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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 the 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 the transferee.

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This circular is for the sole purpose of the extraordinary general meeting of Industrial and Commercial Bank of China Limited and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.



中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

(Stock Code: 1398)

**ACQUISITION OF 20% SHAREHOLDING
IN STANDARD BANK GROUP LIMITED**

A notice convening the EGM to be held at the Academic Exchange, Industrial and Commercial Bank of China Limited, No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC on Thursday, 13 December 2007 at 9:30 a.m. is set out in pages 18 to 19 of this circular.

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form 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 in person or by post not less than 24 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM 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 EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to ICBC's Board of Directors' Office on or before 23 November 2007.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX — GENERAL INFORMATION	14
NOTICE OF EGM	18

DEFINITIONS

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

“A Shares”	domestic shares of RMB1.00 each in the share capital of ICBC which are listed on the Shanghai Stock Exchange;
“Announcement”	the announcement of ICBC dated 25 October 2007 in relation to the acquisition of 20% shareholding in SBG;
“Banks Act”	means the Banks Act, 1990 (Act 94 of 1990) of South Africa, as amended;
“Board”	the board of directors of ICBC;
“Business Day”	means any day which is not a Saturday, Sunday or a bank or public holiday in Johannesburg, Hong Kong and Beijing;
“CBRC”	China Banking Regulatory Commission (中國銀行業監督管理委員會);
“Companies Act”	means the South African Companies Act, 1973 (Act 61 of 1973), as amended;
“connected persons”	has the meaning ascribed in the Hong Kong Listing Rules;
“Court”	means the High Court of South Africa (Witwatersrand Local Division), which is located at the High Court Building, Von Brandis Square, corner Pritchard and Von Brandis Streets, Johannesburg, 2001, South Africa;
“Court Hearing”	means the hearing at which the Court sanctions the Scheme under section 311 of the Companies Act;
“Directors”	directors of ICBC;
“EGM”	the extraordinary general meeting of ICBC to be convened for the purpose of considering and approving the Transaction, the notice of which is set out in pages 18 to 19 of this circular;
“Enlarged Share Capital”	means the aggregate issued ordinary share capital of SBG as enlarged by the proposed Transaction;
“Group”	ICBC and its subsidiaries;
“H Shares”	overseas listed foreign shares of RMB1.00 each in the share capital of ICBC which are listed on The Stock Exchange of Hong Kong Limited and traded in Hong Kong dollars;
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC;

DEFINITIONS

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“ICBC”	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 Stock Exchange of Hong Kong Limited (stock code: 1398) and the Shanghai Stock Exchange, respectively;
“IFRS”	International Financial Reporting Standards;
“Implementation Agreement”	the implementation and subscription agreement dated 25 October 2007 between ICBC and SBG setting out the terms and conditions of the Subscription and Scheme;
“JSE”	the JSE Securities Exchange South Africa operated by JSE Limited;
“Latest Practicable Date”	22 October 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Material Adverse Change”	means any change in the circumstances existing as at the date of the Implementation Agreement which will have a material adverse effect on the financial condition, business or operations of the SBG group as a whole. No such change shall be considered to have had a material adverse effect unless the effect of that change is to either: (i) decrease the consolidated net asset value of the SBG group, as at 30 June 2007, by more than 5%; or (ii) adversely impact the consolidated headline earnings of the SBG group by more than R600 million;
“New Shares”	means such number of Ordinary Shares as, when aggregated with the Scheme Shares amounts to 20% of the Enlarged Share Capital of SBG immediately following completion of the Subscription, to be issued by SBG to ICBC pursuant to the Subscription;
“Ordinary Shareholders”	means the SBG ordinary shareholders who are entitled to receive the cash consideration payable under the Scheme, as more fully set out in the Scheme Document;
“Ordinary Shares”	means the ordinary shares of par value R0.10 each in SBG;
“PRC”	the People’s Republic of China, excluding, for the purpose of this circular only, Hong Kong, Macau and Taiwan;
“R”	South African Rand, the lawful currency of the Republic of South Africa;
“Relationship Agreement”	the relationship agreement dated 25 October 2007 between ICBC and SBG governing the relationship between the parties;
“RMB”	Renminbi, the lawful currency of the PRC;

