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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**

The Board announced that on 15 July 2008, the Company entered into the Licence Agreement with ICEA in respect of the granting of a licence by the Company for ICEA to occupy the Property for a term of twenty-two months and seventeen days commencing on 15 July 2008 and expiring on 31 May 2010 (both days inclusive).

As ICEA is ultimately held as to 75% equity interest by ICBC, which in turn is the controlling shareholder of the Company and hence the entering into of the Licence Agreement constitutes continuing connected transactions of the Company under Listing Rule 14A.14 and will be subject to the reporting and announcement requirements under Listing Rule 14A.34.

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 Licence Agreement is, on an annual basis, less than 2.5%, the entering into of the Licence 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.

LICENCE AGREEMENT

On 15 July 2008, the Company, as licensor, and ICEA, as licensee, entered into the Licence Agreement, whereby the Company granted a licence for ICEA to occupy the Property for a term of twenty-two months and seventeen days commencing on 15 July 2008 and expiring on 31 May 2010 (both days inclusive). The Company had in January 2008 entered into the Lease for a term of seventy-seven months and eleven days commenced on 21 December 2007 and expiring on 31 May 2014 (both days inclusive). Under the Licence Agreement, ICEA shall pay the Company an initialization licence fee of HK\$1,834,568.00, monthly licence fee of HK\$270,060.00, monthly management charge of HK\$16,126.44, government rates and other charges on a reimbursement basis for charges payable by the Company under the Lease. The amount payable by ICEA under the Licence Agreement represents the same amount payable by the Company under the Lease in respect of the Property.

REASONS FOR THE TRANSACTIONS

The entering into of the Lease strengthens the Company's existing operations within the Building and also enables the Company to be in a stronger bargaining position in the long run as a tenant of a number of properties within the Building. As the Company will not be utilizing the Property, the Property is then licenced to ICEA under the Licence Agreement as permitted under the Lease and the licence fees receivable by the Company constitute the whole part of the rent payable by the Company under the Lease. The Directors (including the independent non-executive directors) consider that the terms of the Licence Agreement are on normal commercial terms and are fair and reasonable and that the Licence Agreement is in the interest of the Company and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, ICBC held 910,892,218 Shares, representing approximately 71.73% 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 such, the entering into of the Licence Agreement constitutes continuing connected transactions 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 aggregated fees payable under the Licence Agreement and the 2007 Licence Agreement are, on an annual basis, less than 2.5%, the entering into of the Licence

Agreement and the 2007 Licence Agreement are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the reporting and announcement requirements as set out in Listing Rules 14A.45 to 14A.47.

According to Listing Rule 14A.25, the Licence Agreement is required to be aggregated with the value of the transaction under the 2007 Licence Agreement which was entered into by the Company and ICEA, for the purposes of determining the relevant category in which the two transactions falls under. The Company expects that the maximum aggregate annual values (excluding the charges payable on reimbursement basis) for the transactions under the Licence Agreement and the 2007 Licence Agreement in respect of the initial term for each of the two years ending 31 December 2008 and 2009 respectively will be approximately as follows:

	Year ending 31 December 2008	Year ending 31 December 2009
Expected total amount under the Licence Agreement	HK\$3,500,000	HK\$3,550,000
Expected total amount under the 2007 Licence Agreement	<u>HK\$21,000,000</u>	<u>HK\$22,000,000</u>
Aggregated amounts	<u>HK\$24,500,000</u>	<u>HK\$25,550,000</u>

ANNUAL CAPS

Based on the expected total value of the transaction between the Company and ICEA under the Licence Agreement (excluding the charges payable on reimbursement basis), the expected maximum annual value, also referred to as the "annual caps", for the five and a half months ending 31 December 2008, for the year ending 31 December 2009 and for the five months ending 31 May 2010 will be HK\$3,500,000, HK\$3,550,000 and HK\$1,500,000 respectively.

INFORMATION ON THE COMPANY, ICBC AND ICEA

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. ICBC is a banking institution established under the laws of the PRC, the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange.

ICEA is ultimately held as to 75% equity interest by ICBC and ICEA engages in the provision of management and administrative services.

DEFINITIONS

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

“2007 Licence Agreement”	a licence agreement dated 30 May 2007 made between the Company and ICEA in relation to the granting of a licence by the Company for ICEA to occupy Suites 2501-2, 25th Floor and the whole of the 26th Floor of the Building;
“Board” or “Directors”	the board of directors of the Company;
“Building”	ICBC Tower, No. 3 Garden Road, Central, Hong Kong;
“Company”	Industrial and Commercial Bank of China (Asia) Limited;
“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;
“ICEA”	ICEA Services Limited, a company incorporated in Hong Kong and is indirectly owned by ICBC;

“Lease”	a lease dated 22 January 2008 entered into by the Company with an entity for the lease of the Property for a term of seventy-seven months and eleven days commenced on 21 December 2007 and expiring on 31 May 2014 (both days inclusive). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, such entity including its ultimate beneficial owner are independent of, and not connected with, the Company;
“Licence Agreement”	a licence agreement dated 15 July 2008 made between the Company and ICEA in relation to the granting of a licence by the Company for ICEA to occupy the Property;
“Listing Rule(s)”	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;
“Property”	Suites 2504-5 on the 25th Floor of the Building;
“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, 15 July 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.