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

If you have sold or transferred all your shares in Industrial and Commercial Bank of China Limited, you should at once hand this circular together with the accompanying form of proxy and the reply slip to the purchaser or transferee or to the bank, 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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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)

**(1) PROPOSAL IN RESPECT OF
THE CAPITAL MANAGEMENT PLAN FOR YEARS 2010 TO 2012**

**(2) PROPOSAL IN RESPECT OF GENERAL MANDATE TO ISSUE H SHARES AND
A SHARE CONVERTIBLE CORPORATE BONDS**

**(3) PROPOSAL IN RESPECT OF PUBLIC ISSUANCE AND LISTING OF
A SHARE CONVERTIBLE CORPORATE BONDS**

**(4) PROPOSAL IN RESPECT OF THE FEASIBILITY ANALYSIS REPORT ON
USE OF PROCEEDS FROM THE PUBLIC ISSUANCE OF
A SHARE CONVERTIBLE CORPORATE BONDS**

**(5) PROPOSAL IN RESPECT OF THE REPORT ON UTILISATION OF
PROCEEDS FROM PREVIOUS ISSUANCES**

AND

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2009

A notice convening the AGM to be held at the Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong and at B3 Academic Exchange, Industrial and Commercial Bank of China Limited, No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC concurrently by video conference on Tuesday, 18 May 2010 at 2:30 p.m., is set out on pages 32 to 36 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying form of proxy, in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited by hand or by post not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any adjourned meeting thereof should you so wish, but in such event, the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or the Bank's Board of Directors' office on or before 28 April 2010.

The English and Chinese versions of this circular and the accompanying form of proxy and reply slip are available on the Bank's website at www.icbc-ltd.com and the HKExnews' website at www.hkexnews.hk. You may access the aforesaid documents by clicking "Investor Relations" on the homepage of the Bank's website or browsing through the HKExnews' website.

2 April 2010

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DEFINITIONS

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

“A Shares”	ordinary shares of RMB1.00 each in the share capital of the Bank which are listed on the Shanghai Stock Exchange and traded in RMB
“AGM”	the annual general meeting for the year 2009 of the Bank to be held on 18 May 2010, the notice of which is set out on pages 32 to 36 of this circular
“A Shareholder(s)”	holder(s) of A Shares
“Articles”	the articles of association of the Bank from time to time
“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 Hong Kong Stock Exchange (stock code: 1398) and the Shanghai Stock Exchange (stock code: 601398), respectively
“Board”	the board of directors of the Bank
“Convertible Bonds”	convertible corporate bonds convertible into new A Shares of an aggregate amount of not more than RMB25 billion, proposed to be issued by the Bank in the PRC
“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
“Director(s)”	the director(s) of the Bank
“CSRC”	the China Securities Regulatory Commission of the PRC
“General Mandate”	an unconditional general mandate which may be granted by the Shareholders at the AGM to the Board, pursuant to which, the Board may, at any time prior to the expiration of the 12-month period from the date of the AGM or the conclusion of the next annual general meeting of the Bank or the date on which such authority is revoked or varied by a special resolution of the Shareholders (whichever is the earliest), exercise all powers of the Bank to separately or concurrently authorise, issue and deal with the newly issued A Shares and H Shares, and to enter into or grant offers, agreements and options (including warrants, convertible

DEFINITIONS

	bonds or any other securities carrying rights of subscription for or conversion into Shares) that are required or may be required for the allotment and issuance of the Shares. The respective aggregate amounts of such A Shares and H Shares to be authorised, issued and dealt with shall not exceed 20% of the respective amounts of the existing A Shares and H Shares as at the date on which the special resolution to approve the General Mandate is approved at the AGM. Please refer to item 7 of the Notice of AGM for details
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of the Bank which are listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Shareholder(s)”	holders of H Shares
“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”	25 March 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	The People’s Republic of China, which, for the purpose of this circular only, excludes Hong Kong Special Administration of the PRC, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of A Shares and/or H Shares
“Share(s)”	A Shares and/or H Shares



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)

Executive Directors:

Mr. Jiang Jianqing
Mr. Yang Kaisheng
Mr. Zhang Furong

Registered Office:

No. 55 Fuxingmennei Avenue
Xicheng District, Beijing 100140
PRC

Non-executive Directors:

Mr. Huan Huiwu
Mr. Gao Jianhong
Ms. Li Chunxiang
Mr. Li Jun
Mr. Li Xiwen
Mr. Wei Fusheng

Place of Business in Hong Kong:

33/F, ICBC Tower
3 Garden Road
Central, Hong Kong

Independent non-executive Directors:

Mr. Leung Kam Chung, Antony
Mr. Qian Yingyi
Mr. Xu Shanda
Mr. Wong Kwong Shing, Frank
Sir Malcolm Christopher McCarthy
Mr. Kenneth Patrick Chung

2 April 2010

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSAL IN RESPECT OF
THE CAPITAL MANAGEMENT PLAN FOR YEARS 2010 TO 2012
(2) PROPOSAL IN RESPECT OF GENERAL MANDATE TO ISSUE H SHARES AND
A SHARE CONVERTIBLE CORPORATE BONDS
(3) PROPOSAL IN RESPECT OF PUBLIC ISSUANCE AND LISTING OF
A SHARE CONVERTIBLE CORPORATE BONDS
(4) PROPOSAL IN RESPECT OF THE FEASIBILITY ANALYSIS REPORT ON
USE OF PROCEEDS FROM THE PUBLIC ISSUANCE OF
A SHARE CONVERTIBLE CORPORATE BONDS
(5) PROPOSAL IN RESPECT OF THE REPORT ON UTILISATION OF
PROCEEDS FROM PREVIOUS ISSUANCES
AND
NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2009

LETTER FROM THE BOARD

1 INTRODUCTION

At the AGM, among other things, ordinary resolutions will be proposed to approve the proposals in relation to: (1) the Capital Management Plan for Years 2010 to 2012; (2) the Feasibility Analysis Report on Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds; and (3) the Report on Utilisation of Proceeds from Previous Issuances, and special resolutions will be proposed to approve the proposals in relation to: (1) General Mandate to issue H Shares and A Share convertible corporate bonds; and (2) public issuance and listing of A Share convertible corporate bonds.

The purpose of this circular is to provide you with information regarding certain proposals to be considered at the AGM and to set out the notice of the AGM.

2 PROPOSAL IN RESPECT OF THE CAPITAL MANAGEMENT PLAN FOR YEARS 2010 TO 2012

In order to strengthen the capital management, enhance the capital replenishment mechanism, and improve the capital adequacy level and assets quality of the Bank, the Bank has prepared the Capital Management Plan of Industrial and Commercial Bank of China Limited for Years 2010 to 2012 (the “**Capital Management Plan**”) in accordance with the relevant regulatory rules and policy requirements. The Capital Management Plan is set out in Appendix 1 to this circular. The Capital Management Plan, which was considered and approved by the Board on 25 March 2010, is subject to Shareholders’ approval by way of ordinary resolution in accordance with relevant requirements of the CSRC.

3 PROPOSAL IN RESPECT OF GENERAL MANDATE TO ISSUE H SHARES AND A SHARE CONVERTIBLE CORPORATE BONDS

The Board has on 25 March 2010 resolved to submit to the Shareholders for their consideration and approval the proposal in respect of the grant of the General Mandate to the Board, pursuant to which, the Board may, at any time prior to the expiration of the 12-month period from the date of the AGM or the conclusion of the next annual general meeting of the Bank or the date on which such authority is revoked or varied by a special resolution of the Shareholders (whichever is the earliest), exercise all powers of the Bank to separately or concurrently authorise, issue and deal with the newly issued A Shares and H Shares, and to enter into or grant offers, agreements and options (including warrants, convertible bonds or any other securities carrying rights of subscription for or conversion into Shares) that are required or may be required for the allotment and issuance of the Shares. The respective aggregate amounts of such A Shares and H Shares to be authorised, issued and dealt with shall not exceed 20% of the respective amounts of the existing A Shares and H Shares as at the date on which the special resolution to approve the General Mandate is approved at the AGM.

As at the Latest Practicable Date, there were 250,962,348,064 A Shares and 83,056,501,962 H Shares in issue. A maximum of 50,192,469,612 A Shares and 16,611,300,392 H Shares may be issued under the General Mandate based on the 20% threshold as mentioned above.

