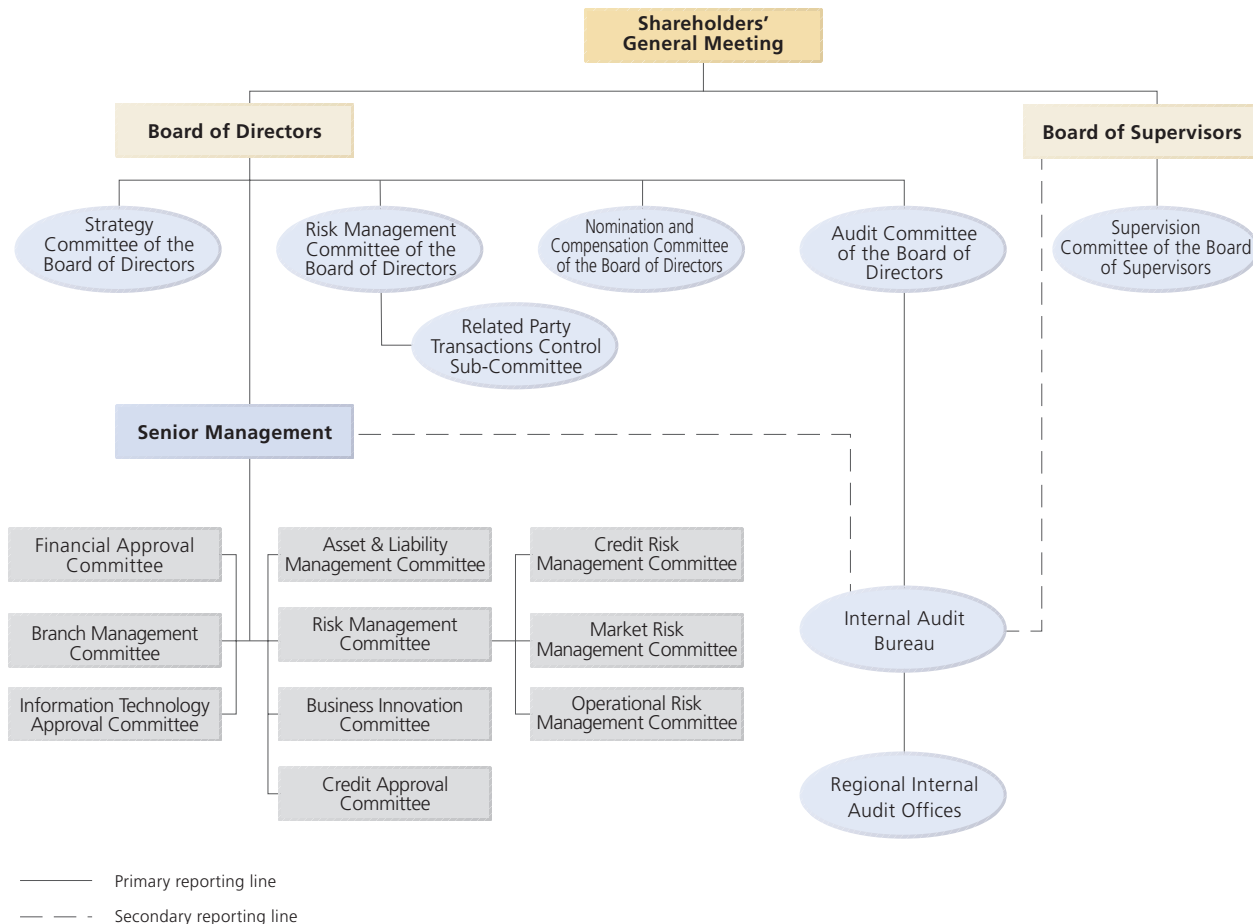


Corporate Governance Report

Corporate Governance Framework



ICBC believes that the maintenance of a high standard of corporate governance and the adoption of an advanced corporate governance model by international standards is one of the key factors to develop the Bank into a pre-eminent international modern financial institution. To this end, the Bank strictly complies with the laws and regulations of the places where it operates its business as well as the regulations and guidelines stipulated by regulatory authorities as People's Bank of China ("PBOC"), CBRC, CSRC, Hong Kong Monetary Authority, Hong Kong Securities and Futures Commission, Shanghai Stock Exchange, and SEHK, and actively observes the best practices of international and domestic standards of corporate governance.