DEFINITIONS

“SBG”	Standard Bank Group Limited;
“SBG group”	SB and its subsidiaries;
“Scheme”	means the proposed scheme of arrangement under section 311 of the Companies Act proposed by ICBC between SBG and SBG’s ordinary shareholders, subject to any modification or amendment made thereto to which SBG and ICBC agree in writing and which is approved, if necessary, by the Court and which, if implemented, will result in ICBC acquiring the Scheme Shares, the full terms of which will be set out in the Scheme Document;
“Scheme Document”	means the document to be despatched to SBG’s shareholders, setting out the terms of the Scheme and the Subscription and any document required in connection with the Scheme or the Subscription;
“Scheme Meeting”	means the meeting to be convened pursuant to an order of the Court to consider and approve the Scheme;
“Scheme Shares”	means 11 ¹ / ₉ % of the Ordinary Shares existing immediately prior to the implementation of the Transaction to be acquired by ICBC in terms of the Scheme;
“Shareholders”	holders of A Shares and/or H Shares in ICBC;
“Subscription”	means the subscription by ICBC for the New Shares pursuant to the Implementation Agreement; and
“Transaction”	the acquisition of a 20% of the Enlarged Share Capital of SBG for a total consideration of approximately R36.67 billion (equivalent to approximately HK\$42.31 billion), to be implemented by way of an inter-conditional: (i) scheme of arrangement in respect of 10% of the Enlarged Share Capital; and (ii) a subscription by ICBC of new Ordinary Shares equal to 10% of the Enlarged Share Capital, on the terms and conditions set out in Implementation Agreement.

Unless otherwise specified, this circular contains translations between HK\$ and R at HK\$1.00 to R0.8668, the prevailing rate on 23 October 2007. The translation is not a representation that the HK\$ and R amounts could actually be converted at such rate, if at all.



中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

(Stock Code: 1398)

Executive Directors:

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

Registered Office:

No. 55 Fuxingmennei Avenue
Xicheng District, Beijing 100032
PRC

Non-executive Directors:

Mr. Fu Zhongjun
Mr. Kang Xuejun
Mr. Song Zhigang
Mr. Wang Wenyan
Ms. Zhao Haiying
Mr. Zhong Jian'an
Mr. Christopher A. Cole

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. John L. Thornton
Mr. Qian Yingyi
Mr. Xu Shanda

27 October 2007

To the Shareholders

Dear Sir or Madam,

**ACQUISITION OF 20% SHAREHOLDING
IN STANDARD BANK GROUP LIMITED**

INTRODUCTION

On 25 October 2007, the Board announced that ICBC and SBG entered into the Implementation Agreement on 25 October 2007, pursuant to which ICBC agreed to acquire 20% of the Enlarged Share Capital of SBG. Based on the issued share capital of SBG as of 23 October 2007, the total cash consideration offered is approximately R36.67 billion (equivalent to approximately HK\$42.31 billion). The Transaction is to be implemented by way of an inter-conditional acquisition by means of a scheme of arrangement in respect of 11¹/₉% of the issued ordinary share capital of SBG immediately prior to the completion of the Transaction and a subscription by ICBC for new Ordinary Shares equal to 11¹/₉% of the issued ordinary share capital of SBG immediately prior to the completion of the Transaction. ICBC and

LETTER FROM THE BOARD

SBG also entered into the Relationship Agreement on the same date, which shall become effective upon completion of the Transaction and shall govern the ongoing shareholder relationship and the commercial cooperation between ICBC and SBG.

IMPLEMENTATION AGREEMENT

Date : 25 October 2007

Parties : (1) Company : SBG

(2) Investor : ICBC

The Transaction will be implemented in accordance with all applicable requirements of the Companies Act, the Banks Act and the Listing Requirements of the JSE. Pursuant to the Implementation Agreement, ICBC will acquire Ordinary Shares representing 20% of the Enlarged Share Capital of SBG through the following inter-conditional steps:

- (i) ICBC will acquire, from existing holders of Ordinary Shares on the implementation date of the Scheme, Ordinary Shares representing 11¹/₉% of the Ordinary Shares in issue on that date, by means of a scheme of arrangement proposed by ICBC between SBG and its Ordinary Shareholders, at a price of R136 per Ordinary Share; and
- (ii) ICBC will subscribe for such number of Ordinary Shares representing 11¹/₉% of SBG's issued share capital existing immediately prior to the completion of the Transaction, for R104.58 per Ordinary Share.

These steps will result in ICBC holding 20% of the Enlarged Share Capital immediately following implementation of the Transaction at an average price of R120.29 per Ordinary Share, representing an average premium of approximately 15% over the volume weighted average price of the Ordinary Shares on the JSE over the 30 trading days prior to 23 October 2007.

