent manner, and manage risk according to the five-category classification of loans to ensure the asset quality of our guarantee business.

During the report period and except as disclosed, no material cash assets of the Bank were entrusted to others for management.

VII Undertakings

During the report period, the Bank or shareholders holding shares of more than 5% (including 5%) in the Bank have not made undertakings that might have significant adverse impact on the operational results and financial position of the Bank.

VIII Material Litigation and Arbitration

During the report period and except as disclosed herein, there was no material litigation and arbitration that might have significant adverse impact on the operation of the Bank.

The Bank has involved in certain litigation and arbitration cases in regular businesses. After consulting professional legal firms, the Management holds that these litigation and arbitration cases will not have significant adverse impacts on the operation of the Bank.

IX Appointment and Dismissal of Auditors

The Bank has appointed PricewaterhouseCoopers Zhong Tian Certified Public Accountants Limited Company and PricewaterhouseCoopers Hong Kong as its domestic and international statutory external auditors respectively.

X Punishment and Remedial Actions Required by the Bank, Board of Directors and Directors

During the report period, none of the Bank, the Board of Directors or any Director was subject to any investigation

and administrative punishment from the China Securities Regulatory Commission, or was the subject of a public reprimand from any stock exchange.

XI Explanation on the Alteration of Business Plan

During the report period and except as publicly disclosed, there has been no material amendment to the Bank's business plan.

XII Warnings and Reasons for Predicted Loss or Significant Changes in Net Accumulated Profit from the Beginning of the Year to the End of Next Report Period

Except as publicly disclosed, the Bank does not believe that the net accumulated profit earned from the beginning of the year to the end of the next report period would result in a loss, nor would there be significant changes compared with the same period of last year.

XIII Use of IPO Proceeds

Fund raising in the current report period is as follow:

Pursuant to the *Response of CBRC on BOC's Absorption of Investment and Shareholding by SSF* (YJF [2006] No. 49), the Bank issued to SSF 8,514,415,652 ordinary shares on 13 March 2006, par value RMB1 for each share, at a premium. SSF contributed RMB10 billion in cash, with the capital contribution including an equity premium of RMB1, 481 million.

Pursuant to the *Response of CBRC on BOC's Transformation to Overseas Offering and Listing of Shares* (YJF [2006] No. 53) and the *Response on Approving BOC's Issuance of Foreign Capital Stock Listed Abroad* (ZJGHZ [2006] No.8), the Bank issued at a premium to foreign investors 29,403,878,000 foreign capital stocks listed abroad (H Share) on 1 June 2006 and 9 June 2006, par value RMB1 for each share, which were publicly listed on the Hong Kong Stock Exchange, at an issue price of HK\$2.95 per share.

Pursuant to the *Response of CBRC on BOC Issuing Stocks and Going Public* (YJF [2006] No. 135) and the *Circular on Approval of BOC Initial Public Offering* (ZJFXZ [2006] No.20), the Bank issued at a premium to domestic investors 6,493,506,000 ordinary shares (A Share) on 29 June 2006, par value RMB1 for each share, which were publicly listed on the Shanghai Stock Exchange, at an issue price of RMB3.08 per share.

Funds raised within the report period are mainly used to strengthen the Bank's capital base.

XIV The Audit Committee

The Audit Committee of the Bank is composed of non-executive directors, including two non-executive directors and three independent non-executive directors. Independent non-executive director Patrick de Saint-Aignan is the Chairman; and Zhu Yan, Huang Haibo, Anthony Francis Neoh and Peter Cooke are members of the Committee.

In line with the principle of independence, The Committee assisted the Board of Directors in supervising the Group's financial reporting, internal control, internal audit and external audit etc.

The Audit Committee has reviewed the interim results of the Bank. The Bank's external auditors have carried out a

Other Information

review of the interim financial statements in accordance with International Standards on Review Engagements No. 2410 but not audit in accordance with International Audit Standards. The Audit Committee has discussed matters such as the accounting standards and the auditing practice, internal control and financial statements adopted in the interim report.