The Board will 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 the granting of the General Mandate to the Board will promote decision making efficiency, reduce internal approval procedures required and enable the

LETTER FROM THE BOARD

Bank to capture market opportunities, and are in the best interests of the Bank and the Shareholders. In addition, the Board has also proposed to the Shareholders that the Board be authorised to deal with matters relating to the increase in the registered capital of the Bank to reflect the number of Shares to be issued by the Bank pursuant to the General Mandate, to make such appropriate and necessary amendments to the provisions of the Articles relating to the issuance of Shares and the registered capital of the Bank as they think fit and necessary and to take any other action and complete any formality required to effect the increase in the registered capital of the Bank.

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 issuance of new H Shares under the General Mandate 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 requirements, market conditions and applicable regulatory requirements and approvals. If the Shareholders' approval for the grant of the General Mandate is obtained at the AGM, the Board may at the appropriate time take steps to make further enquiries with the relevant PRC regulators regarding the feasibility of exercising the General Mandate in whole or in part to issue new H Shares, having regard to the various factors mentioned above. In addition, pursuant to the relevant PRC laws and regulations, if the Bank issues the Convertible Bonds under the General Mandate, such issuance is subject to a separate Shareholders' approval even if the General Mandate has been approved at the AGM.

The validity period of the General Mandate commences on the date on which it is approved at the AGM and ends on the earliest of: (i) the conclusion of the next annual general meeting of the Bank; (ii) expiration of the 12-month period from the date of passing of the special resolution in relation to the General Mandate at the AGM; and (iii) the date on which the General Mandate is revoked or varied by a special resolution of the Shareholders at the Shareholders' general meeting.

Upon approval of the proposal in respect of the General Mandate at a Shareholders' general meeting and approvals from relevant PRC authorities, all proceeds from issuance under the General Mandate will, after deduction of expenses relating to the issuance, be directly and fully used to replenish the capital base of the Bank.

To enhance decision making efficiency and ensure successful issuance, the Board may delegate to relevant Directors the power to deal with all matters relating to the issuance.

The Shareholders and potential investors should be aware that the proposed issuance of new Shares is subject to all necessary approvals being obtained and various factors including the market conditions, and therefore the proposed issuance of new Shares may or may not proceed.

4 PROPOSAL IN RESPECT OF PUBLIC ISSUANCE AND LISTING OF A SHARE CONVERTIBLE CORPORATE BONDS

The Board announced that at the meeting of the Board held on 25 March 2010, the proposal in relation to the issuance of the Convertible Bonds has been duly passed. It is contemplated that the Convertible Bonds will be issued under the General Mandate. Pursuant to the relevant PRC laws and regulations, the issuance of the Convertible Bonds is subject to a separate Shareholders' approval even if the General Mandate has been approved at the AGM. Therefore, the proposed issuance of the Convertible Bonds is further subject to: (i) approval by the Shareholders at the AGM by way of special resolution in accordance with the Articles; and (ii) approvals of CSRC and other relevant PRC regulatory authorities.

LETTER FROM THE BOARD

In accordance with the relevant requirements 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 other laws, regulations and regulatory documents with the force of law, the Bank has satisfied the requirements for public issuance of the Convertible Bonds in the PRC. The Board has considered and approved the proposal for the issuance of the Convertible Bonds, details of which are as follows:

4.1 Type of securities to be issued

The type of the securities to be issued by the Bank is convertible corporate bonds, convertible into A Shares of the Bank. Such Convertible Bonds and the A Shares to be issued upon conversion of the Convertible Bonds in the future will be listed on the Shanghai Stock Exchange.

4.2 Issue size

The aggregate amount of the Convertible Bonds proposed to be issued will be not more than RMB25 billion. The actual size of the issuance shall be determined by the Board within the above scope, subject to the authorisation at the Shareholders' general meeting.

4.3 Nominal value and issue price

The Convertible Bonds proposed to be issued will be in principal amounts of RMB100 each, and will be issued at nominal value.

4.4 Term

The Convertible Bonds proposed to be issued will have a term of six years from the date of issuance.

4.5 Interest rate

The Convertible Bonds proposed to be issued will bear interest at the rate of not more than 3% per annum. The manner of determining the interest rate and the final interest rate of each interest accrual year shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting.

4.6 Timing and method of interest payment

Interest will be accrued from the date of issuance of the Convertible Bonds based on the aggregate nominal value of the Convertible Bonds held by the CB Holders. The interest payment date will fall on each anniversary of the date of issuance of the Convertible Bonds. If such anniversary day falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first working day immediately thereafter, provided that no additional interest will be accrued during the period of postponement.

The Bank will not pay any interest to the holders of Convertible Bonds whose Convertible Bonds have been applied to be converted into A Shares on or before the relevant record date for interest payment.

4.7 Conversion period

The conversion period of the Convertible Bonds proposed to be issued commences on the first trading day immediately following the expiry of the six-month period after the date of issuance of the Convertible Bonds and ends on the maturity date of the Convertible Bonds.

4.8 Method for determining the number of Shares for conversion

The number of Shares to be issued upon application for conversion by CB Holders shall be in whole number. Where the remaining balance of Convertible Bonds are insufficient to be converted into one Share, the Bank will pay the CB Holders in cash an amount equal to the nominal value of the remaining balance of such Convertible Bonds and the interest accrued on such balance within five trading days from the conversion of the Convertible Bonds in accordance with the relevant requirements of the Shanghai Stock Exchange and such other authorities.

4.9 Determination and adjustment of CB Conversion Price

The initial CB Conversion Price shall not be lower than the average trading price of A Shares for the 20 trading days preceding the date of publication of the offering document, and the average trading price of A Shares on the trading day preceding the date of publication of the offering document. The actual initial CB Conversion Price shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting.

The CB Conversion Price is subject to adjustment, upon the occurrence of certain events which affect the share capital of the Bank, such as distribution of scrip dividend, capitalisation issue, issuance of new shares, rights issue or distribution of cash dividend (excluding any increase in the share capital as a result of conversion of the Convertible Bonds). The CB Conversion Price will be adjusted based on the following formulae:

Distribution of scrip dividend or capitalisation issue: $P1 = P0 / (1 + n)$;

Issue of new Shares or rights issue: $P1 = (P0 + A \times k) / (1 + k)$;

Where the two events above occur concurrently: $P1 = (P0 + A \times k) / (1 + n + k)$;

Distribution of cash dividend: $P1 = P0 - D$;

Where the three events above occur concurrently: $P1 = (P0 - D + A \times k) / (1 + n + k)$.

In the aforesaid formulae, "P0" denotes the effective CB Conversion Price before adjustment; "n" denotes the rate of scrip dividend or capitalisation issue; "k" denotes the new share issue rate or rights issue rate; "A" denotes the price of new share issue or rights issue; "D" denotes the cash dividend per share; and "P1" denotes the effective CB Conversion Price after adjustment.

4.10 Downward adjustment to CB Conversion Price

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 a downward adjustment to the CB Conversion Price to the Shareholders for their consideration and approval at a Shareholders' general meeting.

LETTER FROM THE BOARD

4.11 Terms of redemption

Within five trading days after the maturity of the Convertible Bonds, the Bank will redeem all the Convertible Bonds from holders of Convertible Bonds which have not been converted into the Shares by then, at a redemption price calculated at a premium (including the interest accrued in the last interest accrual year) over the nominal value of the Convertible Bonds issued hereunder. The actual premium shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting.

During the conversion period of the Convertible Bonds, if the closing price of the A Shares of the Bank in at least 15 trading days out of 30 consecutive trading days is equal to or higher than 130% of the prevailing CB Conversion Price, the Bank shall have the right to redeem all or any part of the outstanding Convertible Bonds which have not been converted into the Shares, at a price equal to the nominal value of the Convertible Bonds plus the interest accrued. The redemption procedures shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting.

In addition, when the nominal value of the balance of the outstanding Convertible Bonds proposed to be issued hereunder is less than RMB30 million, the Board shall have the right to decide whether to redeem all the outstanding Convertible Bonds at a price equal to the nominal value plus the interest accrued.

4.12 Terms of sale back

The Convertible Bonds are not subject to sale back to the Bank at the option of the CB Holders. However, if the actual usage of the proceeds from the issuance of the Convertible Bonds by the Bank differs from the description of the use of proceeds set out by the Bank in the offering document, and it is considered by the CSRC as a deviation in the use of the proceeds, the CB Holders will have a one-off right to sell the Convertible Bonds back to the Bank at the nominal value plus the interest accrued.