Pursuant to the Implementation Agreement and, SBG agrees, inter alia, to pay ICBC an amount equal to 1% of the total proposed consideration for the Transaction (the "**Break Fee**") if, among other things, subsequent to the Announcement, SBG's directors withdraw or adversely change their recommendation for the Transaction except where their fiduciary duties so require, or if SBG announces a competing offer or proposal and such competing offer or proposal, which prohibits the Transaction from taking place, is successfully implemented. Similarly, ICBC, inter alia, will pay SBG a break fee of the same amount if, subsequent to the Announcement, ICBC's directors withdraw or adversely change their recommendation for the Transaction except where their fiduciary duties so require.

CONSIDERATION AND OTHER TERMS

The consideration for the Subscription was determined after arms length negotiations between ICBC and SBG. In determining the consideration for the Transaction, ICBC has taken into account the market price of the Ordinary Shares, the current operating and financial conditions and the future prospects of SBG and the shareholding of ICBC in SBG post completion of the Transaction.

LETTER FROM THE BOARD

In respect of the Subscription, ICBC will pay R104.58 per Ordinary Share, which represents the volume weighted average price of the Ordinary Shares on the JSE over the 30 trading days prior to 23 October 2007. In respect of the Ordinary Shares to be acquired pursuant to the Scheme, ICBC will pay R136 per Ordinary Share, which represents a premium of approximately 30% over the volume weighted average price of the Ordinary Shares on the JSE over the 30 trading days prior to 23 October 2007. Based on the number of issued Ordinary Shares of SBG as of 23 October 2007 of 1,371,931,513, approximately 152,436,835 Ordinary Shares will be subscribed for by ICBC pursuant to the Subscription and approximately 152,436,835 Ordinary Shares will be acquired by ICBC under the Scheme. Accordingly, the total consideration payable pursuant to the terms of the Transaction is approximately R36.67 billion (equivalent to approximately HK\$42.31 billion) and will be paid by ICBC in cash, using its internal cash resources. Should the issued ordinary share capital be increased prior to completion of the Transaction as a result of, for example, the issue of new Ordinary Shares pursuant to management or employee incentive schemes of SBG, the number of Ordinary Shares issued to ICBC will be increased such that it receives 20% of the Enlarged Share Capital and the total consideration payable will increase accordingly.

If SBG makes any dividend payment or other distribution to its ordinary shareholders (the **“Distribution”**) in advance of the completion of the Transaction, the aggregate consideration payable by ICBC in connection with the Transaction shall be reduced by an amount equal to 20% of the total gross amount paid out by SBG pursuant to the Distribution.

SBG has given certain warranties to ICBC which may, if breached, enable ICBC to terminate the Implementation Agreement or claim damages under certain limited circumstances.

THE SCHEME

The Scheme is proposed by ICBC between SBG and its Ordinary Shareholders. The board of SBG is of the view that the Transaction is in the best interests of SBG's Ordinary Shareholders and will unanimously recommend to the shareholders of SBG that they vote in favour thereof at the General Meeting and the Scheme Meeting. In respect of their personal holdings in SBG, the members of the board of SBG intend to vote in favour of the resolutions in respect of the Scheme and the Subscription to be proposed at the General Meeting and the Scheme Meeting of SBG, respectively.

SBG will seek the Court's permission to convene the Scheme Meeting as soon as it is practicable. It shall then publish/post the requisite documents, including the Scheme Document, to its ordinary shareholders. The voting requirement at the Scheme Meeting for the Scheme to be approved is a majority representing 75% of the votes of the Ordinary Shareholders present and voting in person or by proxy. A General Meeting of SBG will be convened immediately prior to the Scheme Meeting and the purpose of the General Meeting of SBG is to approve and authorise the issue of Ordinary Shares pursuant to the Subscription.

Once the resolutions at the General Meeting and the Scheme Meeting of SBG have been passed, SBG shall then seek the sanction of the Court for the Scheme at the Court Hearing and upon satisfaction of all other applicable conditions to the Scheme, take all other action necessary to make the Scheme effective.

If the Scheme becomes effective, 11¹/₉% of the Ordinary Shares held by the Ordinary Shareholders will be disposed of to ICBC irrespective of whether any individual Ordinary Shareholder voted in favour of the Scheme or not.