Pursuant to the requirements of the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law") and other relevant laws and regulations, the Bank established its corporate governance structure which is formed by the Shareholders' General Meeting, the Board of Directors, the Board of Supervisors and the senior management, and formed a working mechanism under which the organisation of power, the organisation of decision-making, the organisation of supervision and the senior management shall fulfill their own duties and effectively cooperate with and supervise one another. The Board of Directors has established five special committees, namely, the Strategy Committee, the Audit Committee, the Nomination and Compensation Committee, the Risk Management Committee and the Related Party Transactions Control Sub-Committee. The Board of Supervisors has a Supervision Committee. Each of the committees established by the Board of Directors, the Board of Supervisors and the senior management has detailed terms of reference that specifically define the responsibilities and reporting lines, ensuring that each committee operates in a compliant and efficient manner.

During the reporting period, the Bank strictly complied with the Company Law, the Securities Law, the Law of the People's Republic of China on Commercial Banks (the "Law on Commercial Banks") and other relevant laws, and continued to improve its corporate governance structure in accordance with the relevant laws and regulations promulgated by regulatory authorities and having taken the Bank's actual condition into account:

1. The Bank further revised its Articles of Association and the Procedural Rules of the Shareholders' General Meeting.
2. In order to further define the scope of decision-making authority of the Board of Directors and the senior management under the corporate governance structure, the Bank considered its own particular situation and formulated the plan on authorisation given by the Shareholders' General Meeting to the Board of Directors and the plan on authorisation given by the Board of Directors to the President.
3. In order to maximise the capabilities of the special committees under the Board of Directors, the Bank revised the responsibilities and restructured the composition of the special committees under the Board in a timely manner in accordance with the requirements of the regulatory authorities in Mainland China and Hong Kong regarding the establishment of special committees under the Board. The special committees after the restructuring are shown in the corporate governance framework chart above.
4. In order to build a comprehensive risk management system and to strengthen and centralise the leadership of risk management, the Bank set up the post of Chief Risk Officer ("CRO") and appointed Mr. Wei Guoxiong as the CRO.
5. In order to establish and improve its incentive mechanism, the Bank formulated a Share Appreciation Rights plan which facilitates the achievement of the Bank's strategic objectives and the maximisation of shareholders value.
6. The Bank further improved its information disclosure and investors relations management, actively explored channels to communicate with and establish strategic cooperation with domestic and overseas investors, and continuously improved its standards of corporate governance level.

Compliance with the Code of Corporate Governance Practices (Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)

In 2006, the Bank applied the principles stipulated in the Code of Corporate Governance Practices (the “Code”) (Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) in various rules and regulations relating to corporate governance of the Bank. In particular, the spirit of the principles and Code Provisions of the Code have been reflected in the Bank’s Articles of Association and procedural rules of Shareholders’ General Meeting, Board of Directors and its special committees, and the Bank has complied with all the Code Provisions.

Board of Directors and Special Committees

Composition of Board of Directors

The Board of Directors consists of 14 directors, including four executive directors, namely Mr. Jiang Jianqing, Mr. Yang Kaisheng, Mr. Zhang Furong and Mr. Niu Ximing, seven non-executive directors, namely Mr. Fu Zhongjun, Mr. Kang Xuejun, Mr. Song Zhigang, Mr. Wang Wenyan, Ms. Zhao Haiying, Mr. Zhong Jian’an, and Mr. Christopher A. Cole, and three independent non-executive directors, namely Mr. Leung Kam Chung, Antony, Mr. John L. Thornton and Mr. Qian Yingyi.

Responsibilities and Operation of the Board of Directors

The powers of the Board of Directors include, among others:

1. Convene and report to the Shareholders’ General Meeting;
2. Implement resolutions of the Shareholders’ General Meeting;
3. Decide on business plans, investment plans and development strategies of the Bank;
4. Formulate annual budgets and final account of the Bank;
5. Formulate profit distribution plans and recovery of loss;
6. Formulate plans for increase or decrease of registered capital of the Bank;
7. Formulate fundamental management rules for risk management, internal control, connected transactions, and supervise the implementation of these rules;
8. Appoint or dismiss, based on the President’s nomination, Vice Presidents and other senior management members who shall be appointed or dismissed by the Board (except the secretary to the board) according to relevant laws, and decide on their remuneration, rewards and sanctions;
9. Decide or authorise the President to set up tier-1 departments and sections of the Head Office, domestic tier-1 branches, branches or subsidiaries directly controlled by the Head Office, and overseas operations; and
10. Other powers delegated by the Shareholders’ General Meeting or set out in the Articles of Association.

