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**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**

Reference is made to the Company's announcement dated 19 February 2008 in relation to, amongst other things, the Renewed Service Levels Agreement between the Company and ICBC whereby ICBC agreed to provide data processing and other related services to the Company through the Overseas Data Centre.

The Company hereby announces that, on 19 March 2008, CMB and ICBC entered into the CMB Service Levels Agreement, which is similar in nature to the Renewed Service Levels Agreement, for the period commencing on 25 March 2008 and expiring on 31 December 2010.

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, in aggregate, under the Renewed Service Levels Agreement and the CMB Service Levels Agreement are, on an annual basis, less than 2.5%, the entering into of the CMB Service 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 INDEPENDENT SHAREHOLDERS' APPROVAL**

Reference is made to the Company's announcement dated 19 February 2008 in relation to the Renewed Service Levels Agreement whereby ICBC agreed to provide data processing and other related services to the Company.

On 19 March 2008, CMB, a wholly-owned subsidiary of the Company, entered into the CMB Service Levels Agreement with ICBC under which ICBC has agreed, through its Overseas Data Centre, to provide data processing services including data storage server, application server, on-line application server, storage facilities and network facilities to CMB. The CMB Service Levels Agreement is for the period commencing on 25 March 2008 and expiring on 31 December 2010, and is renewable for a further one year period subject to the consent of both parties as well as compliance with relevant requirements under the Listing Rules.

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

Under the CMB Service Levels Agreement, the service fee to be paid by CMB to ICBC will amount to RMB410,000 (equivalent to approximately HK\$453,790) for the year ending 31 December 2008 and RMB525,000 (equivalent to approximately HK\$581,074) for each of the two years ending 31 December 2009 and 2010. The service charge is payable quarterly by CMB 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 CMB in Shenzhen. In addition, a start-up fee of RMB43,750 (equivalent to approximately HK\$48,423) will be payable by CMB to ICBC on or before 30 June 2008 to cover for the additional costs incurred by the Overseas Data Centre of ICBC in respect of the initial set-up of the arrangement under the CMB Service Levels Agreement.

The Directors (including the independent non-executive Directors) are of the view that the CMB Service Levels Agreement has been entered into on normal commercial terms, and that such terms are fair and reasonable and in the interest of the Shareholders as a whole. There are no historical values for transactions under the CMB Service Levels Agreement. Pursuant to the terms of the CMB Service Levels Agreement and based on (1) the scope of the services provided; and (2) the increasing need due to the CMB's development of new products and services and the volume of

the CMB's business transaction, the Company expects that the maximum aggregate annual value for the transactions under the CMB Service Levels Agreement (inclusive of the start-up fee) for the year ending 31 December 2008, 2009 and 2010 will be RMB453,750, RMB525,000 and RMB525,000 respectively.

## **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 CMB Service Levels Agreement constitutes a continuing connected transaction of the Company under Listing Rule 14A.14. The CMB Service Levels Agreement is similar in nature to the Renewed Service Levels Agreement, which also constitutes a continuing connected transaction for the Company. As each of the applicable percentage ratios of the Company calculated in accordance with Listing Rule 14.07 in respect of the fees payable, in aggregate, under the Renewed Service Levels Agreement and the CMB Service Levels Agreement are, on an annual basis, less than 2.5%, the entering into of the CMB 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, CMB 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. CMB is a wholly-owned subsidiary of the Company and a banking institution established under the laws of the PRC. ICBC is a banking institution established under the laws of PRC, the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange.

## DEFINITIONS

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

“Board” or “Directors”	the board of directors of the Company;
“CMB”	Chinese Mercantile Bank, a bank established in the PRC and a wholly-owned subsidiary of the Company;
“CMB Service Levels Agreement”	an agreement dated 19 March 2008 entered into between ICBC and CMB in relation to the outsourcing of the CMB’s data processing functions to ICBC;
“Company”	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;
“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 with its shares listed on the Stock Exchange and the Shanghai Stock Exchange and the controlling shareholder of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Data Centre”	a data processing centre owned and operated by 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 agreed to provide data processing and other related services to the Company through the Overseas Data Centre.
“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 = RMB0.9035;
“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 from time to time; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Tsang Mei Kuen**  
*Company Secretary*

Hong Kong, 19 March 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.*