4.13 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 the existing issued Shares, and all shareholders whose names appear on the register of members of the Bank on the record date for dividend entitlement shall be entitled to receive the dividend for that year.

4.14 Method of issuance and target investors

The method of the issuance of the Convertible Bonds will be determined by the Board, subject to the authorisation at the Shareholders' general meeting. The target investors are natural persons, legal persons, securities investment funds and other investors that meet the conditions prescribed by the laws who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, except those prohibited by the PRC laws and regulations.

LETTER FROM THE BOARD

4.15 Subscription arrangement for the existing A Shareholders

The existing A Shareholders shall have preferential rights to subscribe for the Convertible Bonds proposed to be issued, and such existing A Shareholders may give up such preferential rights. The actual amount to be preferentially allocated to the existing A Shareholders shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholder's general meeting.

The balance amount of the Convertible Bonds after allocation to the existing A Shareholders on a preferential basis and the Convertible Bonds, the preferential right of which have been given up by the existing A Shareholders will be issued by way of offline placement to institutional investors and/or online issuance through the system of Shanghai Stock Exchange. If the Convertible Bonds are not fully subscribed, the remainder of the Convertible Bonds will be underwritten by the underwriting syndicate.

4.16 CB Holders and CB Holders' meetings

A CB Holders' meeting shall be convened upon the occurrence of any of the following events: the Bank proposes to change the terms of the offering document; the Bank defaults in paying principal amount and interests under the Convertible Bonds on time; the Bank undertakes a capital reduction, merger, division, dissolution or files for bankruptcy; material changes to the guarantor(s) or security of the Convertible Bonds; and other matters which may affect the material interests of the CB Holders.

The Bank will stipulate in the offering document the measures for protecting the rights of the CB Holders and the rules of the meetings of the CB Holders, including the rights, procedures, conditions for passing of valid resolutions, etc. of such meetings.

4.17 Use of proceeds from the issuance of the Convertible Bonds

The proceeds from the proposed issuance of the Convertible Bonds, after deduction of the expenses relating to the issuance (the "Net Proceeds"), will be used to replenish the capital base of the Bank in order to improve the capital adequacy ratio of the Bank.

Subject to the approval by the CBRC, the entire amount of the Net Proceeds from the issuance of the Convertible Bonds will be used for replenishment of the Bank's supplementary capital, and the entire amount of the converted Convertible Bonds will upon conversion by the CB Holders be used to replenish core capital of the Bank.

4.18 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 terms of the Convertible Bonds will contain the following special provisions: (1) the exercise of the redemption right under the Convertible Bonds is conditional upon the obtaining of the approval of the CBRC; and (2) the CB Holders' claims against the Bank are subordinated to the claims of the depositors and other ordinary creditors of the Bank, and the Convertible Bonds are not secured by the mortgage or pledge over the assets of the Bank.

LETTER FROM THE BOARD

4.19 Security

No security will be provided in relation to the proposed issuance of the Convertible Bonds.

4.20 The validity period of the resolution in respect of the issuance of the Convertible Bonds

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

4.21 Matters relating to authorisation 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' general meeting to authorise the Board, and the Board will then delegate the authority to Chairman, Vice Chairman and President of the Bank, to jointly exercise the full power to handle matters relating to the issuance of the Convertible Bonds under the framework and principles as deliberated and adopted by the Shareholders at the Shareholders' general meeting and within the validity period of the resolution in respect of the issuance of the Convertible Bonds (and for matters relating to the conversion of the Convertible Bonds, within the conversion period), including but not limited to those set out below:

- (1) to formulate and implement the final proposal for the issuance of the Convertible Bonds, including but not limited to: to determine the issue size, timing of issuance, method of issuance, target investors, interest rate, conversion price, redemption terms and the amount of the Convertible Bonds to be preferentially allocated to the existing A Shareholders, to formulate and amend the measures to protect the rights of the CB Holders and the rules of the meetings of the CB Holders; to formulate the rules for the management of the proceeds from the issuance and to designate special accounts for the proceeds; to give effect to conversion of the Convertible Bonds after their issuance; and any other matters in relation to the issuance and the conversion of the Convertible Bonds in the future;
- (2) if the PRC government announces new regulations in relation to the issuance of convertible bonds, or the regulatory authorities set out new policy requirements, or upon changes in the market conditions, to adjust the issuance proposal accordingly unless such adjustments are specifically required by the laws, regulations and the Articles to be subject to further approval at a Shareholders' general meeting;
- (3) to produce, amend and file the application and any other materials in relation to the issuance and listing of the Convertible Bonds in accordance with the requirements of the relevant 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 proceeds from the issuance of the Convertible Bonds) during the course of the issuance of the Convertible Bonds;
- (5) to amend the relevant provisions of the Articles relating to the issuance of the Convertible Bonds and the registered capital of the Bank at the appropriate time based on the status of implementation of the issuance and conversion of the Convertible Bonds, and to deal with the matters in relation to the approval of and the filing with the approval authority or the administration for industry and commerce of such amendments, the approval by and the

LETTER FROM THE BOARD

registration with the approval authority or the administration for industry and commerce of the change in the registered capital, and the listing of the Convertible Bonds;

- (6) to the extent permitted by laws and regulations, 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 terms of the issuance of the Convertible Bonds; and
- (7) to deal with other matters relating to the issuance of the Convertible Bonds.

All members of the Board shall be informed promptly upon completion of any of the above items.

A full version of the proposal in relation to the issuance and listing of the Convertible Bonds is set out in Appendix 2 to this circular.

The Shareholders and potential investors should be aware that the proposed issuance of the Convertible Bonds is subject to all necessary approvals being obtained and various factors including the market conditions, and therefore the proposed issuance of the Convertible Bonds may or may not proceed.

4.22 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 RMB25 billion and assuming the CB Conversion Price of approximately RMB4.82 (by reference to the average closing price of the A Shares for the 12 months ended 28 February 2010), the maximum number of new A Shares to be issued is approximately 5.187 billion Shares, representing (i) 2.02% of the enlarged total issued A Share capital of the Bank, and (ii) 1.53% of the enlarged total issued share capital of the Bank. The exact number of new 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 conversion of the Convertible Bonds into new A Shares will result in dilution of the interests of the existing Shareholders in the Bank.

5. PROPOSAL IN RESPECT OF THE FEASIBILITY ANALYSIS REPORT ON USE OF PROCEEDS FROM THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS

Subject to the approval of the CBRC, the entire amount of the proceeds raised from the proposed issuance of the Convertible Bonds, after deduction of the expenses relating to the issuance, will be applied to replenish the supplementary capital, and after the conversion by the CB Holders, the entire amount of the converted Convertible Bonds will be applied to replenish the core 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 on Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds by the Bank (the “**Feasibility Analysis Report**”), a copy of which is set out in Appendix 3 to this circular. The Feasibility Analysis Report, which was considered and approved by the Board on 25 March 2010, is subject to Shareholders’ approval by way of ordinary resolution pursuant to the requirements of the CSRC.

LETTER FROM THE BOARD

6 PROPOSAL IN RESPECT OF THE REPORT ON UTILISATION OF PROCEEDS FROM PREVIOUS ISSUANCES

The funds previously raised by the Bank during its H Share initial public offering and A Share initial public offering have been used to replenish the Bank's capital base. The Board prepared a report on utilisation of proceeds from previous issuances (the "**Utilisation Report**"). Ernst & Young Hua Ming Certified Public Accountants has been appointed by the Bank to issue an assurance report in respect of the utilisation of the proceeds from previous issuances by the Bank (the "**Assurance Report**"). Full versions of the Utilisation Report and the Assurance Report are set out in Appendices 4 and 5 to this circular respectively. The Utilisation Report, which was considered and approved by the Board on 25 March 2010, is subject to Shareholders' approval by way of ordinary resolution pursuant to relevant requirements of the CSRC.

7 THE AGM

A notice convening the AGM to be held at the Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong and at B3 Academic Exchange, Industrial and Commercial Bank of China Limited, No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC concurrently by video conference on Tuesday, 18 May 2010 at 2:30 p.m. is set out on pages 32 to 36 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying form of proxy in accordance with the instructions printed thereon. For holder of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited by hand or by post not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjourned meeting should you so wish, but in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to the Office of the Board of Directors of the Bank on or before Wednesday, 28 April 2010.