Meeting of the Board of Directors

During the reporting period, the Bank held 12 meetings of the Board of Directors, of which 11 meetings were held in the form of physical meetings and 1 meeting was held in the form of circulation of written resolutions. The Board passed 65 resolutions including the introduction of strategic investors, amendment of the Articles of Association, restructuring of special committees of the Board of Directors and the Bank's initial public offering and listing. The attendance of directors in board meetings is shown as below:

Members of the Board of Directors	Actual attendance/ Number of meetings requiring attendance	Attendance rate (%)
Jiang Jianqing	12/12	100
Yang Kaisheng	12/12	100
Zhang Furong	12/12	100
Niu Ximing	12/12	100
Fu Zhongjun	12/12	100
Kang Xuejun	12/12	100
Song Zhigang	12/12	100
Wang Wenyan	12/12	100
Zhao Haiying	12/12	100
Zhong Jian'an	12/12	100
Christopher A. Cole ⁽¹⁾	7/7	100
Leung Kam Chung, Antony	11/12	92
John L. Thornton	12/12	100
Qian Yingyi	12/12	100

Note: (1) Mr. Christopher A. Cole was elected the director of ICBC at the Second Extraordinary Shareholders' General Meeting of 2006 held on 28 April 2006, and his qualification was approved by the CBRC on 1 June 2006.

Powers and Functions of Senior Management

The powers of the Board of Directors and senior management shall be strictly separated pursuant to the Bank's Articles of Association and other constitutional documents.

The President shall, according to the authority given by the Board of Directors, decide on issues of business management and decision making within his scope of authority. The President is entitled to exercise the following powers: take charge of the Bank's business management, organise the implementation of the Board resolutions; submit the Bank's business and investment plans to the Board of Directors and implement these plans upon approval of the Board; prepare the Bank's fundamental management rules, annual budget and final accounts, profit distribution plan and recovery of loss, plans for increase or decrease of registered capital, plans for bond issuance or listing, and make recommendations to the Board.

Responsibilities of Directors in respect of Financial Statements

Directors are responsible for supervising the preparation of financial statements for each financial period, ensuring that the financial statements truthfully and accurately reflect the Group's business conditions, performance and cash flow in the period concerned. When preparing the financial statements for the year ended on 31 December 2006, directors have appointed accountants with appropriate qualifications, consistently applied applicable accounting policies and made prudent and reasonable judgment and estimation.

The Bank has published annual results within the time limit of four months after the end of the relevant period.

Independence and Qualification of Independent Non-executive Directors

The Bank's independent non-executive directors do not have business or financial interests in the Bank and its subsidiaries, and they have not assumed any managerial post in the Bank, and hence their independence is assured. The Bank has received the annual confirmation on independence from each of the independent non-executive directors and considered that they are independent.

The Bank's independent non-executive directors attended the meetings of the Board of Directors and special committees in earnest and gave opinions proactively, and strengthened communications with and guidance for the management by means of informal discussions. They also respectively assumed the posts of chairmen of the Audit Committee, the Nomination and Compensation Committee, the Risk Management Committee and the Related Party Transactions Control Sub-Committee of the Board, and constituted a majority of the Audit Committee. The Related Party Transactions Control Sub-Committee is formed solely by independent non-executive directors.

Special Committees of the Board of Directors

During the reporting period, the Bank restructured the composition and revised the responsibilities of the special committees established under the Board of Directors according to the "Proposal on Restructuring the Composition and Related Responsibilities of Special Committees established under the Board of Directors of ICBC" as adopted at the 10th meeting of the Board of Directors held on 29 June 2006. As of 31 December 2006, the Board of Directors consists of five special committees, i.e. the Strategy Committee, the Nomination and Compensation Committee, the Audit Committee, the Risk Management Committee, and the Related Party Transactions Control Sub-Committee (established under the Risk Management Committee).

Particulars about each committee are described as below:

• Strategy Committee

The Strategy Committee of the Board of Directors consists of 14 directors, including Mr. Jiang Jianqing (Chairman of the Bank), Mr. Yang Kaisheng (Vice Chairman of the Bank), Mr. Zhang Furong, Mr. Niu Ximing, Mr. Fu Zhongjun, Mr. Kang Xuejun, Mr. Song Zhigang, Mr. Wang Wenyan, Ms. Zhao Haiying, Mr. Zhong Jian'an, Mr. Christopher A. Cole, Mr. Leung Kam Chung, Antony, Mr. John L. Thornton, and Mr. Qian Yingyi. Mr. Jiang Jianqing assumes chairman of the Strategy Committee. The Committee is mainly responsible for studying and reviewing the Bank's strategic development plan, business and institutional development plan, major investment and financing plan and other major matters that are critical to its development, and making recommendations to the Board.

