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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)

**ANNOUNCEMENT IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS
EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL**

Summary

The Company hereby announces that on 4 June 2007 ICBCA Trustee entered into the Dividend Services Agreement with ICBC in respect of facilitating dividend arrangement for ICBC for a term of three years commencing from the date of the Dividend Services Agreement. In addition, on 4 September 2007 the Company entered into the Custodian and Trustee Services Agreement with ICBC in respect of the provision of custodian, settlement and clearing services for a term of three years commencing from the date of the Custodian and Trustee Services Agreement.

As each of the applicable percentage ratios of the Company calculated in accordance with Listing Rule 14.07 in respect of the fees payable under the Dividend Services Agreement is, on an annual basis, less than 0.1%, the entering into of the Dividend Services Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As each of the applicable percentage ratios of the Company calculated in accordance with Listing Rule 14.07 in respect of the aggregated fees payable under the Custodian and Trustee Services Agreement and the Dividend Services Agreement is, on an annual basis, less than 2.5%, the entering into of the Custodian and Trustee Services Agreement and the Dividend Services Agreement is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules and the Company will comply with the reporting and announcement requirements as set out in Listing Rules 14A.45 to 14A.47.

Dividend Services Agreement

On 4 June 2007 ICBCA Trustee entered into the Dividend Services Agreement with ICBC pursuant to which ICBCA Trustee was appointed by ICBC to provide services in relation to distribution and payment of dividends payable by ICBC to the holders of its H shares of RMB1.00 each (the “**ICBC Shares**”) and such services include, but not limited to, facilitating the payment of dividends by ICBC to the holders of the ICBC Shares through the bank accounts of the Company and handling any unclaimed dividend payments in respect of the ICBC Shares that arise from time to time. In consideration of the services provided by ICBCA Trustee, ICBCA Trustee will be paid services fees which are calculated on the basis of a combination of: (i) an initial one-off fee payment; (ii) basic service fee in respect of payment of each dividend announced by ICBC (including special dividend, interim dividend, final dividend and unclaimed dividend) (the “**Dividend Payment**”); and (iii) a fee based on the number of holders of ICBC Shares to which Dividend Payments are made by ICBC. Such service fees may be adjusted as agreed by the parties from time to time.

The Dividend Services Agreement is for a term of three years commencing from the date of the Dividend Services Agreement. The Directors believe that the terms of the Dividend Services Agreement are on normal commercial terms and are fair and reasonable and that the Dividend Services Agreement is in the interest of the Shareholders as a whole.

Custodian and Trustee Services Agreement

On 4 September 2007 the Company entered into the Custodian and Trustee Services Agreement with ICBC pursuant to which the Company was appointed by ICBC to provide custodian, settlement and clearing services in relation to the investments outside the PRC in certain investment products by the customers of ICBC in connection with the Qualified Domestic Institutional Investor scheme of the PRC. Under the agreement, the Company may also appoint other sub-custodian(s) to provide custodian services in relation to certain overseas investments. In consideration of the services provided by the Company, the Company will be paid services fees (to be agreed by the parties from time to time) which will be calculated on the basis of the amount(s) of the assets for which custodian, settlement and clearing services are provided by the Company at the prevailing market rates from time to time, with such service fees to be settled on a monthly basis. In any event, the annual aggregate services fee paid to the Company by ICBC under the Custodian and Trustee Services Agreement will not exceed the sum of HK\$2,000,000. In addition, the Company shall be reimbursed with other expenses incurred during the course of the provision of such services.

The Custodian and Trustee Services Agreement is for a term of three years commencing from the date of the Custodian and Trustee Services Agreement. The Company also enters into other similar transactions with other financial institutions from time to time. The Directors believe that the terms of the Custodian and Trustee Services Agreement are on normal commercial terms and are fair and reasonable and that the Custodian and Trustee Services Agreement is in the interest of the Shareholders as a whole.