8 RECOMMENDATION

The Directors consider that the proposals in relation to (1) the Capital Management Plan for Years 2010 to 2012, (2) the General Mandate to issue H Shares and A Share convertible corporate bonds, (3) the public issuance and listing of A Share convertible corporate bonds (4) the Feasibility Analysis Report on Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds, and (5) the Report on Utilisation of Proceeds from Previous Issuances are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant proposed resolutions.

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

The Capital Management Plan of Industrial and Commercial Bank of China Limited for Years 2010 to 2012 is written in Chinese, with no official English translation. The English translation is provided solely for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Capital Management Plan of Industrial and Commercial Bank of China Limited for Years 2010 to 2012 is as follows:

CAPITAL MANAGEMENT PLAN OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED FOR YEARS 2010 TO 2012

As at the end of 2009, the audited capital adequacy ratio on a consolidated basis and core capital adequacy ratio of Industrial and Commercial Bank of China Limited (the “Bank”) were 12.36% and 9.90% respectively. The Bank has complied with regulatory requirements for both ratios. In order to maintain the level of its capital adequacy ratio, support the Bank’s development and satisfy the requirements to enhance return to its shareholders, the following plan is compiled in accordance with the Administrative Measure on Commercial Banks Capital Adequacy Ratio, and the Notice on Improvement of Commercial Banks Capital Replenishment Mechanism promulgated by China Banking Regulatory Commission.

1 Primary objectives of capital management

The primary objectives of the Bank’s capital management are to:

- (1) maintain a reasonable level of capital adequacy ratio and a stable capital base, support the Bank’s business development and implementation of strategic development plan, continuously meet regulatory requirements, ensure the safe operation of the Bank, and also to achieve a comprehensive, sustainable and co-ordinated growth of the Bank;
- (2) establish and continuously refine the Bank’s value management system focusing on economic capital, optimise the Bank’s resource allocation and operating management mechanism, cover various risks, increase current and long term earnings, create the best return to the shareholders;
- (3) utilise various capital instruments reasonably to optimise the aggregate capital amount and structure, enhance capital quality and reduce the cost of capital financing.

2 Major capital planning principles

Based on the primary objectives of the Bank’s capital management, the major capital planning principles include the following:

- (1) *Ensure compliance with the regulatory requirements*

Following the outbreak of the global financial crisis, both local and foreign regulatory authorities have further strengthened regulation on capital of commercial banks. The China Banking Regulatory Commission of the People’s Republic of China has issued a series of policies, laws and regulations, requiring commercial banks to continuously refine their capital replenishment mechanism, strengthen capital management, enhance capital quality and level of capital adequacy ratio. The management target of the capital adequacy ratio of the Bank as determined in its capital management plan shall not fall below the requirements under the regulations and regulatory policies, and to maintain a certain safety buffer, in order to prevent the capital adequacy ratio from accidentally falling below the requirements of the regulatory policies.

(2) Achieving steady level recognised in global banking industry

In addition to satisfying the requirements of the capital requirements and regulatory policies, the Bank's capital adequacy ratio management target set in its capital management plan should meet and maintain the steady level recognised by capital market and global banking industry in order to maintain the established brand influence and market image of the Bank.

(3) Maintaining the general stability of the capital adequacy ratio

In addition to achieving a steady level recognised by capital market and global banking industry, the Bank should also to the extent possible stabilise the level of its capital adequacy ratio. This is because if the capital adequacy ratio is too high, or the yearly fluctuation is too great, the Bank's capital resources would be left idle and may hinder the improvement in the capital return level and the profitability of the Bank. Therefore, the management target for the capital adequacy ratio set out in the capital management plan is to maintain overall stability.

3 Planning on capital adequacy ratio management target

Based on the primary objectives of the Bank's capital management and its major capital planning principles, and based on the combined analysis of macro-economic situations, the Bank's current capital adequacy ratio and future capital needs of the Bank, and assuming there is no serious deterioration of the economy and the financial conditions, the Bank has set its capital adequacy ratio management target for the next 3 years as follows:

Items	2010	2011	2012
Capital adequacy ratio	Approximately 12.4%	Approximately 12.3%	Approximately 12.3%
Core capital adequacy ratio	Approximately 10.2%	Approximately 10.1%	Approximately 10.1%

4 Management measures for capital adequacy ratio and mechanism on capital replenishment

The Bank will through strengthening and improving on its measures on economic capital management strive to increase the efficiency of its capital allocation and its capital adequacy level. The Bank will seek to achieve the capital adequacy ratio management target by first undertaking measures such as optimising assets structure, improving profitability, adjusting profit distribution plan, controlling the growth of risk-weighted assets, etc.

The Bank may use various capital replenishment methods, including but not limited to, rights issue, placement, issuance of convertible bonds, subordinated bonds and hybrid capital bonds etc. to achieve the capital adequacy ratio management target set out in this plan.

Should external operating environment deteriorates or upon the occurrence of other adverse circumstances, the Bank may invoke contingent capital replenishment measures, and strive to meet the capital adequacy ratio management target set out in its capital management plan by seeking emergency capital injection from its substantial shareholders or other methods to replenish its capital.

5 Other relevant circumstances

During the planning period, if the Bank becomes a bank under the New Capital Accord, the Bank will calculate and disclose the capital adequacy ratio in accordance with a series of regulatory guidance in relation to the New Capital Accord issued by the China Banking Regulatory Commission.

The proposal in respect of public issuance and listing of A Share convertible corporate bonds is only written in Chinese, with no official English translation. The English translation is provided solely for reference only. In case of discrepancy between the two versions, the Chinese version shall prevail. The full version of the proposal in respect of public issuance and listing of A Share convertible corporate bonds is as follows:

**PROPOSAL IN RESPECT OF PUBLIC ISSUANCE AND LISTING OF
A SHARE CONVERTIBLE CORPORATE BONDS**

The Bank has been maintaining a safe, efficient and stable operation model, and enhancing its capital management. In order to ensure its continuous business development and enhance its overall competitiveness, the Bank proposes to issue A Share convertible corporate bonds (“**Convertible Bonds**”) through public issuance, and to arrange for the listing of the Convertible Bonds.

In accordance with 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 regulatory documents with the force of law, the Bank has satisfied the requirements for public issuance of the Convertible Bonds. Details of the proposal for public issuance of the Convertible Bonds are as follows:

1 Type of securities to be issued

The type of the securities to be issued by the Bank is Convertible Bonds, convertible into A Shares of the Bank. Such Convertible Bonds and the A Shares to be issued upon conversion of the Convertible Bonds in the future will be listed on the Shanghai Stock Exchange.

2 Issue size

The aggregate amount of the Convertible Bonds proposed to be issued will be not more than RMB25 billion. The actual size of the issuance shall be determined by the board of directors of the Bank within the above scope, subject to the authorisation at the Shareholders’ general meeting.

3 Nominal value and issue price

The Convertible Bonds will be in principal amounts of RMB100 each, and will be issued at nominal value.

4 Term

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

5 Interest rate

The Convertible Bonds will bear interest at the rate of not more than 3% per annum. The manner of determining the interest rate and the final interest rate of each interest accrual year shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders’ general meeting.

6 Timing and method of interest payment

6.1 Calculation of annual interest

The interest of each interest accrual year (“**Annual Interest**”) means the interest accrued to the holders of the Convertible Bonds (the “**CB Holders**”) in each year on each anniversary of the date of issuance of the Convertible Bonds, calculated based on the aggregate nominal value of the Convertible Bonds.

The formula for calculating the Annual Interest: $I = B \times i$

“**I**”: denotes the Annual Interest;

“**B**”: denotes the aggregate nominal value of the Convertible Bonds held by a CB Holder as at the record date for interest payment in an interest accrual year (“**that year**” or “**each year**”); and

“**i**”: denotes the interest rate of the Convertible Bonds of that year.

6.2 Payment method

- (1) Interest of the Convertible Bonds will be paid annually, accruing from the date of issuance of the Convertible Bonds.
- (2) Interest payment date: The interest is payable annually on each anniversary of the date of issuance of the Convertible Bonds. If such day falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first working day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date will be an interest accrual year.
- (3) Record date for interest payment: The record date for interest payment in each year will be the last trading date preceding the interest payment date. The Bank will pay the interest accrued in that year within five days from the interest payment date. The Bank will not pay any interest for that year and subsequent interest accrual years to the holders of Convertible Bonds whose Convertible Bonds have been applied to be converted into the A Shares of the Bank on or before the record date for interest payment.
- (4) Tax payable on the interest income of a CB Holder shall be borne by such CB Holder.