During the reporting period, the Strategy Committee (including the Strategy and Nomination Committee before the restructuring) attached significant importance to the formulation of development strategies, promoted the gradual implementation of strategic plan, and studied major strategic issues. It held six meetings during the period and passed 14 resolutions including the multi-national operation and overseas business development plan and the IT development strategy for the 11th Five-Year Plan period, and listened to the report on the business operations of investment banking.

• Audit Committee

The Audit Committee of the Board of Directors consists of five directors, including Mr. Leung Kam Chung, Antony, Mr. John L. Thornton, Mr. Qian Yingyi, Mr. Kang Xuejun and Ms. Zhao Haiying. The chairman of the Audit Committee is Leung Kam Chung, Antony, an independent non-executive director of the Bank. The committee is mainly responsible for supervising, inspecting and evaluating the Bank's internal control, financial information and internal audit.

During the reporting period, the Audit Committee held six meetings, at which it reviewed seven proposals, including the Bank's internal audit development plan and outline of internal audit for 2006, listened to numerous work reports and annual audit reports of internal audit department, regularly considered, inspected and guided the progress of internal audit, reviewed the completeness of financial statements, and monitored the financial reporting system and procedures. The Audit Committee also listened to the work report of external auditors on a regular basis, and conducted an overall evaluation on the independence, professionalism and performance of the Bank's existing external auditors.

ATTENDANCE OF MEMBERS OF THE AUDIT COMMITTEE IN MEETINGS IN 2006

Members of the Audit Committee	Actual attendance/ Number of meetings requiring attendance	Attendance rate (%)
Leung Kam Chung, Antony (chairman)	6/6	100
John L. Thornton	5/6	83
Qian Yingyi	6/6	100
Zhao Haiying	6/6	100
Kang Xuejun	6/6	100
Fu Zhongjun ⁽¹⁾	3/3	100
Wang Wenyan ⁽¹⁾	3/3	100

Note: (1) Mr. Fu Zhongjun and Mr. Wang Wenyan were members of the Audit Committee before the restructuring and no longer assume the position after the restructuring.

• Nomination and Compensation Committee

The Bank's Nomination and Compensation Committee of the Board of Directors consists of six directors, including Mr. Qian Yingyi (director), Mr. Yang Kaisheng (vice chairman), Mr. Leung Kam Chung, Antony, Mr. John L. Thornton, Mr. Wang Wenyan and Mr. Fu Zhongjun. Mr. Qian Yingyi, independent non-executive director of the Bank, is the chairman of the Committee. The Committee is mainly responsible for reviewing and supervising the implementation of the Bank's remuneration and performance evaluation system, making recommendations to the Board of Directors on selection procedures, qualifications, remuneration system and incentive plans for the Bank's directors, supervisors and senior management personnel, and evaluating the performance and conduct of directors and senior management members.

During the reporting period, the Nomination and Compensation Committee (including the Compensation Committee before the restructuring) held three meetings. Amongst the three meetings held, two meetings were held to discuss matters relating to remuneration, and three proposals including the Bank's Share Appreciation Rights plan and the restructuring of the composition of the committees under the Board were reviewed and approved. The committee also listened to the report on the remuneration and equity incentive for the senior management.

ATTENDANCE OF MEMBERS OF THE NOMINATION AND COMPENSATION COMMITTEE IN MEETINGS IN 2006:

Members of the Nomination and Compensation Committee	Actual attendance/ Number of meetings requiring attendance	Attendance rate (%)
Qian Yingyi (chairman)	3/3	100
Yang Kaisheng	2/2	100
Leung Kam Chung, Antony	1/2	50
John L. Thornton	2/2	100
Wang Wenyan	3/3	100
Fu Zhongjun	2/2	100
Zhang Furong ⁽¹⁾	1/1	100
Niu Ximing ⁽¹⁾	1/1	100
Song Zhigang ⁽¹⁾	1/1	100
Zhong Jian'an ⁽¹⁾	1/1	100

Note: (1) Mr. Zhang Furong, Mr. Niu Ximing, Mr. Song Zhigang and Mr. Zhong Jian'an were members of the Compensation Committee before the restructuring and are not members of the Nomination and Compensation Committee after the restructuring.

The Nomination and Compensation Committee nominates candidates for director elections in accordance with the formalities and procedures stipulated in the Articles of Association. The candidates shall comply with the laws, administrative rules, regulations, and the Articles of Association of the Bank, perform their duties diligently, have a thorough understanding of the Bank's business operations and management, and agree to submit to the supervision by the Board of Supervisors on their performance of responsibilities.

