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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
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL**

Summary

Reference is made to the Company's announcements respectively dated 31 December 2004, 4 February 2005 and 28 September 2006 in relation to, amongst other things, the Service Levels Agreement, the terms of which expired on 31 December 2007.

The Company hereby announces that, on 19 February 2008, the Company and ICBC entered into the Renewed Service Levels Agreement for the period commencing on 1 January 2008 and expiring on 31 December 2008.

As each of the applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules in respect of the fees payable under the Service Levels Agreement (as amended) is, on an annual basis, less than 2.5%, the entering into of the Renewed Services Levels 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 Rules 14A.45 to 14A.47 of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL

Reference is made to the Company's announcements dated 31 December 2004, 4 February 2005 and 28 September 2006 in relation to the Service Levels Agreement whereby ICBC agreed to provide data processing and other related services to the Company. The Service Levels Agreement expired on 31 December 2007.

The Company has on 19 February 2008 entered into the Renewed Service Levels Agreement whereby ICBC would, through its Overseas Data Centre, provide data processing services including new on-line application system, inter-bank deposit and fund transfer application, customer information application, bank cashier's order application and up-graded operating system to the Company. The Renewed Service Levels Agreement is for a term of one year from 1 January 2008 and 31 December 2008.

The Directors consider that the outsourcing of the Company's data processing function to ICBC, a service provider outside the Group, is in the usual and ordinary course of business of the Company, and by outsourcing the Company's data processing function to ICBC through its Overseas Data Centre, the Company can improve its operational efficiency and reduce its operational costs.

Under the Renewed Service Levels Agreement, the service fee to be paid by the Company to ICBC for the year ended 31 December 2008 will amount to RMB1,062,500 (equivalent to approximately HK\$1,162,000) per month, which shall be inclusive of all out of pocket expenses and disbursements. The service charge is payable monthly in arrears by the Company to ICBC and was arrived at after arm's length negotiations between the parties with reference to the operational costs and expenses of the existing data processing centre of the Company in Hong Kong. The parties may also propose to amend the terms of the agreement where there are changes, such as changes in the operational environment and/or technical requirements for the services.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Renewed Service Levels Agreement are on normal commercial terms, are fair and reasonable and in the interest of the Shareholders as a whole. The total value of the transactions under the Service Levels Agreement for each of the two years ended 31 December 2005 and 2006 were approximately HK\$7,435,000 and HK\$10,064,000 respectively. Pursuant to the terms of the Renewed Service Levels

Agreement and based on (1) the historical transaction value for the Service Levels Agreement for the two years ended 31 December 2006; (2) the scope of the services provided; and (3) the increasing need due to the Company's development of new products and services and the volume of the Company's business transaction, the Company expects that the maximum aggregate annual value for the transactions under the Renewed Service Levels Agreement for the financial year ending 31 December 2008 will be RMB12,750,000.

REQUIREMENTS OF THE LISTING RULES

As at the date of this announcement, ICBC held 873,025,558 Shares, representing approximately 71.21% 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.

The entering into of the Renewed Service Levels Agreement constitutes a continuing connected transaction of the Company under Listing Rule 14A.14. Each of the applicable percentage ratios (other than the profits ratio) of the Company calculated in accordance with Listing Rule 14.07 in respect of the service fees payable under the Renewed Service Levels Agreement in the period between 1 January 2008 and the date of this announcement amounts to less than 0.1%. As each of the applicable percentage ratios (other than the profits ratio) of the Company calculated in accordance with Listing Rule 14.07 in respect of the fees payable under the Renewed Service Levels Agreement is, on an annual basis, less than 2.5%, the entering into of the Renewed Service Levels Agreement 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. The Company will also comply with the requirements set out in Listing Rules 14A.45 to 14A.47.

INFORMATION ON THE COMPANY 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 41 retail branches, 5 business centres and 1 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.

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;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange presently in force as at the date hereof;
“Overseas Data Centre”	a data processing centre of ICBC, which has a place of business at Block 302, Che Gong Miao, Tian An Industrial Area, Fu Tian District, Shenzhen, the PRC;
“PRC”	The People’s Republic of China;

“Renewed Service Levels Agreement”	the agreement dated 19 February 2008 entered into between ICBC and the Company in relation to the outsourcing of the Company’s data processing functions to ICBC, whereby ICBC will provide the services on the same terms as set out in the Service Levels Agreement except that the term of the agreement shall be from 1 January 2008 to 31 December 2008;
“RMB”	Renminbi, the lawful currency of the PRC and for the purpose of illustration only in this announcement, translated into HK\$ at the rate of HK\$1 = RMB0.9140;
“Service Levels Agreement”	the service level agreement dated 21 February 2002 (as amended and supplemented by supplemental agreements respectively dated 4 February 2005 and 28 September 2006) made between ICBC and the Company in relation to the outsourcing of the Company’s data processing functions to ICBC;
“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; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 19 February 2008

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 and Mr. Chen Aiping 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.