7 Conversion period

The conversion period of the Convertible Bonds commences on the first trading day immediately following the expiry of the six-month period after the date of issuance of the Convertible Bonds and ends on the maturity date of the Convertible Bonds.

8 Method for determining the number of Shares for conversion

Where a CB Holder applies to convert the Convertible Bonds held by him during the conversion period, the formula for calculating number of the Shares to be issued upon conversion: $Q = V/P$. Any fractional Share shall be rounded down to the nearest whole number.

In the aforesaid formula, “V” denotes the aggregate nominal value of the Convertible Bonds in respect of which the CB Holders apply for conversion, and “P” denotes the prevailing CB Conversion Price as at the date of application for conversion.

Within five trading days from the conversion of the Convertible Bonds, the Bank will pay the CB Holders in cash an amount equal to the nominal value of the remaining balance of such Convertible Bonds which are insufficient to be converted into one Share and the interest accrued on such balance in accordance with the relevant requirements of the Shanghai Stock Exchange and such other authorities (please refer to Clause 11 “Terms of redemption” for details of the method of calculation of the interest accrued).

9 Determination and adjustment of the CB Conversion Price**9.1 Basis for determining the initial CB Conversion Price**

The initial CB Conversion Price of the Convertible Bonds shall not be lower than the average trading price of A Shares of the Bank for the 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 price of each of these trading days before adjustment shall be adjusted with reference to the ex-rights or ex-dividend share price) and the average trading price of A Shares of the Bank on the trading day preceding the date of publication of the offering document of the Convertible Bonds. The actual initial CB Conversion Price shall be determined by the board of directors of the Bank with reference to the market conditions, subject to the authorisation at the Shareholders’ general meeting.

Average trading price of A Shares of the Bank for the 20 trading days preceding the date of publication of the offering document = total trading value of A Shares of the Bank for such 20 trading days/total trading volume of A Shares for the same 20 trading days. Average trading price of A Shares of the Bank on the trading day preceding the date of the offering document = total trading value of A Shares of the Bank on such day/total trading volume of A Shares on such day.

9.2 Method and calculation formulae of adjustments to CB Conversion Price

The CB Conversion Price is subject to adjustment, upon the occurrence of certain events which affect the share capital of the Bank, such as distribution of scrip dividend, capitalisation issue, issuance of new shares, rights issue or distribution of cash dividend (excluding any increase in the share capital as a result of conversion of the Convertible Bonds). The CB Conversion Price will be adjusted based on the following formulae:

Distribution of scrip dividend or capitalisation issue: $P1 = P0/(1 + n)$;

Issue of new shares or rights issue: $P1 = (P0 + A \times k)/(1 + k)$;

Where the two events above occur concurrently: $P1 = (P0 + A \times k)/(1 + n + k)$;

Distribution of cash dividend: $P1 = P0 - D$;

Where the three events above occur concurrently: $P1 = (P0 - D + A \times k)/(1 + n + k)$.

In the aforesaid formulae, “P0” denotes the effective CB Conversion Price before adjustment; “n” denotes the rate of scrip dividend or capitalisation issue; “k” denotes the new share issue rate or rights issue rate; “A” denotes the price of new share issue or rights issue; “D” denotes the cash dividend per share; and “P1” denotes the effective CB Conversion Price after adjustment.

Upon occurrence of any of the abovementioned changes in the shareholdings and/or shareholder’s interests of the Bank, the CB Conversion Price will be adjusted accordingly and in the same order of the occurrence of the changes. If the CB Conversion Price adjustment date is on or after the date on which a CB Holder applies for conversion of his Convertible Bonds, but before the date of registration of the shares to be issued upon such conversion, then such conversion will be effected based on the adjusted CB Conversion Price.

In the event that the CB Holder’s rights and benefits, or the interests derived from the share conversion are affected by the change in the Bank’s share class, quantity and/or shareholders’ interests due to any possible share repurchase, consolidation, division or any other action which may be undertaken by the Bank, the Bank will adjust the CB Conversion Price based on the actual situation and in accordance with the principles of fairness, justice, equity and full protection of the CB Holders’ interests. The details of adjustments to CB Conversion Price and its implementation shall be determined in accordance with the then relevant PRC laws and regulations and the relevant requirements of the securities regulatory authorities.

10 Downward adjustment to CB Conversion Price

10.1 Limitation of adjustment right and the magnitude of adjustment

If, during the term of the Convertible Bonds issued hereunder, the closing prices of the A Shares of the Bank 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 a downward adjustment to the CB Conversion Price to the Shareholders for their consideration and approval at a Shareholders’ general meeting.

In the event that an adjustment to the CB Conversion Price is made during the aforementioned trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the unadjusted CB Conversion Price and the closing price of the shares on each such day, and in respect of the trading days after the adjustment, the calculation shall be based on the adjusted CB Conversion Price and the closing price of the shares on each such day.

The abovementioned proposal is subject to approval of two-thirds of the participating shareholders with voting rights. Shareholders who hold the Convertible Bonds issued hereunder should abstain from voting. The adjusted CB Conversion Price should be no less than the average trading price of the A Shares of the Bank for the 20 trading days immediately before the aforementioned Shareholders' general meeting or the average trading price of the A Shares of the Bank on the trading day immediately prior to Shareholders' general meeting, and should be also no less than the nominal value per Share or the net asset value per Share based on the latest audited financial statement in accordance with domestic accounting standards.

10.2 Adjustment procedures

If a downward adjustment to the CB Conversion Price is approved by the shareholders at a Shareholders' general meeting, the Bank will publish an announcement of the resolutions of the Shareholders' general meeting in the print media and the website designated by China Securities Regulatory Commission ("CSRC") for information disclosure. The information to be disclosed shall include the extent of the adjustment, the suspension period of share conversion, and the date of adjustment to the CB Conversion Price.

11 Terms of redemption

11.1 Terms of redemption at maturity

Within five trading days after the maturity of the Convertible Bonds issued hereunder, the Bank will redeem all the Convertible Bonds from holders of Convertible Bonds which have not been converted into the Shares by then, at a price calculated at a premium (including the interest accrued in the last interest accrual year) over the nominal value of the Convertible Bonds. The actual premium shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting.

11.2 Terms of conditional redemption

During the conversion period of the Convertible Bonds issued hereunder, if the closing price of the A Shares of the Bank in at least 15 trading days out of 30 consecutive trading days is equal to or higher than 130% of the prevailing CB Conversion Price, the Bank shall have the right to redeem all or any part of the outstanding Convertible Bonds which have not been converted into the Shares, at a price equal to the nominal value of the Convertible Bonds plus the interest accrued. The redemption procedures shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting.

In addition, when the nominal value of the balance of the outstanding Convertible Bonds issued hereunder is less than RMB30 million, the Board shall have the right to decide whether to redeem all the outstanding Convertible Bonds at a price equal to the nominal value plus the interest accrued.

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

IA: Accrued interest for the current period;

B: Aggregate nominal value of the Convertible Bonds issued hereunder that are held by the CB Holders and will be redeemed;

i: Interest rate of the Convertible Bonds for current year; and

t: Number of days on which interest is accrued, meaning the actual number of calendar days from the last interest payment date to the redemption date (excluding the redemption date) of current year.

In the event that an adjustment to the CB Conversion Price has been implemented in the aforementioned trading days, the calculation shall be made based on unadjusted CB Conversion Price relating to, and the closing price of, each day prior to such adjustment, and on the adjusted Conversion Price relating to, and the closing price of, each day after such adjustment.

To meet the requirements for the Convertible Bonds to form as part of the supplementary capital, the exercise of conditional redemption right set out above is conditional upon having obtained the approval from China Banking Regulatory Commission (“CBRC”).

12 Terms of sale back

If the actual usage of the proceeds from the issuance of the Convertible Bonds by the Bank differs from the description of the use of proceeds set out by the Bank in the offering document, and it is considered by the CSRC as a deviation in the use of the proceeds, the CB Holders will have a one-off right to sell the Convertible Bonds back to the Bank at the nominal value plus the interest accrued. Under this scenario, the CB Holders may sell their Convertible Bonds back to the Bank during the sale back declaration period after it is announced by the Bank, and such sale back rights shall be valid only within the corresponding sale back declaration period. If the CB Holders do not exercise their sale back rights during the sale back declaration period, the rights to sell back the Convertible Bonds shall automatically lapse.