Apart from the requirements above, candidates for the position of the Bank's independent non-executive directors shall possess outstanding professional capabilities and have good reputation, meet the qualifications of becoming director, independently perform responsibilities, have basic knowledge of operations of a listed company, be familiar with the operations and management of commercial banks, and have not less than eight years of relevant work experience.

• Risk Management Committee

The Risk Management Committee of the Board of Directors consists of nine directors, including Mr. Leung Kam Chung, Antony, Mr. Zhang Furong, Mr. Niu Ximing, Mr. Kang Xuejun, Mr. Song Zhigang, Mr. Zhong Jian'an, Mr. Christopher A. Cole, Mr. John L. Thornton and Mr. Qian Yingyi. Leung Kam Chung, Antony, independent non-executive director of the Bank, is the chairman of the committee. The committee is primarily responsible for reviewing and determining the Bank's strategy and policy in relation to risk management, procedures and internal control process, and the supervision and evaluation of the performance of the senior management in respect of risk management.

During the reporting period, the Risk Management Committee attached importance to the overall risk management of the Bank, and provided guidance on strengthening the establishment of the Bank's internal control system. It held four meetings during the period, at which it discussed issues including the status of the Bank's risk management system and regularly listened to the report on risk management of the Bank.

- Related Party Transactions Control Sub-Committee

The Related Party Transactions Control Sub-Committee consists of three directors, including Mr. Leung Kam Chung, Antony, Mr. John L. Thornton and Mr. Qian Yingyi. Leung Kam Chung, Antony, independent non-executive director of the Bank, is the chairman of the sub-committee. The sub-committee is primarily responsible for identifying the Bank's related parties, and reviewing and recording connected transactions.

During the reporting period, the Related Party Transactions Control Sub-Committee held two meetings, at which the matters relating to the basic code for the management of the Bank's connected transactions were considered and discussed.

Board of Supervisors and its Special Committee

Composition of the Board of Supervisors

The Articles of Association of the Bank prescribes that the Board of Supervisors shall consist of 5-7 members, including supervisors who are representatives of shareholders, external supervisors and supervisors who are employees' representatives. Supervisors who are employees' representatives should constitute no less than 1/3 of the total supervisors, and there should be at least two external supervisors. Supervisors who are shareholders' representatives and external supervisors are elected and removed by the Shareholders' General Meeting. Supervisors who are employees' representatives are elected and removed by employees through democratic procedures. The term of office of supervisors is three years. A supervisor may renew his or her term by offering himself or herself for re-election.

At present, the Board of Supervisors consists of five members: Mr. Wang Weiqiang, Chairman of the Board of Supervisors, Ms. Wang Chixi, Mr. Wang Daocheng, Mr. Miao Gengshu and Mr. Zhang Wei.

Responsibilities and Operation of the Board of Supervisors

The powers of the Board of Supervisors include the following:

1. supervising the performance by directors and senior management members of their duties and the fulfillment of their responsibilities, and making inquiries with directors and senior management members;
2. supervising the performance of the Board of Directors and senior management;
3. requesting directors and senior management members to rectify any actions damaging the Bank's interests;
4. proposing removal of or initiating legal proceedings against directors or senior management members who have violated laws, administrative regulations and rules, the Articles of Association or resolutions of shareholders' general meeting;

5. conducting audits on outgoing directors and senior management members when necessary;
6. examining and supervising the Bank's financial matters;
7. examining financial information such as financial report, business report and profit distribution plan as submitted to the Shareholders' General Meeting by the Board of Directors and may engage certified public accountants and practicing auditors in the Bank's name to re-examine such information should doubtful issues arise;
8. examining and supervising business decisions, risk management and internal control when necessary and providing guidance to our internal audit departments;
9. formulating measures for the assessment of supervisors, assessing the performance and conduct of supervisors, and reporting to the Shareholders' General Meeting;
10. making proposals for the Shareholders' General Meeting;
11. making proposals in relation to the convening of extraordinary shareholders' general meetings, and convening and presiding over the extraordinary shareholders' general meetings in case the Board of Directors fails to perform its duty of convening shareholders' general meeting;
12. making proposals in relation to the convening of interim meetings of the Board of Directors; and
13. other functions and powers as may be stipulated by laws, administrative regulations, rules or the Articles of Association of the Bank or authorised by the Shareholders' General Meeting.

The Board of Supervisors discusses official business at the meeting of the Board of Supervisors which includes regular meetings and special meetings. The regular meetings should be held at least 4 times a year and such meetings shall, in principle, be held before the disclosure of periodical reports.

