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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)

PROPOSED NOTES ISSUE

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Issuer, a wholly-owned special purpose vehicle of the Company, is proposing to issue not less than US\$300 million Guaranteed Notes due 2009, such notes to be unconditionally and irrevocably guaranteed by the Company. The proposed Notes issuance will be arranged by the JLMs. The Company and the Issuer have not yet entered into any subscription agreement with the JLMs. A further announcement will be made by the Company as soon as practicable regarding the final terms and structure in respect of the Notes when such terms and structure have been finalised.

It is expected that a Circular in relation to the Notes will be made available to selected potential investors on or around 2 September 2004. The Circular will contain certain unaudited financial information in relation to Belgian Bank which the Directors consider may be price sensitive which has not previously been published and is therefore set out herein to ensure that such information is available to the public generally.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

Proposed Notes Issue

Issuer: ICBCA (C.I.) Limited, a wholly-owned special purpose vehicle of the Company incorporated in the Cayman Islands as a limited liability company on 25 June 2004.

Guarantor: The Company

The Notes: Not less than US\$300 million Guaranteed Notes due 2009

It is proposed that the Notes will be unconditionally and irrevocably guaranteed by the Company as to the payment of principal and interest. The interest rate, issue size and the final terms and conditions of the Notes will be determined by the Company and the Issuer, following discussions with the JLMs, after marketing.

The Company and the Issuer have not yet entered into any subscription agreement with the JLMs for the issue of the Notes, therefore there is no obligation on the part of the Issuer to issue the Notes or on the part of the Company to execute the Guarantee. A further announcement will be made by the Company as soon as practicable regarding the final terms and structure, including the aggregate principal amount of the issue and the rate of interest payable in respect of the Notes when such terms and structure have been finalised and a subscription agreement entered into. The issue of the Notes may or may not proceed. **Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

Financial Information

It is expected that the Circular in relation to the Notes will be made available to selected potential investors on or around 2 September 2004. The Circular includes certain previously unpublished and unaudited financial information in relation to Belgian Bank (which was acquired by the Group on 30 April 2004) which the Directors consider may be price sensitive and details of which are set out below.

As of 30 June 2004, Belgian Bank's total exposures to its five largest borrowers during the second quarter of 2004 (including groups of individuals and companies) accounted for approximately HK\$2.7 billion (approximately US\$346.2 million). As of 30 June 2004, Belgian Bank's total advances to customers amounted to approximately HK\$14.9 billion (approximately US\$1.9 billion). Residential mortgage loans and loans for property investment and development represented 30.0% and 23.3% of Belgian Bank's total loans to customers as of 30 June 2004, respectively.

The table below sets forth a summary of Belgian Bank's advances to customers by sector as of 30 June 2004.

	As at 30 June 2004*	
	Advances to customers HK\$'000	%
Loans for use in Hong Kong		
Industrial, commercial and financial		
- Property development	107,506	0.7
- Property investment	3,368,675	22.6
- Financial concerns	8,212	0.1
- Stockbrokers	23	0.0
- Wholesale and retail trade	1,100,056	7.4
- Civil engineering works	51,621	0.3
- Manufacturing	1,488,315	10.0
- Transport and transport equipment	60,737	0.4
- Electricity, gas and telecommunications	275	0.0

As at 30 June 2004*

Advances to customers

HK\$'000

%

- Hotels, boarding houses and catering	55,021	0.4
- Others	1,122,312	7.5
Individuals		
- Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	56,465	0.4
- Loans for the purchase of other residential properties	4,476,846	30.0
- Credit card advances	56,357	0.4
- Others	405,585	2.7
Trade finance	2,552,174	17.0
Loans for use outside Hong Kong	8,144	0.1
	<u>14,918,324</u>	<u>100.0</u>

* This information is unaudited.

Definitions

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

"Circular"	means a preliminary offering circular to be issued by the Issuer and the Company in relation to the Notes;
"Company"	means Industrial and Commercial Bank of China (Asia) Limited;
"Directors"	means the directors of the Company;
"Group"	means the Company and its subsidiaries;
"Guarantee"	means the unconditional and irrevocable guarantee expected to be given by the Company in respect of the obligations of the Issuer under the Notes;
"Issuer"	means ICBCA (C.I.) Limited, a wholly-owned special purpose vehicle of the Company, incorporated as a limited liability company in the Cayman Islands;
"JLMs"	means Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited and J.P. Morgan Securities Ltd. as joint lead managers of the issue of the Notes;
"Listing Rules"	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and
"Notes"	means the Guaranteed Notes due 2009 proposed to be issued by the Issuer.

By Order of the Board

Zhu Qi

Managing Director and Chief Executive Officer

As at the date of this announcement, the board of Directors comprises Mr. Zhu Qi, Mr. Wang Yan and Mr. Wong Yuen Fai 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.

Hong Kong, 1 September 2004

Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.