

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**CONTINUING CONNECTED TRANSACTION — REVISED ANNUAL CAPS**

**Summary**

The Company hereby announces that the service fees payable under the Custodian and Trustee Services Agreement with ICBC in respect of the provision of custodian, settlement and clearing services are likely to exceed the existing annual cap for the year ending 31 December 2008 due to the increased size of assets under custody in connection with the Qualified Domestic Institutional Investor scheme of the PRC that was not anticipated when the original annual caps were determined in 2007. Accordingly, the Company and ICBC have on 16 May 2008 entered into the Supplemental Custodian and Trustee Services Agreement to amend the Custodian and Trustee Services Agreement to the effect that the annual aggregate service fees to be paid to the Company by ICBC under the Custodian and Trustee Services Agreement will not exceed the sum of HK\$11,000,000, with the said amount being the revised annual caps for each of the two years ending 31 December 2009 in relation to the services provided under the Custodian and Trustee Services Agreement (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement).

**Custodian and Trustee Services Agreement**

Reference is made to the 2007 Announcement in relation to, among other things, the Custodian and Trustee Services Agreement. Capitalised terms used in this announcement shall have the same meanings as those used in the 2007 Announcement, unless defined otherwise.

As set out in the 2007 Announcement, pursuant to the Custodian and Trustee Services Agreement, 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. In consideration of the services provided by the Company, the Company will be paid service 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 service fees to be paid to the Company by ICBC under the Custodian and Trustee Services Agreement will not exceed the sum of HK\$2,000,000, and this amount was the annual caps amount (i.e. the maximum aggregate annual value) set for this agreement for each of the two years ending 31 December 2008 and 2009.

### **Supplemental Custodian and Trustee Services Agreement**

The aggregate service fees pursuant to the Custodian and Trustee Services Agreement with ICBC in respect of the provision of custodian, settlement and clearing services in the period between January and April 2008 amounted to HK\$1,978,000. The aggregate service fees payable under the Custodian and Trustee Services Agreement with ICBC in respect of the provision of custodian, settlement and clearing services for the year ending 31 December 2008 are likely to exceed the existing annual cap for the year ending 31 December 2008 due to the increased size of assets under custody in connection with the Qualified Domestic Institutional Investor scheme of the PRC that was not anticipated when the original annual caps were determined in 2007 on the basis of the then prevailing market conditions. Accordingly, the Company and ICBC have on 16 May 2008 entered into the Supplemental Custodian and Trustee Services Agreement to amend the Custodian and Trustee Services Agreement to the effect that the annual aggregate service fees to be paid to the Company by ICBC under the Custodian and Trustee Services Agreement (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement) will not exceed the sum of HK\$11,000,000.

### **Revised annual caps for the two years ending 31 December 2008 and 31 December 2009**

Based on the historical size of assets under custody and the expected annual growth rate of custodized assets under the Custodian and Trustee Services Agreement between the Company and ICBC (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement) (excluding the amounts payable on reimbursement basis such as legal, accounting and tax expenses), the expected

maximum aggregate annual value, also referred to as the “annual caps”, for the two years ending 31 December 2008 and 2009 under the Custodian and Trustee Services Agreement (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement) will be HK\$11,000,000 and HK\$11,000,000, respectively.

### **Listing Rules implications**

As at the date of this announcement, ICBC held 884,238,150 Shares, representing approximately 71.26% 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. As each of the applicable percentage ratios of the Company calculated in accordance with Listing Rule 14.07 in respect of the revised annual caps is, on an annual basis, less than 2.5%, the transactions under the Custodian and Trustee Services Agreement (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement) will be subject to the reporting and announcement requirements under Listing Rule 14A.34 and are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the transactions under the Custodian and Trustee Services Agreement (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement) and the revised annual caps are fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **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 42 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.

## **Definitions**

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

“2007 Announcement”	The announcement of the Company dated 4 September 2007
“Supplemental Custodian and Trustee Services Agreement”	the supplemental custodian and trustee services agreement dated 16 May 2008 made between the Company and ICBC

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

Hong Kong, 16 May 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, S.B.S., J.P., Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George as independent non-executive directors.*