



INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
中國工商銀行股份有限公司

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

WARNING

This announcement (*Announcement*) in relation to the A share offering of Industrial and Commercial Bank of China Limited (the *Company*) is being published as required by The Stock Exchange of Hong Kong Limited solely for the purpose of providing information to the public in Hong Kong.

The issue of this Announcement in the People's Republic of China (*PRC*, excluding, for these purposes, Hong Kong, Macau and Taiwan) is pursuant to PRC regulatory requirements in connection with our A share offering. The A shares are only being offered and sold in the PRC to, and can only be purchased by, investors that meet certain eligibility requirements under the PRC laws and regulations.

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Prospective investors are reminded that the Global Offering is not conditional upon the A share offering. If an offer or an invitation is made to the public in Hong Kong in due course, please refer to a prospectus registered with the Registrar of Companies in Hong Kong for further details regarding the relationship between the Global Offering and the A share offering.

This Announcement does not form part of any prospectus registered with the Registrar of Companies in Hong Kong save in so far as any information has already been incorporated into such prospectus. As part of the A share offering, process, certain announcements will be published from time to time on the website of the Shanghai Stock Exchange, which may not be published on the Stock Exchange of Hong Kong Limited website.

Industrial and Commercial Bank of China Limited
Announcement of Arrangements for Initial Public Offering of A Shares and Preliminary Price Consultation

IMPORTANT NOTICE

1. The application for an initial public offering of A shares (the ***Offering***) by Industrial and Commercial Bank of China Limited (the ***Issuer*** or ***ICBC***) has been approved by China Securities Regulatory Commission pursuant to the document *Zheng Jian Fa Xing Zi* [2006] No. 85. The Offering will comprise an offering of initially 13.00 billion shares. The Issuer will grant the A share joint sponsors (lead underwriters) an over-allotment option (or the ***Green Shoe***) equivalent to not more than 15% of the initial size of the Offering. If the Green Shoe in respect of the A share is exercised in full, the total number of shares offered under the A share offering will be increased to 14.95 billion shares.
2. This Offering will be conducted concurrently with ICBC's H share offering outside the PRC. The initial offering size of the H share offering is approximately 35.39 billion shares. The Issuer will grant the H share joint bookrunners an over-allotment option equivalent to not more than 15% of the initial size of the H share offering. If the Green Shoe in respect of the H shares is exercised in full, the total number of shares offered under the H share offering will be increased to approximately 40.7 billion shares.
3. In this Offering, the placement of shares to institutional investors who have participated in the price consultation process (the ***Institutional Placement***) and the public offering of shares (the ***Public Offering***) will be conducted simultaneously. The Institutional Placement will be carried out between 16 October 2006 (Day T - 3, where "Day T" herein refers to the public offering application date, being 19 October 2006) and 18 October 2006 (Day T - 1) from 9:00 to 17:00 every day and on 19 October 2006 (Day T) from 9:00 to 12:30. The Public Offering will take place on 19 October 2006 (Day T) during the normal trading hours of Shanghai Stock Exchange (the ***SSE***) (from 9:30 to 11:30 and from 13:00 to 15:00).
4. The proposed A share offering price is intended to be equivalent to the H share offering price, as adjusted for differences between the Hong Kong dollar and Renminbi exchange rate.
5. The Issuer will grant an over-allotment option to the joint sponsors (lead underwriters). For details, please refer to the sub-section "Over-allotment Option (Green Shoe)" in the section "Offering Arrangements".

6. Details of the placement to strategic investor(s) in this Offering will be disclosed in the *Industrial and Commercial Bank of China Limited Initial Public Offering of A Shares Announcement of Pricing, Results of the Institutional Placement and Public Offering Success Rate* to be published on 23 October 2006 (Day T + 2).
7. Upon completion of the Institutional Placement and Public Offering in connection with this Offering, the Issuer and the joint sponsors (lead underwriters) will decide based on the level of applications whether or not to activate the clawback mechanism to adjust the offering sizes of the Institutional Placement and Public Offering. For details of the clawback mechanism, please refer to the sub-section “Public Offering and Institutional Placement Clawback Mechanism” under the section “Offering Arrangements”.
8. The full text of the prospectus in respect of this Offering will be published on the website of the SSE (<http://www.sse.com.cn>) on 27 September 2006. A summary of the prospectus will be published in the China Securities Journal, Shanghai Securities News, Securities Times and Securities Daily on 27 September 2006.

