

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 INDIVIDUAL INCOME TAX WITHHOLDING ARRANGEMENT FOR 2010 H SHARE DIVIDEND

Reference is made to the 2010 annual results announcement of Industrial and Commercial Bank of China Limited (the “**Bank**”) dated 30 March 2011 and the announcement dated 31 May 2011 in respect of the poll results of the annual general meeting for the year 2010 of the Bank. The Bank wishes to announce further information in relation to the payment of the 2010 H share dividend as follows.

The resolution relating to the Bank's 2010 profit distribution plan was approved at the annual general meeting for the year 2010 of the Bank. The dividend for the year ended 31 December 2010 of RMB0.184 per share (pre-tax) (the “**2010 Dividend**”) will be paid on or about Friday, 8 July 2011 to the holders of H shares whose names appear on the Bank's register of holders on 14 June 2011 (the “**Record Date**”). The 2010 Dividend payable by the Bank to holders of H shares in Hong Kong dollars shall be converted at the central parity exchange rate between Hong Kong dollars and Renminbi prevailing on 31 May 2011 (being the date on which the annual general meeting was held). Accordingly, the applicable exchange rate for the purpose of the payment of the 2010 Dividend is HK\$1=RMB0.83368. As such, the 2010 Dividend shall be approximately HK\$0.220708 per H share (pre-tax).

Due to the recent change of PRC tax regulations, the “Circular on the Questions Concerning Tax on the Profits Earned by Enterprises with Foreign Investment, Foreign Enterprises and Individual Foreigners from the Transfer of Stocks (Stock Rights) and on Dividend Income” (Guo Shui Fa [1993] No.45) (《關於外商投資企業、外國企業和外籍個人取得股票（股權）轉讓收益和股息所得稅收問題的通知》(國稅發[1993] 45號)) issued by the State Administration of Taxation (the “**Circular**”) was repealed pursuant to the “Announcement on the List of Fully and Partially Invalid and Repealed Tax Regulatory Documents” (《關於公佈全文失效廢止、部份條款失效廢止的稅收規範性文件目錄的公告》). According to the Circular, individual foreigners who are holders of H shares are temporarily exempted from PRC individual income tax in respect of the dividend (bonus) paid by domestic enterprises which issued such H shares. As the Circular has been repealed, the Bank can no longer rely on the Circular as the basis for the individual shareholders who hold the Bank's H shares and whose names appear on the register of holders of H shares of the Bank on the

Record Date (the “**Individual H Shareholders**”) to be exempted from the PRC individual income tax when the Bank distributes the 2010 Dividend.

Pursuant to the “PRC Individual Income Tax Law” (《中華人民共和國個人所得稅法》), the “PRC Implementation Regulations of the Individual Income Tax Law” (《中華人民共和國個人所得稅法實施條例》), the “Notice of the State Administration of Taxation in relation to the Administrative Measures on Preferential Treatment Entitled by Non-residents under Tax Treaties (Tentative)” (Guo Shui Fa [2009] No.124) (《國家稅務總局關於印發〈非居民享受稅收協定待遇管理辦法(試行)〉的通知》(國稅發[2009]124號)) (“**Tax Treaties Notice**”), other relevant laws and regulations and the relevant rules promulgated by the State Administration of Taxation, as the Circular has been repealed, the Bank shall withhold and pay the individual income tax in respect of the dividend (bonus) received by the Individual H Shareholders from the Bank. The Individual H Shareholders of the Bank may be entitled to certain tax preferential treatments pursuant to the tax treaties between the PRC and the countries in which the Individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong (Macau). The Bank will determine the country of domicile of the Individual H Shareholders based on the registered address as recorded in the register of holders of H shares of the Bank on the Record Date. Detail arrangements are as follows:

- For Individual H Shareholders who are Hong Kong and Macau residents and those whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 10%, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. Based on the abovementioned dividend of RMB0.184 per share (pre-tax), the amount of individual income tax to be withheld and paid by the Bank on behalf of the Individual H Shareholders will be RMB0.0184 (approximately HK\$0.02207) per share;
- for Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of less than 10%, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of the Individual H Shareholders. Based on the abovementioned dividend of RMB0.184 per share (pre-tax), the amount of individual income tax to be withheld and paid by the Bank on behalf of the Individual H Shareholders will be RMB0.0184 (approximately HK\$0.02207) per share. If relevant Individual H Shareholders would like to apply for a refund of the additional amount of tax withheld and paid, the Bank can assist the relevant shareholder to handle the application for the underlying preferential tax benefits pursuant to the tax treaties, provided that the relevant shareholder shall submit to the Bank the information required under the Tax Treaties Notice within the time period stated below. Upon examination and approval by competent tax authorities, the Bank will assist in refunding the additional amount of tax withheld and paid;
- for Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of more than 10% but less than 20%, the Bank will withhold and pay individual income tax at the actual tax rate stipulated in the relevant tax treaty; and

- for Individual H Shareholders whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of 20%, or a country which has not entered into any tax treaties with the PRC, or under any other circumstances, the Bank will withhold and pay individual income tax at the rate of 20% on behalf of the Individual H Shareholders. Based on the abovementioned dividend of RMB0.184 per share (pre-tax), the amount of individual income tax to be withheld and paid by the Bank on behalf of the Individual H Shareholders will be RMB0.0368 (approximately HK\$0.0441) per share.

If the domicile of an Individual H Shareholder is not the same as the country shown in the registered address of such shareholder as recorded in the register of holders of H shares of the Bank or if relevant Individual H Shareholder would like to apply for a refund of the additional amount of tax withheld and paid, the relevant shareholder shall notify and provide relevant supporting documents to the Bank on or before 31 August 2011. Upon examination of the supporting documents by competent tax authorities, the Bank will strictly follow the guidance given by the tax authorities to implement relevant tax withholding provisions and arrangements. Individual H Shareholders may either personally or appoint a representative to attend to the procedures in accordance with the requirements under the Tax Treaties Notices if they do not provide the relevant supporting documents to the Bank within the time period stated above.

Shareholders are recommended to consult their tax advisers regarding PRC, Hong Kong and other tax implications arising from their holding and disposal of H shares of the Bank.

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

Beijing, PRC
6 July 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.