LETTER FROM THE BOARD

Key dates for the Scheme are expected to be:

- (i) 15 November 2007 — SBG despatches Scheme Document to SBG shareholders
- (ii) 3 December 2007 — General Meeting and Scheme Meeting of SBG held
- (iii) 18 December 2007 — Court Hearing to sanction Scheme
- (iv) 26 February 2008 — Expected Scheme Implementation Date

CONDITIONS PRECEDENT TO THE TRANSACTION

The Transaction is subject to the fulfilment or waiver of the following conditions by no later than 30 June 2008:

- (a) the Ordinary Shares remaining listed on the JSE at all times from the date of the Implementation Agreement, save for any suspension in trading not exceeding 5 consecutive trading days, or such longer period as ICBC may accept in writing;
- (b) no formal notice in writing having been received by ICBC from a duly authorised officer of SBG that SBG has been informed by a duly authorised officer who is responsible for such matters at the JSE to the effect that the listing of the Ordinary Shares on JSE will or is likely to be cancelled by it or that new onerous conditions will or are likely to be attached by it to such listing as a result of or in connection with the Transaction;
- (c) the approval of the Scheme by a majority representing not less than 75% of the votes exercisable by the Ordinary Shareholders present and voting, either in person or by proxy, at the Scheme Meeting;
- (d) the sanctioning of the Scheme by the Court;
- (e) the Court order sanctioning the Scheme being registered by the Registrar in terms of the Companies Act;
- (f) all necessary regulatory approvals to effect the Transaction having been granted, including without being limited to:
 - (i) approval of the South African Reserve Bank in terms of the South African Exchange Control Regulations;
 - (ii) approval of the JSE Limited;
 - (iii) approval in terms of the Banks Act, 1990 of South Africa;
 - (iv) approval of the China Banking Regulatory Commission;
 - (v) approval of the State Administration of Foreign Exchange of the PRC;

LETTER FROM THE BOARD

- (vi) receipt of a 'change of controller' consent from the UK Financial Services Authority in respect of the introduction of ICBC as a minority shareholder controller of Standard Bank Plc; and
- (vii) receipt or deemed receipt of consent from the Hong Kong Monetary Authority in respect of the introduction of ICBC as a minority shareholder controller of Standard Bank Asia Limited,

provided that if any approval is qualified or conditional, the condition in this paragraph (f) would only be deemed to be fulfilled if both ICBC and SBG agree to the qualification or condition and undertake in writing to each other to abide by such qualification or condition;

- (g) the approval of the Subscription and all other resolutions for the implementation of the Transaction which may be proposed at the General Meeting, by the requisite majority of holders of Ordinary Shares present and voting, either in person or by proxy, at the General Meeting;
- (h) the shareholders of ICBC passing a special resolution in accordance with ICBC's articles of association approving the implementation of the Transaction at a meeting scheduled to be held on or about 13 December 2007; and
- (i) prior to the date of the Court Hearing, no Material Adverse Change having arisen and, if required by ICBC, SBG certifying by that date, by written notice to ICBC that, to the best of SBG's knowledge and belief, no Material Adverse Change has arisen.

ICBC and SBG, by mutual consent, shall be entitled to waive (to the extent permitted by applicable laws) any of the conditions set out above.

ICBC and SBG will use their respective reasonable endeavours to procure the fulfilment of each of the Conditions as soon as reasonably practicable, and in any event prior to 30 June 2008. If any of the conditions are not fulfilled or waived by 30 June 2008, the Implementation Agreement and Relationship Agreement will terminate.

RELATIONSHIP AGREEMENT

Date : 25 October 2007

Parties : (1) ICBC
(2) SBG

Shareholder's right of ICBC

Upon completion of the Transaction, ICBC will have the right to participate in proportion to its shareholding in any issue by SBG of Ordinary Shares or securities that are convertible or exchangeable into Ordinary Shares, subject to applicable legal and regulatory requirements, on the same terms and conditions as other participants subscribing for such securities. This right of participation shall not apply to issues of Ordinary Shares pursuant to management or employee incentive schemes or issues in exchange for shares in or assets of other legal entities pursuant to a merger and acquisition transaction. This right will fall away if ICBC sells more than 25% of the Ordinary Shares acquired by it pursuant to the Transaction or, if ICBC holds less than 5% of SBG's issued ordinary share capital, whichever is earlier.