I. Offering Arrangements

(1) Structure of the Offering

The Offering will comprise a placement to strategic investors (the *Strategic Placing*), an Institutional Placement and a Public Offering. The Strategic Placing will amount to approximately RMB18 billion. (The final number of shares under the placing will be determined on the basis of the final offering price. As the number of shares under the placing will be rounded to the nearest thousand shares, there may be a minor discrepancy in the final placing amount.) Before clawback, the number of shares under the Institutional Placement is approximately 3 billion shares, representing approximately 23.1% of the initial offering size; and the remaining portion will be offered under the Public Offering.

The Strategic Placing and Institutional Placement will be conducted by the joint sponsors (lead underwriters) of the Offering. The Public Offering will be conducted simultaneously on the last day of the Institutional Placement. Investors may apply through the SSE trading system and pay the application amount based on the upper limit of the price range.

(2) Over-Allotment Option (Green Shoe)

The Issuer will grant an over-allotment option to the joint sponsors (lead underwriters) of the Offering. The joint sponsors (lead underwriters) may over-allocate to investors shares representing not more than 15% (not more than 1.95 billion shares) of the initial offering size at the Offering price, which means that they may place in aggregate shares equivalent to not more than 115% (not more than 14.95

billion shares) of the initial offering size to investors. The specific number of shares to be over-allocated will be determined by the joint sponsors (lead underwriters) on 20 October (Day T + 1) based on the level of subscriptions in the Offering, and will be disclosed in the *Industrial and Commercial Bank of China Limited Initial Offering of A Shares Announcement of Pricing, Results of the Institutional Placement and Public Offering Success Rate* to be published on 23 October 2006 (Day T + 2). Shares for settlement of the over-allocated shares will be obtained from some of the strategic investors under the Offering who have agreed to deferred settlement. All over-allocated shares will be placed to investors under the Public Offering. China International Capital Corporation Limited shall be the sponsor (lead underwriter) specifically responsible for exercising the Green Shoe (the **Authorized Lead Underwriter**)

Within 30 calendar days (inclusive of the 30th calendar day, such date to be postponed to the next working day if it falls on a holiday) from the date of listing of the shares under the Public Offering on SSE, the Authorized Lead Underwriter may purchase shares in respect of the Offering from the centralized trading market (the **Secondary Market**) using proceeds from the over-allocated shares, to stabilize the after-market, provided that each reported purchase price may not be higher than the offer price of this Offering, and that the aggregate number of shares purchased may not be more than the total number of shares over-allocated. The Authorized Lead Underwriter may also exercise the Green Shoe on behalf of the joint sponsors (lead underwriters) for the Offering, requiring the Issuer to issue corresponding number of additional shares at the offer price of this Offering. The number of shares to be issued as a result of the exercise of the Green Shoe = the number of shares over-allocated at the time of the Offering – the number of shares purchased from the Secondary Market with the proceeds from the aggregate over-allocated shares. The exercise of the Green Shoe may include the following three scenarios:

- i. No exercise of the Green Shoe: This may arise in two circumstances: (1) no over allocation of shares has taken place; or (2) there has been over allocation of shares, but the number of shares purchased by the Authorized Lead Underwriter from the Secondary Market equals to the number of over-allocated shares.
- ii. Exercise of the Green Shoe in full: The number of over-allocated shares is equal to 15% of the initial size of this Offering, and the Authorized Lead Underwriter has not purchased any shares from the Secondary Market and requests the Issuer to issue shares corresponding to 15% of the initial size of this Offering.
- iii. Partial exercise of the Green Shoe: This may arise in two circumstances: (1) the number of shares over-allocated is equal to 15% of the initial size of this Offering and the number of shares purchased by the Authorized Lead Underwriter from the Secondary Market is less than the number of over-allocated shares, and accordingly the Issuer is requested to issue a number of shares which is less than 15% of the initial size of the Offering; (2) the number of shares

over-allocated is less than 15% of the initial size of this Offering and the Authorized Lead Underwriter has not purchased shares in respect of this Offering from the Secondary Market, or the number of shares purchased is less than the number of over-allocated shares, and accordingly the Issuer is requested to issue a number of shares which is less than 15% of the initial size of the Offering.

After exercising the Green Shoe, the Authorized Lead Underwriter will allocate the corresponding shares to the strategic investors who had agreed to deferred settlement within two working days and will issue a public notice regarding the non-exercise or full or partial exercise of the Green Shoe within three working days.