XV Directors' and Supervisors' Rights to Acquire Shares

On 5 July 2002, the following Directors were granted options by BOC Hong Kong (BVI) Limited ("BOC (BVI)"), the immediate holding company of BOC Hong Kong (Holdings) Limited, pursuant to a Pre-Listing Share Option Scheme to purchase from BOC (BVI) existing issued shares of BOC Hong Kong (Holdings) Limited at a price of HK\$8.50 per share. BOC Hong Kong (Holdings) Limited is a subsidiary of the Bank which is also listed on the Hong Kong Stock Exchange. These options have a vesting period of four years from 25 July 2002 with a valid exercise period of ten years. Twenty-five percent of the shares subject to such options will vest at the end of each year.

Particulars of the outstanding options granted to the Directors under the Pre-Listing Share Option Scheme as at 30 June 2006 are set out below:

	Date of grant	Exercise price (HK\$)	Exercisable Period	Number of share options					
				Granted on 5 July 2002	Balances as at 1 January 2006	Exercised during the period	Surrendered during the period	Lapsed during the period	Balances as at 30 June 2006
HUA Qingshan	5 July 2002	8.50	25 July 2003 to 4 July 2012	1,446,000	1,446,000	–	–	–	1,446,000
LI Zaohang	5 July 2002	8.50	25 July 2003 to 4 July 2012	1,446,000	1,446,000	–	–	–	1,446,000

Save as disclosed above, at no time during the period under review was the Bank, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and Supervisors of the Bank and their respective spouses or children below the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

XVI Directors and Supervisors' Interests in Shares, Underlying Shares and Debentures

Save as disclosed in Part XV above, as of 30 June 2006, none of the Directors or Supervisors of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Bank pursuant to section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules of the Hong Kong Stock Exchange.

XVII Purchase, Sale or Redemption of the Bank's Shares

The Bank issued to SSF 8,514,415,652 ordinary shares on 13 March 2006.

The Bank issued 25,568,590,000 IPO H shares in the Hong Kong Stock Exchange on 1 June 2006; with the over-allotment option exercised on 9 June 2006, 3,835,288,000 H-Shares were issued.

The Bank issued 6,493,506,000 new A shares on 29 June 2006, and the Bank's A shares were listed and commenced trading on the Shanghai Stock Exchange on 5 July 2006.

Save for the above, neither the Bank nor any of its subsidiaries has purchased, sold or redeemed any of the Bank's shares.

XVIII Compliance with the Code on Corporate Governance Practices of the Listing Rules

The Bank endeavored to establish good corporate governance principles and practices and believed that upholding international standards of corporate governance is crucial to safeguarding the interests of shareholders. The Board of Directors and Board of Supervisors have been organized in line with relevant laws and regulations. The Board of Directors is accountable to the general meeting of shareholders and responsible for, among other things, approving the Bank's business strategy and operating plans, appointing senior management and establishing organization structure. With the Board of Directors at the core, the Bank has set up a number of Board committees, namely Strategic Development Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee and Connected Transaction Control Committee to perform functions designated by the Board of Directors. The Board of Supervisors is accountable to the general meeting of shareholders and has the responsibility and power to, among other things, supervise the Board of Directors and senior management, inspect the Bank's financial activities and examine decisions made.

The Bank has conducted a gap analysis between the requirements of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange on the one hand and the Group's internal requirements and practices on the other hand. The Bank has been in full compliance with the code provisions and has substantially complied with the recommended best practices set out in the CG Code.

XIX Compliance with the Model Code for Securities Transactions by Directors

The Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Hong Kong Stock Exchange as set out in Appendix 10 of the Listing Rules to govern securities transactions by Directors and Supervisors. The Bank has made specific enquiry of all Directors and Supervisors of the Bank, and the Directors and Supervisors have confirmed that they have complied with the required standards set out in the said Model Code throughout the period under review.

XX Compliance with No. 34 of the International Accounting Standard

The Interim report as at the end of the first half of 2006 is in compliance with the requirements of Interim Financial Report, No. 34 of the International Accounting Standard.

XXI Interim Report

This Interim Report is available in both English and Chinese. The Chinese and English versions of this Interim Report prepared for holders of H shares is available by writing to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Hopewell Centre, 46th Floor, 183 Queen's Road East, Wan Chai, Hong Kong. The Chinese and English versions of this Interim Report prepared for holders of A shares are available at major business locations of the Bank. This Interim Report is also available (in both English and Chinese) on the Bank's website at www.boc.cn, www.sse.com.cn, www.hkex.com.hk

If you have any queries about how to obtain copies of this Interim Report or how to access those documents on the Bank's website, please call the Bank's hotline at (852) 2862 8633 or 8610 66596688.