REASONS FOR THE TRANSACTIONS

The Company is a fully licensed bank in Hong Kong. The Directors consider that the services to be provided under the Custodian and Trustee Services Agreement and the Dividend Services Agreement are entered into in the ordinary course of business of the Group and the Directors consider it to be in the interests of the Group to engage in the transactions under the Custodian and Trustee Services Agreement and the Dividend Services Agreement as each of such transactions is beneficial to the business and profitability of the Group. The Directors consider that each of the Custodian and Trustee Services Agreement and the Dividend Services Agreement is entered into in the ordinary course of business of the Group and on normal commercial terms or on terms that are fair and reasonable so far as the Shareholders taken as a whole are concerned and are in the interests of the Group and the Shareholders taken as a whole.

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, ICBC held 687,047,946 Shares, representing approximately 60.29% of the issued share capital of the Company. Accordingly, ICBC is a controlling shareholder of the Company and a connected person of the Company for the purposes of the Listing Rules. Under the Listing Rules, the entering into of each of the Custodian and Trustee Services Agreement and the Dividend Services Agreement constitutes a continuing connected transaction of the Company under Listing Rule 14A.14. As each of the applicable percentage ratios of the Company calculated in accordance with Listing Rule 14.07 in respect of the fees payable under the Dividend Services Agreement is, on an annual basis, less than 0.1%, the entering into of the Dividend Services Agreement is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. As the transactions pursuant to both of the agreements involve ICBC, in accordance with Listing Rule 14A.25, the value of the Custodian and Trustee Services Agreement is aggregated by the Company with the value of the Dividend Services Agreement for the purposes of determining the relevant category into which the transactions fall under. As each of the applicable percentage ratios of the Company calculated in accordance with Listing Rule 14.07

in respect of the aggregated fees payable under the Custodian and Trustee Services Agreement and the Dividend Services Agreement is, on an annual basis, less than 2.5%, the entering into of these agreements will be subject to the reporting and announcement requirements under Listing Rule 14A.34 and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In respect of each of these agreements, the Company will comply with the requirements set out in Listing Rules 14A.45 to 14A.47.

ANNUAL CAPS

Based on the expected total value of the transactions between ICBCA Trustee and ICBC under the Dividend Services Agreement (excluding the charges payable on reimbursement basis), and the maximum annual aggregate amount of service fee payable under the agreement, the expected maximum aggregate annual value, also referred to as the "annual caps", for the four months ending 31 December 2007 and the two years ending 31 December 2008 and 2009 will be HK\$500,000, HK\$1,000,000 and HK\$1,000,000 respectively.

Based on the expected total value of the transactions between the Company and ICBC under the Custodian and Trustee Services Agreement (excluding the amounts payable on reimbursement basis), the expected maximum aggregate annual value, also referred to as the "annual caps", for the four months ending 31 December 2007 and the two years ending 31 December 2008 and 2009 will be HK\$1,000,000, HK\$2,000,000 and HK\$2,000,000 respectively.

INFORMATION ON THE COMPANY, ICBCA TRUSTEE AND ICBC

The Company is a fully licensed bank incorporated in Hong Kong and whose Shares are listed on the Stock Exchange. The Company is principally engaged in banking, financial and other financial related services with a focus on commercial and retail banking businesses as well as corporate banking business. As at the date of this announcement, the Company has 40 retail branches, 5 business centres and one investment service centre in Hong Kong, and an overseas branch established in the Cayman Islands. The Company is the listed flagship for the overseas banking business of ICBC in Hong Kong and ICBC is a banking institution established under the laws of the PRC with its ICBC Shares listed on the Stock Exchange. ICBCA Trustee is a wholly-owned subsidiary of the Company and ICBCA Trustee engages in the provision of trustee services.

Definitions

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

“Board” or “Directors”	the board of directors of the Company including independent non-executive directors;
“Company”	Industrial and Commercial Bank of China (Asia) Limited;
“Custodian and Trustee Services Agreement”	the custodian and trustee services agreement dated 4 September 2007 between the Company and ICBC;
“Dividend Services Agreement”	the dividend services agreement dated 4 June 2007 between ICBCA Trustee and ICBC;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“ICBC”	Industrial and Commercial Bank of China Limited, a banking institution established under the laws of the PRC;
“ICBCA Trustee”	ICBC (Asia) Trustee Company Limited, a wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange presently in force as at the date hereof;
“PRC”	The People’s Republic of China;
“Share(s)”	ordinary share(s) of par value of HK\$2.00 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 4 September 2007

As at the date of this announcement, the Board 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.