Subject to the provisions of relevant laws and regulations, the Authorized Lead Underwriter may, within 30 calendar days from the listing of the shares, purchase the offering shares from the Secondary Market by using the proceeds from the sale of the over-allotment shares, to support the share price. However, such measures cannot guarantee that the share price will be prevented from declining. After the Authorized Lead Underwriter exercises the Green Shoe or when the number of shares purchased from the Secondary Market reaches the number of over-allocated shares, no such measures may be adopted to support the share prices. Investors are advised to exercise caution with regard to market risks.

(3) Public Offering and Institutional Placement Clawback Mechanism

Applications for the Public Offering will commence on 19 October 2006 (Day T) during the normal trading hours of SSE (from 9:30 to 11:30 and from 13:00 to 15:00) and application for subscription in the Institutional Placement will take place between 16 October 2006 (Day T - 3) to 18 October 2006 (Day T - 1) from 9:00 to 17:00 every day as well as on 19 October 2006 (Day T) from 9:00 to 12:30. Upon completion of the Institutional Placement and Public Offering under this Offering, the Issuer and the joint sponsors (lead underwriters) will decide on whether to activate the clawback mechanism based on the level of overall subscriptions so as to adjust the size of the Institutional Placement and Public Offering. Clawback will be determined on the basis of the corresponding success rate in the Public Offering and the placement ratio under the Institutional Placement, after offering the over-allocated shares to the public subscribers. The specific arrangements for the clawback mechanism are as follows:

- i. In the event the Institutional Placement is fully subscribed, if the success rate in the Public Offering is lower than 3% and is also lower than the preliminary placement ratio in the Institutional Placement, shares representing not more than 5% of the initial offering size of A shares (not more than 650 million shares) will be reallocated to the Public Offering from the Institutional Placement, provided that the adjustment will not result in the success rate in the Public Offering being higher than the placement ratio in the Institutional Placement.

- ii. In the event the Public Offering is fully subscribed, if the preliminary placement ratio in the Institutional Placement is lower than the success rate in the Public Offering, shares will be reallocated to the Institutional Placement from the Public Offering, provided the placement ratio in connection with the Institutional Placement is not lower than the success rate in the Public Offering.
- iii. In the event an under-subscription in the Institutional Placement or the Public Offering, the Issuer and the joint sponsors (lead underwriters) may activate a two-way clawback mechanism based on the actual subscription levels to adjust the size of the Institutional Placement and the Public Offering.

(4) Price Determination and Lock-Up Period Arrangements

After the closing of applications for shares in the Offering, the Issuer and the joint sponsors (lead underwriters) will determine the final number of shares to be issued under the Offering based on the level of applications in the Institutional Placement and Public Offering. At the same time, the Issuer and the joint sponsors (lead underwriters) will determine through negotiations the final offer price for the Offering based on the level of subscriptions in the Institutional Placement and the results of the international roadshow, and having reference to the fundamentals of the Company, valuation levels of other comparable companies and market conditions. It is intended that the final offering price of A shares will be equivalent to the offering price of H shares, as adjusted for differences between the Hong Kong dollar and Renminbi exchange rate.

Strategic investors of the A shares will not participate in the preliminary price consultation or the Institutional Placement, and undertake that they will accept the final offer price. The number of shares to be placed to such strategic investors will be approximately equal to such number of shares as derived from their subscription amount divided by the offer price of the Offering. The number of shares to be placed will be rounded to the nearest thousand shares.

The over-allocated shares will be obtained from some of the strategic investors in the Offering who have agreed to deferred settlement. Provisions concerning deferred settlement have been included in the Strategic Investor Subscription Agreements entered into between the strategic investors and the Authorized Lead Underwriter. The strategic investors who are subject to deferred settlement and the number of shares under such deferred settlement will be disclosed in the Placement Results Notice to be issued by the joint sponsors (lead underwriters) to the strategic investors.

The lock-up period for 50% of the shares placed to each A shares strategic investor shall be 12 months. The lock-up period for the remaining 50% of the shares shall be 18 months. The lock-up period for the shares placed under the Institutional Placement shall be 3 months.

The lock-up period shall commence from the date on which shares in respect of this Offering are listed and traded on the SSE.

II. Preliminary price consultation and pre-marketing presentations

(1) Preliminary price consultation

Pursuant to the requirements of the *Procedures Governing the Offering and Underwriting of Shares* (Zheng Jian Hui Ling No. 37), qualified parties may decide at their discretion whether to participate in the preliminary price consultation. Parties that do not participate in the preliminary price consultation or participate in the preliminary price consultation but do not make valid bids may not participate in the book-building process or the Institutional Placement.