As the day-to-day administrative body for the Board of Supervisors, the Board of Supervisors' Office is responsible for the organisation of detailed supervisory work and also the meetings of the Board of Supervisors and its special committee.

Supervision Committee

The Supervision Committee is the special committee of the Board of Supervisors, which operates in accordance with the authorisation from the Board of Supervisors and reports to the Board of Supervisors. It consists of at least three supervisors.

The Supervision Committee has one Head Member, which is assumed by an external supervisor. The Head Member is nominated by the Chairman of the Board of Supervisors, and is appointed or removed by the Board of Supervisors. At present, the Supervision Committee consists of three supervisors, Mr. Wang Daocheng, Ms. Wang Chixi and Mr. Miao Gengshu. Mr. Wang Daocheng is now the Head Member of the Supervision Committee. The daily operation of the Supervision Committee is conducted by the Office of the Board of Supervisors.

The responsibilities of the Supervision Committee include:

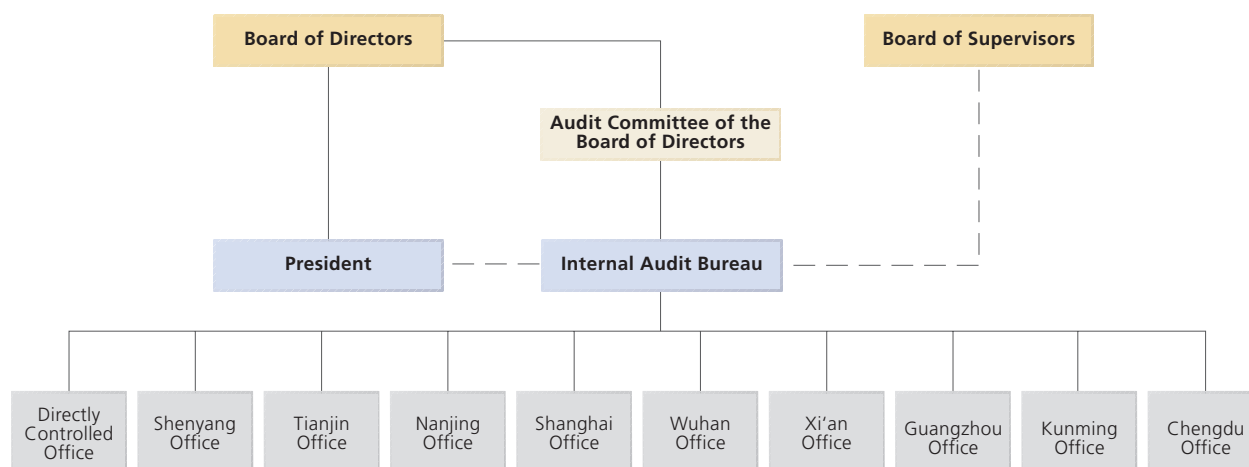
1. formulating plans for the inspection and supervision of the financial activities of the Bank;
2. formulating plans for the audits on serving and outgoing directors, President and other senior management members;
3. formulating plans for the audits on the business policies, risk management and internal control of the Bank when necessary; and
4. other functions and duties as may be authorised by the Board of Supervisors.

For more information of the Board of Supervisors and the Supervision Committee, please refer to the Report of the Board of Supervisors — Meetings of the Board of Supervisors and its Special Committee.

Internal Audit

Under the new corporate governance framework, the internal audit bureau performs the function of supervising and evaluating the risk management, internal control and corporate governance results of the whole bank, and directly reports to Board of Directors. In 2006, ICBC's independent hierarchial internal audit system was fully put into operation, and the internal audit organisation system, institutional framework, management mechanism and reporting processes were further improved.

The following chart shows the internal audit management and reporting structure:



In 2006, ICBC focused on planning the development strategy of internal audit, established basic institutional framework, regulated working procedure and mechanism, promoted advanced technology and methods, and improved the quality and competence of audit personnel. We focused on risk-based audit on major businesses concerned by the Board of Directors and the Management and those in major risk aspects, essentially evaluated on entire and systematic risk monitoring level. In the reporting period, the Bank completed annual audit assessments on domestic and overseas divisions in 2005, and conducted risk audit and supervision in respect of credit business, information technology system, e-banking, financial information disclosure and new business.

Internal Control

To ensure the security and integrity of assets, accuracy and reliability of financial data, we never cease our efforts in enhancing our capabilities in preventing and defending all types of risks. The Bank has formulated and implemented a series of internal control regulations and procedures in accordance with the relevant laws, regulations and the Articles of Association of the Bank. In 2006, the Bank formulated a preliminary internal control mechanism, which covered all business processes and operational procedures of all institutions, departments and positions.

