

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNOUNCEMENT IN RELATION TO THE CONVERSION OF ICBC CONVERTIBLE BONDS

Reference is made to the circular of Industrial and Commercial Bank of China Limited (the “**Bank**”) dated 2 April 2010 in relation to the proposed issuance of A share convertible corporate bonds and the announcement of the Bank dated 25 August 2010 in relation to the public issuance of A share convertible corporate bonds. Unless otherwise defined herein, capitalised terms and expressions used in this announcement shall have the same meaning as those defined in the aforementioned circular.

As approved under the written approval (Zheng Jian Xu Ke [2010] No. 1155) issued by China Securities Regulatory Commission (“**CSRC**”), the Bank publicly issued 250 million A share convertible corporate bonds (“**Convertible Bonds**”) with a nominal value of RMB100 each, amounting to RMB25 billion in aggregate, on 31 August 2010.

Pursuant to the written consent (Shang Zheng Fa Zi [2010] No. 24) issued by the Shanghai Stock Exchange, the Convertible Bonds in the amount of RMB25 billion were listed on the Shanghai Stock Exchange for trading on 10 September 2010, with a securities name of “ICBC Convertible Bonds” and a securities code of “113002”. Pursuant to relevant regulations and requirements set out in the “Prospectus in relation to the Public Issuance of the A Share Convertible Corporate Bonds of Industrial and Commercial Bank of China Limited” published by the Bank on 25 August 2010 (the “**Prospectus**”), the convertible Bonds can be converted into A Shares of the Bank commencing from 1 March 2011. A Shares issued as a result of the conversion of the Convertible Bonds will rank pari passu with existing issued Shares. Accordingly, the conversion would cause a dilution of existing Shareholders’ interests in the Bank. Investors are urged to exercise caution and to pay attention to subsequent announcement(s) in relation to the Convertible Bonds which may be published by the Bank.

Basic information on the conversion of the Convertible Bonds is set out below. For further information, please refer to the announcement on the issue of the Convertible Bonds dated 25 August 2010 published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Hong Kong Stock Exchange.

I. BASIC INFORMATION, SIZE OF ISSUANCE, NOMINAL VALUE AND CONVERSION PERIOD OF THE CONVERTIBLE BONDS

1. Convertible bond code: 113002 Convertible bond name: ICBC Convertible Bonds;
2. Conversion code: 191002 Conversion name: ICBC Conversion;
3. CB Conversion Price: RMB4.15 per Share;
4. Size of issuance: RMB25 billion;
5. Nominal value: The nominal value of each Convertible Bond is RMB100, with 250 million Convertible Bonds in total and divided into 25 million board lots;
6. Term: Six years, commencing from 31 August 2010 and ending on 31 August 2016;
7. Interest rate: 0.5% for the first year, 0.7% for the second year, 0.9% for the third year, 1.1% for the fourth year, 1.4% for the fifth year and 1.8% for the sixth year;
8. Conversion period: 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, being 1 March 2011 to 31 August 2016 (the “**Conversion Period**”);
9. Date of listing of the conversion shares on the Shanghai Stock Exchange: Application for conversion (Day T), second trading day after confirming the completion of the conversion (Day T+1, being the next trading day following conversion).

II. SHARE REGISTRATION AND RANKING OF THE SHARES ALLOTTED AS A RESULT OF CONVERSION

Additional A Shares allotted as a result of the conversion of the Convertible Bonds will be automatically recorded under the securities account(s) of the CB Holder(s). A Shares issued as a result of the conversion of the Convertible Bonds will rank pari passu with existing issued Shares. All Shareholders whose names appear on the register of shareholders on the record date for the distribution of dividend shall be entitled to the dividend for the relevant period. The conversion shares shall be listed and become tradable on the next trading day following conversion.

III. CB CONVERSION PRICE

The initial CB Conversion Price was RMB4.20 per share.

On 24 November 2010, the Bank published the “Announcement of Industrial and Commercial Bank of China Limited in relation to the Adjustment of the Conversion Price and Resumption of Trading of ICBC Convertible Bonds” on *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, *Securities Daily* and the website of the Shanghai Stock Exchange (www.sse.com.cn). Pursuant to the requirements set out in the Prospectus, upon completion of the issue of A rights shares at the subscription price of RMB2.99 per Share on the basis of 0.45 A rights shares for every 10 existing A Shares held on the A Share record date (15 November 2010) (the “**A Share Rights Issue**”), the CB Conversion Price has been adjusted from RMB4.20 per share to RMB4.16 per share from 26 November 2010 as a result of the A Share Rights Issue.

On 24 December 2010, the Bank published the “Announcement of Industrial and Commercial Bank of China Limited in relation to the Adjustment of the Conversion Price of ICBC Convertible Bonds” on *China Securities Journal*, *Shanghai Securities News*, *Securities Times*, *Securities Daily* and the website of the Shanghai Stock Exchange (www.sse.com.cn). Pursuant to the requirements set out in the Prospectus, upon completion of the issue of H rights shares at the subscription price of HK\$3.49 per Share on the basis of 0.45 H rights shares for every 10 existing H Shares held on the H Share record date (26 November 2010) (the “**H Share Rights Issue**”), the CB Conversion Price has been adjusted from RMB4.16 per share to RMB4.15 per share from 27 December 2010 as a result of the H Share Rights Issue.

IV. REDEMPTION AND SALE BACK

1. Redemption

(1) Terms of redemption at maturity

Within five trading days after the maturity of the Convertible Bonds, the Bank will redeem all Convertible Bonds from CB Holders which have not been converted into the Shares by then, at a price equivalent to 105% (including interest accrued) of the nominal value of the Convertible Bonds.

(2) Terms of conditional redemption

During the Conversion Period, 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 Shares, at a price equal to the nominal value of the Convertible Bonds plus interest accrued.

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

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

2. 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 Prospectus, and it is considered by CSRC as a change in the use of proceeds, the CB Holders will have a one-off right to sell the Convertible Bonds back to the Bank at the nominal value plus 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.

V. OTHERS

For details of the terms of the Convertible Bonds, investors should refer to the “Summary of the Prospectus in relation to the Public Issuance of the A Share Convertible Corporate Bonds” published on *China Securities Journal*, *Shanghai Securities News*, *Securities Times* and *Securities Daily* on 26 August 2010, or refer to the full text of the Prospectus and its summary on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Bank (www.icbc-ltd.com). Please also refer to the corresponding overseas regulatory announcements published by the Bank on the “HKExnews” website of the Hong Kong Stock Exchange (www.hkexnews.hk).

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

Beijing, PRC
24 February 2011

As at the date of this announcement, the board of directors comprises Mr. JIANG Jianqing, Mr. YANG Kaisheng, Ms. WANG Lili and Mr. LI Xiaopeng as executive directors, Mr. HUAN Huiwu, Mr. GAO Jianhong, Ms. LI Chunxiang, Mr. LI Jun, Mr. LI Xiwen and Mr. WEI Fusheng as non-executive directors, Mr. LEUNG Kam Chung, Antony, Mr. QIAN Yingyi, Mr. XU Shanda, Mr. WONG Kwong Shing, Frank, Sir Malcolm Christopher McCARTHY and Mr. Kenneth Patrick CHUNG as independent non-executive directors.