



中國工商銀行(亞洲)

ICBC (Asia)

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

中國工商銀行(亞洲)有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 349)

**OPTION TO ACQUIRE EQUITY INTEREST IN
THE TAI PING INSURANCE COMPANY, LIMITED***

This announcement is made pursuant to Listing Rule 13.09(1).

On 9 July 2007, CIHC, CIIH and the Company entered into the conditional Option Deed pursuant to which CIHC has agreed to grant the right to the Company at nil consideration to, conditional upon Completion, acquire from CIHC approximately 2.873% of the equity interest in TPI for a consideration of RMB37,350,000 (approximately HK\$38,481,705) within twelve months from the date of the Option Deed, or such later date as the parties may extend pursuant to the terms of the Option Deed. The Option will be exercisable at the option of the Company and if exercised by the Company, will have to be exercised in full.

Reference is drawn to an announcement dated 9 July 2007 issued by CIIH relating to the conditional Capital Contribution Agreement pursuant to which CIHC and CIIH will contribute, in cash, RMB179,925,000 (approximately HK\$185,376,728) and RMB120,075,000 (approximately HK\$123,713,273) respectively to the registered capital of TPI. The Company has agreed not to exercise its rights to participate in the Capital Contribution. Upon Completion, each of CIHC, CIIH and the Company will directly be interested in 50.398%, 40.025% and 9.577% respectively of the equity interest in TPI.

If the Option is exercised in full by the Company, the equity interest of the Company in TPI will be increased from 9.577% to 12.450%, i.e. the percentage level of the equity interest of the Company immediately prior to Completion.

The Directors will carefully consider whether the Company should exercise the Option in full prior to the initial expiry of the exercise period, i.e. twelve months from the date of the Option Deed, in the light of the interest of the Company and its shareholders as a whole, in which case a further announcement will be made pursuant to the requirements of the Listing Rules.

This announcement is made pursuant to Listing Rule 13.09(1).

CAPITAL CONTRIBUTION TO TPI

Reference is drawn to an announcement dated 9 July 2007 issued by CIIH relating to the conditional Capital Contribution Agreement. Pursuant to the Capital Contribution Agreement, CIHC, CIIH and the Company, being shareholders of TPI, agreed that the registered capital of TPI shall be increased from RMB1,000,000,000 to RMB1,300,000,000. The Company has agreed not to exercise its rights to participate in the Capital Contribution contemplated under the Capital Contribution Agreement. CIHC and CIIH agreed, conditional upon fulfillment of the conditions precedent contained therein, to contribute in cash RMB179,925,000 (approximately HK\$185,376,728) and RMB120,075,000 (approximately HK\$123,713,273) respectively to the registered capital of TPI.

As at the date of this announcement, each of CIHC, CIIH and the Company is directly interested in 47.525%, 40.025% and 12.450% respectively of the equity interest in TPI. Upon Completion, each of CIHC, CIIH and the Company will be directly interested in 50.398%, 40.025% and 9.577% respectively of the equity interest in TPI.

The following table shows the percentage interest in the registered capital of TPI before and after Completion:

Shareholders of TPI	Existing registered capital prior to Completion		Capital Contribution	Registered capital after Completion	
	RMB	(%)		RMB	RMB
CIHC	475,250,000	(47.525%)	179,925,000	655,175,000	(50.398%)
CIIH	400,250,000	(40.025%)	120,075,000	520,325,000	(40.025%)
The Company	<u>124,500,000</u>	<u>(12.450%)</u>	<u>Nil</u>	<u>124,500,000</u>	<u>(9.577%)</u>
Total:	<u>1,000,000,000</u>	<u>(100.00%)</u>	<u>300,000,000</u>	<u>1,300,000,000</u>	<u>(100.00%)</u>

OPTION DEED BETWEEN CIHC, CIIH AND THE COMPANY

On 9 July 2007, CIHC, CIIH and the Company entered into the conditional Option Deed pursuant to which CIHC has agreed to grant the right to the Company at nil consideration to, conditional upon Completion, acquire from CIHC approximately 2.873% of the equity interest in TPI within twelve months from the date of the Option Deed, or such later date as the parties may extend pursuant to the terms of the Option Deed. The Option will be exercisable at the option of the Company and if exercised by the Company, will have to be exercised in full. If the Option is exercised in full by the Company, the equity interest of the Company in TPI will be increased from 9.577% to 12.450%, i.e. the percentage level of the equity interest of the Company immediately prior to Completion. The consideration payable by the Company upon exercise of the Option shall be RMB37,350,000 (approximately HK\$38,481,705).

The Directors consider that the Option Deed was entered into on normal commercial terms and consider that the terms of the Option Deed are fair and reasonable so far as the shareholders of the Company are concerned. The Directors will carefully consider whether the Company should exercise the Option in full prior to the initial expiry of the exercise period, i.e. twelve months from the date of the Option Deed, in the light of the interest of the Company and its shareholders as a whole, in which case a further announcement will be made pursuant to the requirements of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings:

- “Capital Contribution” the contribution of the additional registered capital of TPI agreed to be made by each of CIHC and CIIH in the amount of RMB179,925,000 (approximately HK\$185,376,728) and RMB120,075,000 (approximately HK\$123,713,273) respectively
- “Capital Contribution Agreement” the conditional capital contribution agreement dated 9 July 2007 relating to the Capital Contribution entered into between CIHC, CIIH, the Company and TPI
- “CIHC” China Insurance (Holdings) Company, Limited (中國保險(控股)有限公司), a limited company established in the PRC and the ultimate holding company of CIIH, which is holding an effective interest of approximately 51.95% in CIIH as at the date of this announcement

“CIHH”	China Insurance International Holdings Company Limited (中保國際控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Company”	Industrial and Commercial Bank of China (Asia) Limited
“Completion”	completion of the Capital Contribution pursuant to the Capital Contribution Agreement
“Directors”	the directors of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	the option to acquire approximately 2.873% equity interest in TPI as enlarged by the Capital Contribution to be granted by CIHC to the Company pursuant to the Option Deed
“Option Deed”	the option deed dated 9 July 2007 entered into between CIHC, CIHH and the Company relating to the granting by CIHC to the Company of the Option to acquire from CIHC approximately 2.873% equity interest in TPI as enlarged by the Capital Contribution
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Taiwan, Hong Kong and Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TPI”	太平保險有限公司 (The Tai Ping Insurance Company, Limited*), a limited liability company established in the PRC and is owned as to 47.525% by CIHC, as to 40.025% by CIHH and as to 12.450% by the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

Unless otherwise stated, amounts in RMB have been translated into HK\$ at an exchange rate of HK\$1.0303 to RMB1.00 for illustration purposes only.

By Order of the Board

Zhu Qi

Managing Director and Chief Executive Officer

Hong Kong, 9 July 2007

As at the date of this announcement, the Board of Directors comprises Mr. Zhu Qi, Mr. Wong Yuen Fai and Mr. Zhang Yi as executive directors, Dr. Jiang Jianqing, Ms. Wang Lili, Mr. Chen Aiping and Mr. Damis Jacobus Ziengs as non-executive directors and Professor Wong Yue Chim, Richard, SBS, JP, Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George as independent non-executive directors.

** For identification only*