Participants who have actual control of the Issuer or the joint sponsors (lead underwriters) and proprietary businesses of the joint sponsors (lead underwriters) traded for their own account may not participate in the price consultation under this Offering.

The joint sponsors (lead underwriters) for the Offering will conduct the preliminary price consultation for the Offering. The periods for this price consultation process will be during the hours 9:00 to 17:00 from 27 to 29 September 2006 and during the hours 9:00 to 17:00 from 9 to 11 October 2006. Participants in the price consultation process are required to complete the “Industrial and Commercial Bank of China Limited Initial Public Offering of A Shares Preliminary Price Consultation Form” (the *Preliminary Price Consultation Form*) and fax the Preliminary Price Consultation Form to 010-66420533 during the aforementioned price consultation period. Failure to do so before the deadline will be deemed as withdrawing from participating in this preliminary price consultation process. For enquiries, please call 010-66424233.

(2) Pre-marketing presentations

The joint sponsors (lead underwriters) for this Offering will organize pre-marketing presentations for this Offering. The Issuer and the joint sponsors (lead underwriters) will conduct pre-marketing presentations to the price consultation participants in Beijing, Shanghai, Shenzhen and Guangzhou during the periods from 27 to 29 September 2006 and from 9 to 11 October 2006.

Industrial and Commercial Bank of China Limited Initial Public Offering of A Shares Preliminary Price Consultation Form

1. General information on the joint sponsors (lead underwriters)				
Name of joint sponsor (lead underwriter)	China International Capital Corporation Limited			
Contact person	Shi Qi			
Name of joint sponsor (lead underwriter)	CITIC Securities Co., Ltd.			
Contact person	Sun Chunkang			
Name of joint sponsor (lead underwriter)	Guotai Junan Securities Co., Ltd.			
Contact person	Gu Ying			
Name of joint sponsor (lead underwriter)	Shenyin & Wanguo Securities Co., Ltd.			
Contact person	Feng Wenhui			
Fax for receiving Price Consultation Forms	010-66420533	Enquiry telephone	010-66424233	
2. General information on the price consultation participant				
Full name of participant in the price consultation				
Correspondence address & postal code				
Legal representative				
Contact Person		Contact telephone number of the Contact Person		
Fax number of the Contact Person		Email of the Contact Person		
3. Quoted price information by target party				
Quoted price range	Upper price limit (Yuan)			
	Lower price limit (Yuan)			
Intent of subscription within quoted price range	<input type="checkbox"/> Subscribe Proposed subscription amount (tens of thousands of shares):			
	<input type="checkbox"/> Not confirmed <input type="checkbox"/> Do not subscribe			
The basis on which the price is quoted (can provide explanations in separate attached sheets)				
Comments on the joint sponsors' (lead underwriters) investment value research report (scores from the highest to the lowest are 5 – 1)	China International Capital:	Objectivity	Reasonableness of valuation method	Overall
	CITIC Securities:	Objectivity	Reasonableness of valuation method	Overall
	Guotai Junan:	Objectivity	Reasonableness of valuation method	Overall
	Shenyin & Wanguo:	Objectivity	Reasonableness of valuation method	Overall
Legal (or authorized) representative signature/seal: Official seal of company:				

Completed on: Day Month Year

Notes on completing the Form:

1. The Form can be downloaded from www.cicc.com.cn, www.ecitic.com, www.gtja.com or www.sywg.com.cn. For the purpose of clarity, participants in the price consultation are advised to print out this Form separately.
2. The name filled in the “Full name of participant in the price consultation” box must be identical to the name registered on the files of the Securities Association of China.
3. All boxes in this Form must be completed, except the box “Comments on the joint sponsors’ (lead underwriters) research report.”
4. Prior to the announcement of the preliminary price consultation results by the joint sponsors (lead underwriters), no participants in the price consultation may disclose to a third party any information in relation to the range of price consultation in this Form.
5. The official company seal must be affixed to this form.
6. Participants are required to fax the Preliminary Price Consultation Forms to 010-66420533 between 9:00 and 17:00 from 27 to 29 September 2006 and between 9:00 and 17:00 from 9 to 11 October 2006. Failure to do so will be deemed as withdrawing from participating in this preliminary price consultation.

Issuer: Industrial and Commercial Bank
of China Limited

Joint sponsors (lead underwriters): China International Capital
Corporation Limited
(Not in order) CITIC Securities Co., Ltd.
Guotai Junan Securities Co., Ltd.
Shenyin & Wanguo Securities
Co., Ltd.

27 September 2006