LETTER FROM THE BOARD

For so long as ICBC holds 12% or more of SBG's issued Ordinary Share capital, ICBC will have the right to nominate two non-executive directors to the board of SBG, subject to requisite regulatory notifications, with one of them nominated as the Vice Chairman of SBG. These board members will also participate in certain of the committees of the SBG board. Should ICBC's shareholding in SBG fall below the abovementioned threshold, it is agreed that for so long as ICBC holds 8% or more of SBG's issued Ordinary Share capital, ICBC will have the right to nominate one non-executive director to the board of SBG.

Strategic Cooperation between ICBC and SBG

Upon implementation of the Transaction, ICBC has agreed, subject to regulatory and SBG shareholders' approvals, where applicable, to support SBG's strategy to expand its African and international networks and capabilities (including in China).

In order to formalise the cooperation between ICBC and SBG, a strategic cooperation committee will be formed. The committee will meet at least quarterly and ICBC and SBG have equal representation. The committee will be co-chaired by representatives of ICBC and SBG. The initial co-chairmen will be the President of ICBC, Mr Yang Kaisheng and SBG's Chief Executive, Mr Jacko Maree. This committee will be responsible for:

- (i) the development of specific strategic initiatives and associated business plans;
- (ii) the creation of taskforces associated with the individual strategic initiatives; and
- (iii) subject to any necessary SBG or ICBC shareholders' approvals, the implementation and monitoring of the strategic initiatives and business plans.

Pursuant to the terms of the Relationship Agreement and as agreed between ICBC and SBG, the parties shall be preferred partners and their cooperation is intended to be long-term and mutually beneficial and the cooperation shall contribute to the enhancement and development of products and services offered to customers in a manner which creates value for both parties. The cooperation may involve the establishment of individual businesses and other initiatives in various banking and related securities business areas as may be mutually agreed between the parties. In particular, subject to any necessary SBG or ICBC shareholders' approval (as the case may be), ICBC and SBG shall explore the possibility of cooperating in the following respects:

- a. SBG will make available its Corporate and Investment Banking and Personal and Business Banking services to ICBC and its customers on appropriate commercial terms;
- b. SBG will, in the first instance, introduce its African and international clients seeking to do business in China to ICBC;
- c. where participation by a PRC bank is sought, SBG will, in the first instance, introduce business opportunities arising in Africa and its international network to ICBC and its customers;
- d. ICBC will provide access to its networks and services in the PRC to SBG's clients on appropriate commercial terms;
- e. ICBC will, in the first instance, introduce opportunities with its clients to the SBG networks in Africa and other international locations where SBG has a presence.

LETTER FROM THE BOARD

The cooperation between ICBC and SBG does not preclude ICBC or SBG from pursuing ordinary course banking transactions with other banks or entities from South Africa or the PRC, respectively.

In furtherance of the principles of cooperation set out in the Relationship Agreement, ICBC and SBG are discussing and intend to continue discussing the establishment, subject to requisite approvals, of a global mining resources fund (the “**Fund**”) consisting of SBG or any member of the SBG group and ICBC or any member of the Group to be invested in natural resource assets, the terms of which are to be negotiated, in good faith, and agreed between SBG and ICBC following the entering into of the Relationship Agreement. It is proposed that the Fund will invest in entities and projects specialising in mining, metals, oil and gas and their associated industries with a global remit. ICBC and SBG will target a minimum initial fund size of US\$1 billion comprising their own commitments and funds from other third party investors. ICBC and SBG will have equal commitment and equal ownership in the Fund.

REASONS FOR AND BENEFITS OF THE TRANSACTION

ICBC’s goal is to become a first-class international modern financial institution. In pursuing this goal, one of ICBC’s strategies is to further expand its network, especially in emerging markets around the world. ICBC has been actively investigating the optimal strategy for it to capitalise upon the substantial current and expected trade and investment flows between China and the African continent. ICBC views South Africa as an attractive market for an investment of this nature, given its growth prospects, its sophisticated economy and sound, profitable and well-regulated financial services infrastructure, as well as its rapidly growing banking customer base. ICBC believes the best method of capturing these growth opportunities is through a strategic alliance with a large South African bank with significant operations on the African continent. ICBC also views SBG’s activities in international markets outside of Africa as beneficial for future growth and agrees to support SBG’s strategy to expand its African and international networks and capabilities (including China) and where appropriate to partner in the expansion of these networks.

