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中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

(Stock Code: 1398)

CONNECTED TRANSACTION DISPOSAL OF ICEA FINANCE

SUMMARY

The Board announces that on 4 June 2009, the Bank and BEA entered into the Share Purchase Agreement pursuant to which, the Bank agreed to sell to BEA 15,000,000 ordinary shares in ICEA Finance, representing 75% of the issued share capital of ICEA Finance. The total consideration for the sale of the ICEA Shares is HK\$372,154,045.

As BEA is a substantial shareholder of ICEA Finance, which in turn is a subsidiary of the Bank, BEA is a connected person of the Bank as defined under the Listing Rules. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 0.1% but are less than 2.5%, the Transaction constitutes a connected transaction of the Bank which is subject to the reporting and announcement requirements (but exempt from the independent shareholders' approval requirement) under the Listing Rules.

The Board announces that on 4 June 2009, the Bank and BEA entered into the Share Purchase Agreement.

SHARE PURCHASE AGREEMENT

Date: 4 June 2009

Parties: (1) The Bank (as vendor)
(2) BEA (as purchaser)

Pursuant to the Share Purchase Agreement, the Bank agreed to sell to BEA 15,000,000 ordinary shares with a nominal value of US\$1.00 each in ICEA Finance, representing 75% of the issued share capital of ICEA Finance. The total consideration for the sale of the ICEA Shares is HK\$372,154,045, which will be settled in cash by BEA on Completion.

Completion is conditional upon satisfaction or waiver (by mutual agreement in writing between the Bank and BEA) of all of the following:

- (i) BEA having been approved by the SFC to become, or continue to become, a substantial shareholder of each of the ICEA Futures Limited, ICEA Securities Asia Limited and ICEA Securities Limited under section 132 of the SFO provided that if the approval is subject to any condition(s), such conditions shall be on terms reasonably acceptable to BEA;
- (ii) the receipt by the Bank of the approval in writing from the MOF and the CBRC in respect of the transactions contemplated under the Share Purchase Agreement; and
- (iii) the conditions to completion of the sale and purchase of 70% of the total issued share capital of The Bank of East Asia (Canada) (details of which are set out in the announcement of the Bank dated 4 June 2009) between BEA and the Bank have been satisfied or waived (the “**BEAC Closing Condition**”).

Completion shall take place on the fifth business day after the last condition precedent is satisfied or waived or on such other date as may be agreed between the Bank and BEA. If the conditions are not satisfied or waived on or before the Long Stop Date, either party may terminate the Share Purchase Agreement. As part of the Share Purchase Agreement, the Bank has agreed to provide certain non-solicitation undertakings to BEA with respect to the customers and staff of the ICEA Group.

INFORMATION ABOUT ICEA FINANCE

ICEA Finance is a joint venture company incorporated in the British Virgin Islands and established between the Bank and BEA in 1998. As of the date of this announcement, ICEA Finance is owned as to 75% by the Bank, and as to 25% by BEA.

The principal activity of ICEA Finance is investment holding. The principal activities of the ICEA Group are the provision of securities broking, underwriting, margin financing and futures and options contracts dealing services.

According to the audited consolidated financial statements of ICEA Finance for the year ended 31 December 2008 (which is prepared in accordance with Hong Kong Financial Reporting Standards), the net asset value of ICEA Finance as at 31 December 2008 is HK\$451.10 million.

The audited profits (both before and after taxation and extraordinary items) of ICEA Finance for the two years ended 31 December 2007 and 31 December 2008 are set out below:

For the financial year ended
31 December 2007 31 December 2008
(HK\$ million) (HK\$ million)

ICEA Finance

Profit before taxation and extraordinary items	224.98	68.07
Profit after taxation and extraordinary items	191.93	56.12

The decline in profits of ICEA Finance in 2008 (compared to 2007) was due to a general deterioration of the securities market in Hong Kong.

REASONS FOR THE TRANSACTION

ICBC International Holdings Limited, a wholly-owned subsidiary of the Bank, was originally established as a restricted licence bank in Hong Kong. After completing the transfer of its commercial banking business assets in 2008, it obtained the necessary licence from the SFC to conduct investment banking business. The Directors consider that the Transaction will benefit the Bank by allowing the management and the Directors to focus the resources of the Bank on the further development of the business of ICBC International Holdings Limited in Hong Kong.