The Board of Directors is responsible for formulating the basic rules for internal control and supervising the implementation of such rules. The Board of Directors discharges its responsibilities in relation to internal control management and reviews the effectiveness of internal control system through the Audit Committee and the Risk Management Committee.

The Internal Audit Bureau and the Regional Internal Audit Offices adopt a hierarchical management system, and report to the Board of Directors. The Internal Control and Compliance Department is established in the Head Office and branches at various levels, and is responsible for the organisation, promotion and coordination of internal control, the management of operational risk, the management of compliance and the regular audits.

In 2006, the Bank further improved the integrity, rationality and effectiveness of internal control system. The internal audit departments focused on risks, attached great importance to key risk areas and audited and evaluated the sufficiency and effectiveness of internal control, risk management and corporate governance in domestic and overseas branches. The internal control and compliance departments at various levels implemented evaluation on internal control of basic banks. Moreover, the Bank established a plan for the construction of internal control system for the next three years and further clarified and refined the tasks, objectives, responsibilities and the secured mechanism for supervision in connection with internal control.

Chairman and President

Pursuant to code provision of A.2.1 of the Code (Appendix 14 to the Hong Kong Listing Rules) and the Articles of Association of the Bank, the positions of Chairman and President are established as two separate positions, and the Chairman shall not be assumed by the legal representative or the person-in-charge of the controlling shareholder.

Mr. Jiang Jianqing is the Chairman of the Bank. He is also the Bank's legal representative, responsible for formulating business strategies and overall development.

Mr. Yang Kaisheng is the President of the Bank and is responsible for supervising the Bank's daily management of business operations. The President is appointed by and reports to the Board of Directors, and shall perform his responsibilities as stipulated in the Bank's Articles of Association and as authorised by the Board of Directors.

Term of Directors

Pursuant to the Bank's Articles of Association, the Bank's directors include executive directors and non-executive directors, and non-executive directors include independent directors. The directors are elected by the Shareholders' General Meeting with a term of three years. The term commences from the date as determined by the banking regulatory authority under the State Council. Directors may be re-appointed through re-election upon expiry of their term.

Securities Transactions of Directors and Supervisors

Based on enquiries made with all directors and supervisors, the Bank is satisfied that by the end of 2006, all directors and supervisors have complied with the provisions on securities transactions of directors and supervisors set forth in the Appendix 10 to the Hong Kong Listing Rules.

Remuneration for Auditors

At the Annual Shareholders' General Meeting held on 31 July 2006, the Bank adopted the "Proposal on Engagement of Auditors", and approved the engagement of Ernst & Young Hua Ming to be the domestic auditors of the Bank for 2006 and for auditing the financial statements prepared by the Bank in accordance with the Generally Accepted Accounting Principles of the People's Republic of China; and the engagement of Ernst & Young to be the Bank's international auditors for auditing the financial statements prepared by the Bank in accordance with IFRS. It also authorised the Board of Directors to approve the fees for the audit.

In 2006, due to the initial public offering and listing of the Bank's shares in Shanghai and Hong Kong, the Bank paid A-share and H-share offering service fees in a total sum of RMB209.65 million to Ernst & Young Hua Ming and Ernst & Young. These fees were netted against the IPO proceeds and were accounted for in capital reserve.

During the reporting period, the Group paid Ernst & Young Hua Ming and Ernst & Young a total fee of RMB185.85 million for the audit of financial statements, including RMB70 million for interim audit and RMB115.85 million for annual audit.

During the reporting period, the Group paid fees amounted to RMB1.87 million for non-audit services to Ernst & Young Hua Ming and Ernst & Young, and the Group did not engage Ernst & Young Hua Ming or Ernst & Young for the provision of material non-audit services.

Shareholders' Rights

Means of Convening Extraordinary Shareholders' General Meeting

According to the Articles of Association and the Procedural Rules of the Shareholders' General Meeting of the Bank, shareholders who individually or jointly hold more than 10% shares of the Bank with voting rights at general meetings (hereinafter referred to as "Proposing Shareholders") have the right to request the Board of Directors in writing to convene an extraordinary shareholders' general meeting. The Board of Directors shall, in accordance with laws, administrative regulations and rules as well as the Articles of Association of the Bank, give a written response on whether it agrees or disagrees to convene such a meeting within 10 days after receiving the request. If the Board agrees to hold such a meeting, a written notice of convening the meeting shall be issued within 5 days after the resolution is made by the Board and 45 days before the meeting. Any alteration to the original request in the meeting notice can only be made after consulting the Proposing Shareholders.