INFORMATION ON SBG

The SBG group is the largest banking group in South Africa, with total audited assets under IFRS of R1,087.9 billion (approximately HK\$1,255.1 billion) as of 30 June 2007 and a market capitalisation as at 22 October 2007 of R144.7 billion (HK\$166.9 billion). It has more than 950 branches, operations in 38 countries and employs over 46,000 people. The SBG group operates in a range of banking and related financial services including personal and business banking, corporate and investment banking and investment management and life insurance. SBG is listed on JSE and has secondary listing on the Namibian Stock Exchange.

SBG’s equity is widely held. The Public Investment Corporation is the largest shareholder, holding approximately 13.9% of SBG. Old Mutual Group and Tutuwa Group hold approximately 8.2% and 7.6% of SBG’s interest, respectively. All other shareholders hold less than 5% interest in SBG.

LETTER FROM THE BOARD

According to the audited accounts of SBG, the consolidated net profit before and after taxation for the financial years ended 31 December 2005 and 31 December 2006 as prepared under IFRS were as set out below:

	For the financial year ended 31 December			
	2005		2006	
	Equivalent to		Equivalent to	
	approximately		approximately	
	<i>R (million)</i>	<i>HK\$ (million)</i>	<i>R (million)</i>	<i>HK\$ (million)</i>
net profit before taxation	14,669	16,923	19,203	22,154
net profit after taxation	9,579	11,051	12,510	14,432

The total consideration of approximately R36.67 billion (equivalent to approximately HK\$42.31 billion) will be financed from ICBC's internal cash resources. Save as aforesaid, there will not be any material impact on the Group's assets and liabilities. The Transaction is expected to have a positive impact on the earnings of the Group. After completion of the Transaction, SBG will be accounted for as an associate in the books of ICBC.

GENERAL INFORMATION

ICBC is the largest commercial bank in PRC and provides a wide variety of financial products and services to more than 2.51 million corporate banking customers and 180 million personal banking customers through its 16,807 domestic institutions, 98 overseas institutions and 1,326 correspondent banks around the world.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SBG and its twenty largest shareholders are third parties independent of ICBC and the connected persons of ICBC. As SBG is a listed company, ICBC is not in a position to ascertain the identity of all the shareholders of SBG as at completion of the Transaction. Based on the current information available to ICBC, each of the Ordinary Shareholders of SBG (other than the twenty largest shareholders of SBG) holds 0.59% or less interest in SBG and the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules in respect of the acquisition of Ordinary Shares from all such other Ordinary Shareholders are less than 2.5%. Hence the acquisition of Ordinary Shares from such other Ordinary Shareholders will not be subject to independent shareholders' approval requirement.

EGM

Since the applicable percentage ratios set out in Rule 14.07 of the Hong Kong Listing Rules in respect of the Transaction exceed 5% (but do not exceed 25%), the Transaction constitutes a discloseable transaction of ICBC under the Hong Kong Listing Rules. Under the Hong Kong Listing Rules, the consummation of the Transaction does not require the approval of the Shareholders. However, pursuant to the articles of association of ICBC, matters such as material acquisitions shall be approved by the Shareholders in a general meeting by way of special resolution unless clear and specific authorisation had been obtained from the Shareholders in a general meeting. According to the Proposal for Granting Authorisation to the Board of Directors by the Shareholders of Industrial and Commercial Bank of China Limited in a General Meeting (關於中國工商銀行股份有限公司股東大會對董事會授權方案的議案) that was approved by the Shareholders in a general meeting on 28 April 2007, the Directors are authorised to approve acquisitions with consideration not exceeding RMB2,000 million. As the consideration for the Transaction exceeds RMB2,000 million, the Transaction shall be subject to approval

LETTER FROM THE BOARD

by the Shareholders by way of a special resolution. A special resolution will be proposed at the EGM to consider and approve the Transaction. No Shareholder is required to abstain from voting in connection with the matters to be resolved at the EGM.

The Directors are of the view that the Implementation Agreement and the Relationship Agreement are on normal commercial terms, are fair and reasonable and are in the interests of ICBC and its shareholders as a whole.

If you intend to appoint a proxy to attend the EGM, 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 in person or by post not less than 24 hours before the time appointed for holding the EGM 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 EGM 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 EGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited or to ICBC's Board of Directors' Office on or before 23 November 2007.

PROCEDURES FOR DEMANDING POLL BY SHAREHOLDERS

Pursuant to Article 92 of the Articles of Association of ICBC, a resolution at a Shareholder's general meeting shall be decided on a show of hands unless a poll is (before or after the show of hands) demanded:

- (1) by the chairman of the meeting;
- (2) by at least two Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (3) by any Shareholder or Shareholders (including proxy) holding individually or holding in aggregate 10% or more of the Shares carry the right to vote at the meeting.