Save as aforesaid, the Convertible Bonds cannot be sold back at the option of the CB Holders.

13 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 the existing issued shares of the Bank, and all shareholders whose names appear on the register of members of the Bank on the record date for dividend entitlement shall be entitled to receive the dividend for that year.

14 Method of issuance and target investors

The method of the issuance of the Convertible Bonds will be determined by the Board, subject to the authorisation at the Shareholders' general meeting.

The target investors are natural persons, legal persons, securities investment funds and other investors that meet the conditions prescribed by the laws who have maintained securities accounts with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited, except those prohibited by the PRC laws and regulations.

15 Subscription arrangement for the existing holders of A Shares

The existing holders of A Shares of the Bank shall have preferential rights to subscribe for the Convertible Bonds to be issued, and such existing holders of the A Shares of the Bank may give up such preferential rights. The actual amount to be preferentially allocated to the existing holders of A Shares shall be determined by the Board with reference to the market conditions, subject to the authorisation at the Shareholders' general meeting, and shall be disclosed in the offering document of the Convertible Bonds.

The balance amount of the Convertible Bonds after allocation to the existing holders of A Shares of the Bank on a preferential basis and the Convertible Bonds, the preferential right of which have been given up by the existing holders of the A Shares of the Bank will be issued by way of offline placement to institutional investors and/or online issuance through the system of Shanghai Stock Exchange. If the Convertible Bonds are not fully subscribed, the remainder of the Convertible Bonds will be underwritten by the underwriting syndicate.

16 CB Holders and CB Holders' meetings

A CB Holders' meeting shall be convened upon the occurrence of any of the following events:

- (1) the Bank proposes to change the terms of the offering document;
- (2) the Bank defaults in paying principal amount and interests under the Convertible Bonds on time;
- (3) the Bank undertakes a capital reduction, merger, division, dissolution or files for bankruptcy;
- (4) material changes to the guarantor(s) or security of the Convertible Bonds; and
- (5) other matters which may affect the material interests of the CB Holders.

The Bank will stipulate in the offering document the measures for protecting the rights of the CB Holders and the rules of the meetings of the CB Holders, including the rights, procedures, conditions for passing of valid resolutions, etc. of such meetings.

17 Use of proceeds from the issuance of the Convertible Bonds

The proceeds from the issuance of the Convertible Bonds, after deduction of the expenses relating to the issuance (the “**Net Proceeds**”), will be used to replenish the capital base of the Bank in order to improve the capital adequacy ratio of the Bank.

Subject to the approval by the CBRC, the entire amount of the Net Proceeds from the issuance of the Convertible Bonds will be used for replenishment of the Bank’s supplementary capital, and the entire amount of the Convertible Bonds converted will upon conversion by the CB Holders be used to replenish core capital 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 terms of the Convertible Bonds will contain the following special provisions:

- (1) the exercise of the redemption right under the Convertible Bonds is conditional upon the obtaining of the approval of the CBRC; and
- (2) the CB Holders’ claims against the Bank are subordinated to the claims of the depositors and other ordinary creditors of the Bank, and the Convertible Bonds are not secured by the mortgage or pledge over the assets of the Bank.

19 Security

No security will be provided in relation to the proposed issuance of the Convertible Bonds.

20 The validity period of the resolution in respect of the issuance of the Convertible Bonds

The resolution in respect of the issuance of the Convertible Bonds will be valid for 12 months from the date on which the resolution is passed at a Shareholders’ general meeting.

21 Matters relating to authorisation 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’ general meeting to authorise the Board, and the Board will then delegate the authority to Chairman, Vice Chairman and President of the Bank, to jointly exercise the full power to handle matters relating to the issuance of the Convertible Bonds under the framework and principles as deliberated and adopted by the Shareholders at the Shareholders’ general meeting and within the

validity period of the resolution in respect of the issuance of the Convertible Bonds (and for matters relating to the conversion of the Convertible Bonds, within the conversion period), including but not limited to those set out below:

- (1) to formulate and implement the final proposal for the issuance of the Convertible Bonds, including but not limited to: to determine the issue size, timing of issuance, method of issuance, target investors, interest rate, conversion price, redemption terms and the amount of the Convertible Bonds to be preferentially allocated to the existing holders of A Shares of the Bank; to formulate and amend the measures to protect the rights of the CB Holders and the rules of the meetings of the CB Holders; to formulate the rules for the management of the proceeds from the issuance and to designate special accounts for the proceeds; to give effect to conversion of the Convertible Bonds after their issuance; and any other matters in relation to the issuance and the conversion of the Convertible Bonds in the future;
- (2) if the PRC government announces new regulations in relation to the issuance of convertible bonds, or the regulatory authorities set out new policy requirements, or upon changes in the market conditions, to adjust the issuance proposal accordingly unless such adjustments are specifically required by the laws, regulations and the articles of association of the Bank to be subject to further approval at a Shareholders' general meeting;
- (3) to produce, amend and file the application and any other materials in relation to the issuance and listing of the Convertible Bonds in accordance with the requirements of the relevant 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 proceeds from the issuance of the Convertible Bonds) during the course of the issuance of the Convertible Bonds;
- (5) to amend the relevant provisions of the articles of association of the Bank relating to the issuance of the Convertible Bonds and the registered capital of the Bank at the appropriate time based on the status of implementation of the issuance and conversion of the Convertible Bonds, and to deal with the matters in relation to the approval of and the filing with the approval authority or the administration for industry and commerce of such amendments, the approval by and the registration with the approval authority or the administration for industry and commerce of the change in the registered capital, and the listing of the Convertible Bonds;
- (6) to the extent permitted by laws and regulations, 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 terms of the issuance of the Convertible Bonds; and
- (7) to deal with other matters relating to the issuance of the Convertible Bonds.

All members of the Board shall be informed promptly upon completion of any of the above items.

The Feasibility Analysis Report on Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds is written in Chinese, with no official English translation. The English translation is provided solely for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Feasibility Analysis Report on Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds is as follows:

**FEASIBILITY ANALYSIS REPORT ON USE OF PROCEEDS FROM
THE PUBLIC ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS**

In 2009, the Bank has maintained an overall sound and healthy development trend and achieved better than expected operating results by conscientiously implementing the State's macro economy policy and regulatory requirements and proactively overcoming the impacts of the international financial crisis and the fluctuation of the domestic economy.

As at and for the period ended 2009, the consolidated total assets of the Bank were RMB11,785.1 billion, increased by 20.8% compared to that of last year, profit after tax amounted to RMB129.4 billion, increased by 16.3% compared to that of last year; the Bank's profitability has increased steadily. The net return on average assets (ROAA) reached 1.20%, the return on weighted average equity (ROAE) reached 20.15%; the return to the shareholders continues to increase. The allowance to non-performing loans reached 164.41%, increased by 34.26 percentage points compared to that of last year; the capability to combat risks of the Bank has been further enhanced. The non-performing loans balance was RMB88.5 billion, decreased by RMB16.0 billion compared to that as at the end of last year; the non-performing loans ratio was 1.54%, decreased by 0.75 percentage points compared to that as at the end of last year; the asset quality continues to improve.

In 2009, while the Bank was conscientiously implementing the State's macro economy policy, proactively increasing the grant of good quality credit, and playing its role as a large bank to promote economic development, the rapid increase in the risk-weighted assets and more stringent capital regulatory requirements added certain pressures to the Bank in maintaining its capital adequacy level. In 2010 and the coming years, with the accelerated pace in industry upgrade in China, further development in the open-door policy and the increasing influence of China in global economy, there will be a good external economic environment and development opportunity for the implementation of the strategy of the Bank for "establishing the most profitable, outstanding and respectable bank in the world". Therefore, improving the capital replenishing system and enhancing the capital quality and capital adequacy ratio level of the Bank are required not only for maintaining the steady operation of the Bank in compliance with laws, but also required for strengthening the development potential and seizing opportunities for further development of the Bank.

Since the third quarter of last year, there are further signs that the global economy is gradually coming out of recession and the domestic economy has stabilised and bounced back, and in this year, the domestic capital market may be on a steady upward trend and has maintained relatively high liquidity. The market conditions for the refinancing market are now in place, the Bank therefore plans to replenish its capital through the issuance of A Share convertible corporate bonds (the "**Convertible Bonds**").