If the Board of Directors disagrees to convene an extraordinary shareholders' general meeting or fails to give a response within 10 days after receiving the request, the Proposing Shareholders shall have the right to propose to the Board of Supervisors in writing for convening an extraordinary shareholders' general meeting.

If the Board of Supervisors agrees to convene an extraordinary shareholders' general meeting, it shall issue a notice of convening the meeting within 5 days after receiving the proposal. Any alteration to the original proposal in the meeting notice can only be made after consulting the Proposing Shareholders.

If the Board of Supervisors fails to issue the meeting notice within the specified period, the Board of Supervisors will be deemed not to convene or preside over the meeting, and shareholders who hold over 10% shares of the Bank individually or jointly for more than 90 consecutive days may convene and preside over the meeting by themselves.

Procedures for Presenting Proposals for the Shareholders' General Meeting

Shareholders, who hold over 3% of the Bank's shares individually or jointly, shall have the right to present proposals to the Bank for the shareholders' general meeting. The aforesaid shareholders may submit an interim proposal in writing to the Board of Directors 10 days before the date of the shareholders' general meeting. The Board of Directors shall issue a supplementary notice of shareholders' general meeting within 2 days after receiving the proposal, and submit the interim proposal to the Shareholders' General Meeting for consideration. The interim proposal shall contain clearly defined items for discussion and specific matters for decision and shall be within the scope of functions and powers of the Shareholders' General Meeting.

Shareholder Enquiries

If a shareholder intends to enquire about share transfer, changes of name or address, reporting loss of share certificates and dividend notes and other information concerning the shares held, he/she may write to the Bank at the following address:

A Shares: China Securities Depository and Clearing Corporation Limited, Shanghai Branch
 36/F, China Insurance Mansion
 166 East Lujiazui Road, Pudong New Area, Shanghai, PRC
 Telephone: 86-21-58708888
 Facsimile: 86-21-58899400

H Shares: Computershare Hong Kong Investor Services Limited
 1806-1807, 18/F, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong
 Telephone: (852) 2862-8628
 Facsimile: (852) 2865-0990 / (852) 2529-6087

Investor Relations

Objectives

The Bank's investor relation work is aimed at realising an accurate, timely, clear and interactive communication with investors on the Bank's strategic plan, corporate governance, business performance, financial position and development prospect based on the policy of regulated and sufficient disclosure of information and the principles of honesty, fairness and two-way communication so as to maintain the transparency of corporate governance and the fair market value of the Bank's stock, protect investors' legitimate rights and interests and maximise shareholders' interests.

Review of 2006

During the reporting period, the Bank successfully presented to global investors its leading market position and achievements in information technology, risk management and product innovation by means of roadshow, reverse roadshow and large-scale promotion activities. The Bank became the first company to list its shares on the stock exchanges in Shanghai and Hong Kong on the same day, and won many awards conferred by many well-known media, such as Asian Finance, International Finance Review, Asia Money, Euromoney, and The Asset. These awards include "Best IPO" and "Best Equity Deal".

In order to provide investors with sound services after the listing, the Bank adopted many measures with a view to providing seamless service in 2006, such as welcoming visits of investors, replying to investors' queries, maintaining website for investors, answering investor service hotline, and establishing facilities for enquiry by email. The Bank endeavoured to follow the best practices of international listed corporations by formulating rules and regulations such as the Measures on Investor Relation Management and established investor relations database with a view to enhancing its level of investor services.

Prospect

In order to enhance investor service in 2007, the Bank will further improve the methods of communication with investors and enhance investors' understanding of the Bank. The Bank also looks forward to obtaining more support and attention from investors so as to promote the continuous enhancement of its internal value.

Investor Enquiries

If an investor needs to make enquiries to the Board of Directors, please contact:

Telephone: 86-10-66108608 (Beijing)

Facsimile: 86-10-66106139 (Beijing)

E-mail: ir@icbc.com.cn

Address: Board of Directors' Office, Industrial and Commercial Bank of China Limited, No.55
Fuxingmennei Avenue, Xicheng District, Beijing, PRC

Postal Code: 100032

Other Information

The Annual Report is prepared in both Chinese and English languages. You may visit the website of the Bank (www.icbc-ltd.com) or the website of SEHK (www.hkex.com.hk) to read the English or Chinese version of the Annual Report.

The organisational charts and a summary of the responsibilities of the Bank's Board of Directors and its special committees, Board of Supervisors and its special committee and the senior management is also available at the Bank's website. If you have any question about obtaining the Annual Report or accessing the documents on our website, please call our hotline 86-10-66108608.