Unless a poll is demanded, the chairman of the meeting will announce the results of the passing of a resolution according to the show of hands, which will be recorded in the minutes of the meeting and treated as conclusive evidence without the need to prove the number or the proportion of votes for or against the resolution passed.

A request to vote by poll may be withdrawn by the person who made such request.

RECOMMENDATION

The Directors consider that the Transaction and the actions contemplated under the Relationship Agreement are fair and reasonable and in the best interests of ICBC and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant special resolution which will be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,

By order of the Board of
Industrial and Commercial Bank of China Limited
Jiang Jianqing
Chairman

1 RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the purpose of giving information with regard to the issuer. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2 DISCLOSURE OF INTERESTS

As at Latest Practicable Date, the following Directors, Supervisors and chief executive of ICBC had, or were deemed to have, interests or short positions in the Shares, underlying Shares or debentures of ICBC or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which were required to be notified to ICBC and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests and short positions which they were deemed or taken to have under such provisions of the Securities and Futures Ordinance), or which are required, pursuant to section 352 of the Securities and Futures Ordinance to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Hong Kong Listing Rules, to be notified to ICBC and the Hong Kong Stock Exchange.

Name of Director	Capacity	Number of Shares held	Nature of interest	Approximate percentage of A Shares (%) issued	Approximate percentage of total issued Shares (%)
Wang Wenyan	Family interest	12,000 A Shares	Long position	0.0000047	0.0000035

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, Supervisors nor the chief executive of ICBC had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of ICBC or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which were required to be notified to ICBC and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests and short positions which they were deemed or taken to have under such provisions of the Securities and Futures Ordinance), or which were required, pursuant to section 352 of the Securities and Futures Ordinance to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Hong Kong Listing Rules, to be notified to ICBC and the Hong Kong Stock Exchange.

Mr. Christopher A. Cole holds executive positions with The Goldman Sachs Group, Inc. (details of the shareholding of The Goldman Sachs Group, Inc. in ICBC are set out in the paragraph headed "Substantial Shareholders" in this Appendix).

Save as disclosed herein, none of the Directors and Supervisors is a director or employee of a company which has, or is deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to ICBC under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

Mr. Fu Zhongjun, Mr. Kang Xuejun and Mr. Song Zhigang were nominated by the Ministry of Finance of the PRC to be non-executive Directors. Mr. Wang Wenyan, Ms. Zhao Haiying and Mr. Zhong Jian'an were nominated by Central SAFE Investments Limited to be non-executive Directors. Details of the shareholding of the Ministry of Finance of the PRC and Central SAFE Investments Limited in ICBC are set out in the paragraph headed "Substantial Shareholders" in the Appendix.

3 SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and the chief executive of ICBC, as at the Latest Practicable Date, the following corporations had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to ICBC and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Holders of A Shares

Name of Shareholders	Capacity	Number of A Shares held	Nature of interest	Approximate percentage of issued A Shares (%)	Approximate percentage of total issued Shares (%)
The Ministry of Finance of the PRC	Beneficial owner	118,006,174,032	Long position	47.0	35.3
Central SAFE Investments Limited	Beneficial owner	118,006,174,032	Long position	47.0	35.3

Holders of H Shares

Name of Shareholders	Capacity	Number of H Shares held	Nature of interest	Approximate percentage of issued H Shares (%)	Approximate percentage of total issued Shares (%)
The National Council for Social Security Fund of the PRC ⁽¹⁾	Beneficial owner	17,503,114,559	Long position	21.1	5.2
The Goldman Sachs Group, Inc.	Beneficial owner	16,476,014,155	Long position		
	Interest of controlled corporations	369,101,477	Long position		
	Total	16,845,115,632		20.3	5.0
Allianz Group	Interest of controlled corporations	7,336,585,122	Long position	8.8	2.2
	Interest of controlled corporations	696,401,107	Short position	0.8	0.2

Note:

- (1) According to the register of Shareholders as of the Latest Practicable Date, The National Council for Social Security Fund of the PRC held 14,102,149,559 Shares.
- (2) According to the register of Shareholders as of the Latest Practicable Date, The Goldman Sachs Group, Inc. held 16,476,014,155 Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of ICBC were not aware of any other person who had, or was deemed to have, an interest or short position in the Shares and underlying Shares, which would fall to be disclosed to ICBC and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group, or any options in respect of such capital.