Subject to the approval by the China Banking Regulatory Commission, the entire proceeds from the issuance of the Convertible Bonds, after deduction of the issuance expenses, will be used for replenishment of the Bank's supplementary capital, and the entire amount of the converted Convertible Bonds will upon conversion by the holders of the Convertible Bonds be used to replenish core capital of the Bank, in order to strengthen the Bank's capability to combat risks and promote sustainable development, support the continuous and rapid development of the Bank's businesses and promote the steady growth of its profitability and the return to the shareholders.

The Report on Utilisation of Proceeds from Previous Issuances is written in Chinese, with no official English translation. The English translation is provided solely for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Report on Utilisation of Proceeds from Previous Issuances is as follows:

REPORT ON UTILISATION OF PROCEEDS FROM PREVIOUS ISSUANCES

1 Proceeds raised from previous issuances

In 2006, pursuant to the Approval of the Issuance of Overseas Listed Foreign Securities of Industrial and Commercial Bank of China Limited (Zheng Jian Guo He Zi [2006] No.21) issued by the China Securities Regulatory Commission, Industrial and Commercial Bank of China Limited (the “**Bank**”) has obtained the approval to issue 40,699,650,000 overseas listed foreign shares (H Shares) at the offer price of HK\$3.07 per share. The share price was fully paid in Hong Kong dollars, amounting to a total of HK\$124,947,925,500 (equivalent to RMB126,583,439,520). After deduction of the expenses relating to the issuance equivalent to RMB3,233,810,076 and an amount equivalent to RMB24,669,925,888 payable to Ministry of Finance and Huijin for selling state-owned shares, the net proceeds amounted an amount equivalent to RMB99,006,459,149 (including the interests income accrued on the subscription funds during the frozen period in an amount equivalent to RMB326,755,593) (together with the proceeds raised from the issuance of the Renminbi-denominated ordinary shares (A Shares) mentioned below, the “**Previous Proceeds**”). The proceeds above mentioned were received by the Bank on 9 November 2006, which was verified by Ernst & Young Hua Ming Certified Public Accountants and a capital verification report in relation thereto (Ernst & Young Hua Ming (2006) Yan Zi No.244770-07) has been issued.

Pursuant to the Notice of Approval of Initial Public Offering of Industrial and Commercial Bank of China Limited (Zheng Jian Fa Xing Zi [2006] No.85) issued by the China Securities Regulatory Commission, the Bank has obtained the approval to publicly issue 14,950,000,000 Renminbi-denominated ordinary shares (A Shares) at the offer price of RMB3.12 per share. The share price was fully paid in Renminbi, amounting to a total of RMB46,644,000,000. After deduction of the expenses relating to the issuance of RMB1,065,023,152, the net proceeds amounted to RMB45,578,976,848 (together with the proceeds raised from the issuance of the overseas listed foreign shares (H Shares) mentioned above, the “**Previous Proceeds**”). The proceeds above mentioned were received by the Bank on 15 November 2006, which was verified by Ernst & Young Hua Ming Certified Public Accountants and a capital verification report in relation thereto (Ernst & Young Hua Ming (2006) Yan Zi No.244770-07) has been issued.

2 The actual utilisation 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 October 2006 all of the net proceeds, after deduction of expenses relating to the issuances, should be used to replenish the Bank’s capital base. As at 31 December 2009, the actual amount of proceeds used to replenish the Bank’s capital was RMB144,585,435,997. The actual utilisation of the proceeds was in line with the relevant disclosures in the prospectuses.

As at 31 December 2009, the utilisation of the Previous Proceeds by the Bank is as follows:

Unit: RMB

Total amount of proceeds raised:		144,585,435,997	Cumulative total amount of proceeds used:				144,585,435,997
Of which: Total amount of H Shares proceeds:		99,006,459,149	Cumulative total amount of H Shares proceeds used:				99,006,459,149
Total amount of A Shares proceeds:		45,578,976,848	Cumulative total amount of A Shares proceeds used:				45,578,976,848
			Cumulative total amount of proceeds used as at the end of the following years:				
			Year 2006: 144,585,435,997				Of which: H Shares 99,006,459,149 A Shares 45,578,976,848
			Year 2007: 144,585,435,997				Of which: H Shares 99,006,459,149 A Shares 45,578,976,848
			Year 2008: 144,585,435,997				Of which: H Shares 99,006,459,149 A Shares 45,578,976,848
			Year 2009: 144,585,435,997				Of which: H Shares 99,006,459,149 A Shares 45,578,976,848
No.	Investment item		Total proceeds invested				The ratio of actual proceeds invested over total proceeds raised
	Committed investment item	Actual investment item	Pre-offering committed amount	Post-offering committed amount	Actual investment amount	Difference between actual investment amount and post-offering committed amount	
H Shares							
1	Replenishment of capital base	Replenishment of capital base	99,006,459,149	99,006,459,149	99,006,459,149	99,006,459,149	100%
A Shares							
2	Replenishment of capital base	Replenishment of capital base	45,578,976,848	45,578,976,848	45,578,976,848	45,578,976,848	100%
Total			144,585,435,997	144,585,435,997	144,585,435,997	144,585,435,997	100%

The utilisation of proceeds mentioned above has been compared item by item 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 2009. The actual utilisation of proceeds were in line with the 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 realisation of benefits cannot be calculated separately. The proceeds have replenished the Bank's capital base and improved the Bank's capital adequacy ratio.

The Assurance Report in respect of Report on Utilisation of Proceeds from Previous Issuances is written in Chinese, with no official English translation. The English translation is provided solely for reference only. In case of any discrepancy between the two versions, the Chinese version shall prevail. The full version of the Assurance Report in respect of Report on Utilisation of Proceeds from Previous Issuances is as follows:

**ASSURANCE REPORT IN RESPECT OF REPORT ON
UTILISATION OF PROCEEDS FROM PREVIOUS ISSUANCES**

Ernst & Young (2010) Zhuan Zi No. 60438506_A04

**TO THE BOARD OF DIRECTORS OF
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED,**

We have been engaged by Industrial and Commercial Bank of China Limited (the “**Bank**”) to provide assurance in respect of the Bank’s utilisation report (the “**Utilisation Report**”) on its utilisation, as at 31 December 2009, of proceeds from its offerings of overseas listed foreign shares (the “**H Shares**”) and Renminbi-denominated ordinary shares (the “**A Shares**”) in October 2006 (collectively the “**Previous Proceeds**”). It is the responsibility of the board of directors of the Bank to prepare the Utilisation Report in accordance with the Rules Governing the Utilisation Report on the Use of Proceeds from Previous Issuances of Securities (Zheng Jian Fa Xing [2007] No.500) issued by the China Securities Regulatory Commission to ensure its truthfulness, accuracy and completeness and ensure the absence of false records, misleading statements or material omissions. Our responsibility is to reach a conclusion based on our assurance work performed in accordance with the China Standard on Other Assurance Engagements No.3101 — Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

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 which requires us to plan and perform our assurance work to obtain a reasonable level of assurance of whether the Utilisation Report is free from material misstatements. In the course of our assurance work, we have carried out procedures we deemed necessary in the circumstances of the Bank, including understanding, undertaking selective examination and checking. We believe that our assurance procedures provide a reasonable basis for our opinion.

In our opinion, the Utilisation Report on the Bank has been prepared in accordance with the Rules Governing the Utilisation Report on the Use of Proceeds from Previous Issuances of Securities (Zheng Jian Fa Xing [2007] No.500) issued by the China Securities Regulatory Commission, and has presented in all material aspects the Bank’s use of Previous Proceeds as of 31 December 2009.

This assurance report is solely for the purpose of the Bank's application to the China Securities Regulatory Commission for raising A Share convertible corporate bonds. Save in relation to the application documents in respect of A Share convertible corporate bonds and relevant disclosures in accordance with the requirements of the China Securities Regulatory Commission and stock exchanges on which the Bank is listed, this assurance report should not be used for any other purpose without our written consent.

