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中國工商銀行(亞洲)

I C B C (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)

ACQUISITION OF 40% INTEREST IN IEC INVESTMENTS LIMITED

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

Sale and Purchase Agreement

The Bank is pleased to announce that on 13 September 2007, the Bank entered into the Sale and Purchase Agreement with DHK, under which DHK has agreed to sell the Sale Shares and assign the Shareholders' Loan to the Bank. The aggregate cash consideration for the Acquisition is HK\$138 million.

Shareholders and potential investors should be aware that the implementation of the Acquisition is subject to the conditions of the Sale and Purchase Agreement being fulfilled, and the Acquisition may or may not complete. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Bank.

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

SALE AND PURCHASE AGREEMENT

Date

13 September 2007

Parties

Seller: DHK

Purchaser: the Bank

Summary

On 13 September 2007, the Bank entered into the Sale and Purchase Agreement with DHK, under which DHK has agreed to sell the Sale Shares and assign the Shareholders' Loan to the Bank. The aggregate cash consideration for the Acquisition is HK\$138 million.

Consideration

The aggregate cash consideration for the Acquisition under the Sale and Purchase Agreement is HK\$138 million, which is comprised of (i) approximately HK\$75.5 million in respect of the Sale Shares; and (ii) approximately HK\$62.5 million in respect of the Shareholders' Loan. The consideration was determined after arms' length negotiations between the parties taking into account, among others, the financial position of IEC Investments by reference to the audited financial statements of IEC Investments for the year ended 31 December 2006 and the unaudited financial statements of IEC Investments for the three months ended 31 March 2007.

Conditions

As at the date of the Sale and Purchase Agreement, IEC Investments is held as to 40% by DHK and the remaining 60% is held by an independent third party. DHK and the independent third party have entered into a sale and purchase agreement, whereby the independent third party will sell to DHK the remaining 60,000 shares in IEC Investments (representing 60% of the shareholdings in IEC Investments). It is intended that immediately before Completion of the Acquisition, DHK will hold all the issued shares in IEC Investments.

The Sale and Purchase Agreement is conditional upon each of the following conditions being satisfied:

- (i) the transfer of the remaining 60,000 shares in IEC Investments from the independent third party to DHK having been duly completed with the prior written consent of IEC Holdings (as one of the shareholders of JVCO), and DHK having been registered as the legal owner of such shares of IEC Investments (whereupon DHK will hold all the issued shares in IEC Investments);
- (ii) the obtaining by DHK of the prior written consent of IEC Holdings to the Acquisition; and
- (iii) the obtaining by the Bank of all requisite approvals, consents and/or acknowledgment from and/or requisite notification to any relevant authority to which the Bank may be subject for the Acquisition.

If the above conditions have not been fulfilled by DHK or the Bank (as applicable) within twenty-one days from the date of the Sale and Purchase Agreement (or on such other date as extended by the parties), the Sale and Purchase Agreement shall from such date have no effect.

Completion

Completion of the Acquisition is expected to occur on the third business day following the fulfilment or waiver of the above conditions (or on such other date as DHK and the Bank may agree).

BACKGROUND TO AND REASONS FOR ENTERING INTO THE TRANSACTIONS

The principal activity of IEC Investments is investment holding, and the sole business and asset of IEC Investments is its holding of preference shares in JVCO (which represents an approximate 13.5% interest in the share capital of JVCO). JVCO owns and operates the AsiaWorld-Expo, the exhibition centre nearby the Hong Kong International Airport. AsiaWorld-Expo is a world class exhibition and event venue offering over 70,000 square metres of rentable space for exhibitions, conventions, concerts, sports and entertainment events.

The Acquisition presents a good investment opportunity for the Bank to participate in a major infrastructure project sponsored by the Hong Kong Government, which will broaden the business and income base of the Bank.

GENERAL

The Bank is a fully licensed bank incorporated in Hong Kong whose shares are listed on the Stock Exchange. The Bank 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 Bank has 40 retail branches, 5 business centers and 1 investment service center in Hong Kong, and an overseas branch established in the Cayman Islands. The Bank is the listed flagship for the overseas banking business of Industrial and Commercial Bank of China Limited in Hong Kong.

DHK is principally engaged in building and civil works as contractor in Hong Kong, working with both the government and private sectors on various infrastructure projects.

To the best of the knowledge, information and belief of the Bank, and having made all reasonable enquiries, DHK is an independent third party not connected with the Directors, chief executive or substantial shareholders of the Bank or any of its subsidiaries, or their respective associates.

Shareholders and potential investors should be aware that the implementation of the Acquisition is subject to the conditions to the Sale and Purchase Agreement being fulfilled, and the Acquisition may or may not complete. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Bank.

DEFINITIONS

The following defined terms are used in this announcement:

“Acquisition”	the proposed acquisition of the Sale Shares and the Shareholders’ Loan pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Bank”	Industrial and Commercial Bank of China (Asia) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Bank
“DHK”	Dragages Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“Hong Kong Government”	The Government of the Hong Kong Special Administrative Region of the People’s Republic of China
“IEC Holdings”	IEC Holdings Limited, a company incorporated in Hong Kong with limited liability and indirectly owned by the Hong Kong Government
“IEC Investments”	IEC Investments Limited, a company incorporated in Hong Kong with limited liability
“JVCO”	Hong Kong IEC Limited, a company incorporated in Hong Kong with limited liability
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Shareholders’ Loan”	the pro-rata share of a non-recourse and interest-free shareholders’ loan lent by DHK to IEC Investments (in its capacity as a shareholder of IEC Investments), such pro-rata share representing a principal amount of approximately HK\$62.5 million outstanding as at the date of the Sale and Purchase Agreement
“Sale Shares”	40,000 shares in IEC Investments to be sold by DHK to the Bank pursuant to the Sale and Purchase Agreement (representing 40% of the issued share capital of IEC Investments)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 September 2007 entered into between the Bank and DHK in relation to the Acquisition
“Shareholders”	holders of shares of the Bank from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 13 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.