4 LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

5 SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors and Supervisors had entered into, or proposed to enter into, any service contract with ICBC or any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

6 COMPETING INTEREST

As at the latest Practicable Date, none of the Directors and their respective associates was interested in any business, apart from ICBC's business, that competes or competed or is or was likely to compete, either directly or indirectly, with ICBC's business.

7 MISCELLANEOUS

- (a) The company secretary of ICBC is Pan Gongsheng and the qualified accountant of ICBC appointed pursuant to Rule 3.24 of the Hong Kong Listing Rules is Yeung Manhin (*BBA, FCCA, HKICPA*).
- (b) The registered office of ICBC is at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100032, PRC.
- (c) Computershare Hong Kong Investor Services Limited, the share registrar of ICBC in Hong Kong, is located at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The English text of this circular and form of proxy shall prevail over the Chinese text.



中国工商银行

INDUSTRIAL AND COMMERCIAL BANK OF CHINA

中國工商銀行股份有限公司

INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Industrial and Commercial Bank of China Limited will be held at 9:30 a.m. on Thursday, 13 December 2007, at the Academic Exchange, Industrial and Commercial Bank of China Limited, No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolution as a Special Resolution:

SPECIAL RESOLUTION

“**THAT** the implementation and subscription agreement dated 25 October 2007 (the “**Implementation Agreement**”) and entered into between Industrial and Commercial Bank of China Limited (“**ICBC**”) and Standard Bank Group Limited (“**SBG**”), a copy of which has been initialed by the chairman of this meeting and for the purpose of identification marked “A” pursuant to which, ICBC agreed to acquire ordinary shares in SBG representing 20% of the enlarged issued ordinary share capital of SBG at completion of the transaction under the Implementation Agreement and as enlarged pursuant to such transaction (the “**Enlarged Share Capital**”), which will be implemented by way of an inter-conditional acquisition by means of a scheme of arrangement in respect of a number of ordinary shares in SBG representing 10% of the Enlarged Share Capital and a subscription by ICBC of a number of new ordinary shares in SBG representing 10% of the Enlarged Share Capital for a cash consideration of R104.58 per ordinary share of SBG and R136 per ordinary share of SBG, respectively; the relationship agreement dated 25 October 2007 (the “**Relationship Agreement**”) and entered into between ICBC and SBG, a copy of which has been initialed by the chairman of this meeting and for the purpose of identification marked “B”, and all transactions contemplated under the Implementation Agreement and the Relationship Agreement be and are hereby generally and unconditionally approved, and the authorisation by directors to management of ICBC to make such appropriate amendments to the Implementation Agreement and the Relationship Agreement in accordance with comments from regulatory authorities be and is hereby approved.”

By Order of the Board
Dr. Pan Gongsheng
Company Secretary

Beijing, the PRC, 27 October 2007

Notes:

(1) Closure of register of members and eligibility for attending the EGM

Holders of H Shares are advised that the register of members will be closed from Tuesday, 13 November 2007 to Thursday, 13 December 2007 (both days inclusive) during which period, no transfer of H Shares will be effected. Holders of H Shares whose names appear on the register of members of ICBC maintained in Hong Kong at the close of business on Monday, 12 November 2007 are entitled to attend the EGM.

NOTICE OF EGM

Holders of H Shares who wish to attend the EGM 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 ICBC, 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., Monday, 12 November 2007.

(2) Proxy

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

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 authorising that attorney to sign or other authorisation document 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 ICBC in person or by post not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be) by holders of H Shares. The H Share registrar of ICBC is Computershare Hong Kong Investor Services Limited, whose address is at Rooms 1806–07, 18th 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 EGM if she/he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

(3) Reply Slip

Shareholders who intend to attend the EGM in person or by proxy should return the reply slip in person, by post or by fax to ICBC’s Board of Directors’ Office or Computershare Hong Kong Investor Services Limited on or before Friday, 23 November 2007. ICBC’s Board of Directors’ Office is located at No. 55 Fuxingmennei Avenue, Xicheng District, Beijing 100032, PRC (Tel: (86 10) 6610 8400, Fax: (86 10) 6610 6139). The address of Computershare Hong Kong Investor Services Limited is Rooms 1806–07, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (Tel: (852) 2862 8555, Fax: (852) 2865 0990).

(4) Other business

Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the EGM shall produce their identity documents.