The terms of the Share Purchase Agreement have been determined through arm's length negotiations between the parties. The Directors, including the independent non-executive Directors, consider that the Share Purchase Agreement was entered into on normal commercial terms, and that the terms of the Share Purchase Agreement are fair and reasonable and in the interests of the Bank and the Shareholders as a whole.

The consideration of the Transaction was determined on the basis of arm's length negotiations between the parties, taking into account various industry and market factors as well as the historical earnings and net asset value of ICEA Finance.

FINANCIAL EFFECTS OF THE TRANSACTION

Upon Completion, the Bank will no longer have any interest in ICEA Finance and ICEA Finance will cease to be a subsidiary of the Bank. Therefore, the assets, liabilities and financial results of ICEA Finance will no longer be consolidated in the consolidated financial statements of the Bank.

Based on the net asset value attributable to the ICEA Shares as at 31 December 2008, it is estimated that the Bank will recognize a gain before taxation of approximately HK\$34 million.

USE OF PROCEEDS

The entire amount of the proceeds of the Transaction is intended to be used for general working capital.

INFORMATION ABOUT THE PARTIES

The Bank is the largest commercial bank in the PRC and provides a variety of financial products and services to more than 3.10 million corporate banking customers and 190 million personal banking customers through its 16,252 domestic institutions, 134 overseas institutions and 1,440 correspondent banks worldwide.

BEA is the largest independent local bank in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

LISTING RULES IMPLICATIONS

As BEA currently holds 25% interest in ICEA Finance and hence is a substantial shareholder of ICEA Finance, which in turn is a subsidiary of the Bank, BEA is a connected person of the Bank as defined under the Listing Rules. Since the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 0.1% but are less than 2.5%, the Transaction constitutes a connected transaction of the Bank which is subject to the reporting and announcement requirements (but exempt from the independent shareholders' approval requirements) under the Listing Rules.

DEFINITIONS

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

“A Shares”	domestic shares of RMB1.00 each in the share capital of the Bank which are listed on the Shanghai Stock Exchange
“BEA”	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 23)
“Board”	the board of Directors
“CBRC”	China Banking Regulatory Commission

“Bank”	中國工商銀行股份有限公司 (Industrial and Commercial Bank of China Limited), a joint stock limited company incorporated in the PRC and the H Shares and A Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 1398) and the Shanghai Stock Exchange, respectively
“Completion”	completion of the Transaction
“Directors”	the directors of the Bank
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank which are listed on the Main Board of The Stock Exchange of Hong Kong Limited and traded in Hong Kong dollars
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICEA Finance”	ICEA Finance Holdings Limited, a company incorporated under the British Virgin Islands
“ICEA Group”	ICEA Finance and its subsidiaries
“ICEA Shares”	the 15,000,000 ordinary shares with a nominal value of US\$1.00 each in the capital of ICEA Finance held by the Bank
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	the date that is 120 days from the date of the Share Purchase Agreement, provided that if by the Long Stop Date, all conditions precedent to the Share Purchase Agreement have been met other than the BEAC Closing Condition, the Long Stop Date will be extended to the date that is the earlier of (i) the date that is 180 days from the date of the Share Purchase Agreement and (ii) five business days following satisfaction of the BEAC Closing Condition

“MOF”	Ministry of Finance of the PRC
“PRC”	The People’s Republic of China which, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Purchase Agreement”	the share purchase agreement dated 4 June 2009 entered into between the Bank and BEA in relation to the sale and purchase of the ICEA Shares
“Shareholders”	the shareholders of the Bank
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Transaction”	the sale of the ICEA Shares pursuant to the Share Purchase Agreement by the Bank to BEA
“US\$”	United States dollars, the lawful currency of the United States of America

**The Board of Directors of
Industrial and Commercial Bank of China Limited**

Beijing, PRC, 4 June 2009

As at the date of this announcement, the board of directors comprises Mr. JIANG Jianqing, Mr. YANG Kaisheng, Mr. ZHANG Furong and Mr. NIU Ximing as executive directors, Mr. HUAN Huiwu, Mr. GAO Jianhong, Ms. LI Chunxiang, Mr. LI Jun, Mr. LI Xiwen and Mr. WEI Fusheng as non-executive directors, Mr. LEUNG Kam Chung, Antony, Mr. QIAN Yingyi, Mr. XU Shanda and Mr. WONG Kwong Shing, Frank as independent non-executive directors.