Ernst & Young Hua Ming Certified Public Accountants

Certified Public Accountant of the People's Republic of China: **Ge Ming**

Certified Public Accountant of the People's Republic of China: **Wang Jing**

Beijing, the People's Republic of China

25 March 2010



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)

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2009

NOTICE IS HEREBY GIVEN that the annual general meeting for the year 2009 (“AGM”) of Industrial and Commercial Bank of China Limited (the “**Bank**”) will be held at the Grand Ballroom, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong and at B3 Academic Exchange, Industrial and Commercial Bank of China Limited, No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC concurrently by video conference on Tuesday, 18 May 2010 at 2:30 p.m. to consider and, if thought fit, to pass the following resolutions, and to listen to the reports of the Independent Directors and the Board of Directors of the Bank on items 11 and 12 below:

As Ordinary Resolutions:

- 1** To consider and approve the 2009 Work Report of the Board of Directors of the Bank.
- 2** To consider and approve the 2009 Work Report of the Board of Supervisors of the Bank.
- 3** To consider and approve the Bank's 2009 audited accounts.
- 4** To consider and approve the Bank's 2009 profit distribution plan.
- 5** To consider and approve the re-appointment of Ernst & Young and Ernst & Young Hua Ming as auditors of the Bank for 2010 for the term from the passing of this resolution until the conclusion of the next annual general meeting and to fix the aggregate audit fees for 2010 at RMB159.60 million.
- 6** To consider and approve the Capital Management Plan of Industrial and Commercial Bank of China Limited for Years 2010 to 2012 as set out in Appendix 1 to the circular of the Bank dated 2 April 2010.

As Special Resolutions:

- 7** “**THAT:**
 - (1) subject to paragraph (3) below, the Board of Directors of the Bank be and is hereby unconditionally given approval to exercise, during the Relevant Period (as defined below), all powers of the Bank to separately or concurrently authorise, issue and deal with the newly issued A Shares and H Shares of the Bank (collectively, the “**Shares**”), and to enter into or grant offers, agreements and options (including warrants, convertible bonds and any other securities carrying rights of subscription for or conversion into Shares) that are required or may be required for the allotment and issuance of the Shares;

NOTICE OF AGM

- (2) subject to the approval under paragraph (1) above and subject to paragraph (3) below, the Board of Directors of the Bank be and is hereby authorised to enter into or grant, during the Relevant Period (as defined below), offers, agreements and options (including warrants, convertible bonds and any other securities carrying rights of subscription for or conversion into Shares) which require or may require Shares to be allotted and issued after the expiry of the Relevant Period, and to authorise, issue and deal with the Shares that are required or may be required to be allotted and issued under such offers, agreements and options;
- (3) the respective aggregate amounts of A Shares and H Shares authorised, issued and dealt with or conditionally or unconditionally agreed to be authorised, issued and dealt with by the Board of Directors of the Bank in accordance with the approvals granted under paragraphs (1) and (2) above shall not exceed 20% of the respective amounts of existing A Shares and H Shares as at the date of the passing of this special resolution;
- (4) for the purpose of this special resolution, “Relevant Period” means the period from the date of passing this special resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Bank;
 - (ii) the expiration of the 12-month period from the date of passing of this special resolution; and
 - (iii) the date on which the authority granted to the Board of Directors of the Bank set out in this special resolution is revoked or varied by a special resolution of the shareholders of the Bank in a general meeting;
- (5) the Board of Directors of the Bank be and is hereby authorised to deal with matters relating to the increase in the registered capital of the Bank to reflect the number of Shares to be issued by the Bank pursuant to this special resolution and to make such appropriate and necessary amendments to the provisions of the Articles of Association of the Bank relating to the issuance of Shares and the registered capital as they think fit and necessary and to take any other action and complete any formality required to effect the increase in the registered capital of the Bank.

Upon approval of the proposal in respect of general mandate to issue shares being passed at a shareholders’ general meeting of the Bank and approvals from relevant PRC authorities being obtained, all proceeds from issuance will, after deduction of expenses relating to the issuance, be directly and fully used to replenish the capital base of the Bank.

To enhance decision making efficiency and ensure successful issuance, the Board of Directors of the Bank may delegate to relevant directors of the Bank the power to deal with all matters relating to the issuance.”

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8 “**THAT** each of the following items in respect of the proposed public issuance and listing of the A Share convertible corporate bonds (the “**Convertible Bonds**”) as set out in Appendix 2 to the circular of the Bank dated 2 April 2010 be and is hereby considered and individually approved, and be implemented subject to approvals of relevant applications having been granted by the relevant governmental authorities in the People’s Republic China:

- (1) Type of securities to be issued
- (2) Issue size
- (3) Nominal value and issue price
- (4) Term
- (5) Interest rate
- (6) Timing and method of interest payment
- (7) Conversion period
- (8) Method for determining the number of Shares for conversion
- (9) Determination and adjustment of CB Conversion Price
- (10) Downward adjustment to CB Conversion Price
- (11) Terms of redemption
- (12) Terms of sale back
- (13) Dividend rights of the year of conversion
- (14) Method of issuance and target investors
- (15) Subscription arrangement for the existing holders of A Shares
- (16) CB Holders and CB Holders’ meetings
- (17) Use of proceeds from the issuance of the Convertible Bonds
- (18) Special provisions in relation to supplementary capital
- (19) Security
- (20) The validity period of the resolution in respect of the issuance of the Convertible Bonds
- (21) Matters relating to authorisation in connection with the issuance of the Convertible Bonds”

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As Ordinary Resolutions:

- 9 To consider and approve the Feasibility Analysis Report on Use of Proceeds from the Public Issuance of A Share Convertible Corporate Bonds as set out in Appendix 3 to the circular of the Bank dated 2 April 2010.
- 10 To consider and approve the Report on Utilisation of Proceeds from Previous Issuances as set out in Appendix 4 to the circular of the Bank dated 2 April 2010.

Other Items:

- 11 To listen to the 2009 Work Report of Independent Directors of the Bank.
- 12 To listen to the report on the implementation of the Rules of Authorisation to the Board of Directors of the Bank by the Shareholders for 2009.

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

Beijing, the PRC
2 April 2010

Notes:

(1) Shareholders' Circular

Details of resolutions nos. 6, 8, 9 and 10 above are set out in the circular ("**Circular**") of the Bank dated 2 April 2010. Unless otherwise defined in this notice, capitalised terms used in this notice shall have the same meanings as those defined in the Circular.

(2) Closure of register of members and eligibility for attending the AGM

Holders of H shares of the Bank ("**H Shares**") are advised that the register of members will be closed from Sunday, 18 April 2010 to Tuesday, 18 May 2010 (both days inclusive). Holders of H Shares whose names appear on the register of members of the Bank maintained in Hong Kong at the close of business on Friday, 16 April 2010 are entitled to attend the AGM.

Holders of H Shares who wish to attend the AGM but have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on Friday, 16 April 2010.

(3) Recommendation of dividend and closure of register of members

The Board of Directors of the Bank has recommended a dividend of RMB0.17 per share (pre-tax) for the year ended 31 December 2009 and, if such dividend is declared by the shareholders passing resolution no. 4, it is expected to be paid on or about Friday, 25 June 2010 to those shareholders whose names appear on the register of members of the Bank on Wednesday, 26 May 2010. The register of members of H Shares will be closed from Friday, 21 May 2010 to Wednesday, 26 May

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2010 (both days inclusive). In order to be entitled to the dividend, holders of H Shares who have not registered the transfer documents are required to deposit the transfer document together with the relevant share certificates at the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at or before 4:30 p.m. on Thursday, 20 May 2010.

(4) Proxy

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in their stead. A proxy need not be a shareholder of the Bank.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporate body, the proxy form must be either executed under its common seal or under the hand of its director(s) or duly authorised attorney(s). If the proxy form is signed by an attorney of the shareholder, the power of attorney authorizing that attorney to sign or other authorisation documents must be notarised.

To be valid, the proxy form together with the power of attorney or other authorisation document (if any) must be lodged at the H Share registrar of the Bank by hand or by post not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be) by holders of H Shares. The H Shares registrar of the Bank is Computershare Hong Kong Investor Services Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

(5) Reply Slip

Shareholders who intend to attend the AGM in person or by proxy should return the reply slip by hand, by fax or by post to the Bank's Board of Directors' Office or Computershare Hong Kong Investor Services Limited on or before Wednesday, 28 April 2010. The Bank's Board of Directors' Office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100140, PRC (Tel: (86 10) 6610 8400), Fax: (86 10) 6610 6139). The address of Computershare Hong Kong Investor Services Limited is 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555), Fax: (852) 2865 0990).

(6) Other issues

The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the AGM shall produce their identification documents.

The AGM starts at 2:30 p.m.. Registration for admission to the AGM will take place from 1:00 p.m. to 2:30 p.m..