



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)

COMPLETION OF THE ACQUISITION OF THE ENTIRE EQUITY INTEREST OF CHINESE MERCANTILE BANK

The Directors of the Company are pleased to announce the completion of the acquisition of the entire equity interest of Chinese Mercantile Bank by the Company, the exercise of the Anti-dilution Right by Fortis Bank and the allotment and issuance of the new shares to Fortis Bank.

Fortis Bank had exercised its Anti-dilution Right to subscribe for 6,596,330 ordinary shares of par value of HK\$2.00 each in the capital of the Company (the "Shares"). The aggregate nominal value of the 6,596,330 Shares amounted to HK\$13,192,660. On 12 August 2005, the Company allotted and issued the 6,596,330 Shares to Fortis Bank under the general mandate granted to the Directors on 14 April 2005.

Reference is made to the announcement dated 30 December 2004, the announcement dated 20 July 2005 (the "Announcement") and the circular dated 21 January 2005 (the "Circular") of Industrial and Commercial Bank of China (Asia) Limited (the "Company") in respect of the acquisition of the entire equity interest of Chinese Mercantile Bank by the Company. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Circular.

Completion of the Acquisition Agreement

The Directors are pleased to announce that Completion of the Acquisition Agreement took place on 12 August 2005, and in accordance with the Acquisition Agreement, the following took place:

1. the Company has acquired the entire equity interest in CMB; and
2. the Company has allotted and issued 66,698,102 Shares as Consideration Shares, representing approximately 5.98% of the issued share capital of the Company as enlarged by such issuance, to ICBC. The Listing Committee of the Stock Exchange has granted the listing of and permission to deal in the Consideration Shares.

As stated in the Announcement, further announcement will be made by the Company as soon as practicable after the Completion Accounts has been issued and the Actual Consideration Value has been determined.

Anti-dilution Right

The Directors are pleased to announce that on 21 July 2005, Fortis Bank had exercised the Anti-dilution Right in accordance with the sale and purchase agreement dated 31 December 2003 entered into between the Company, GBH and Fortis Bank and would subscribe for the 6,596,330 Shares on the date of Completion of the Acquisition Agreement. The aggregate nominal value of the 6,596,330 Shares amounted to HK\$13,192,660. On 12 August 2005, the Company allotted and issued 6,596,330 new Shares to Fortis Bank, representing the following:

- (i) approximately 0.591% of the enlarged issued share capital of the Company (including the Consideration Shares but excluding the new Shares issued pursuant to the exercise of the Anti-dilution Right); and
- (ii) approximately 0.588% of the enlarged issued share capital of the Company (including the Consideration Shares and the new Shares issued pursuant to the exercise of the Anti-dilution Right).

Application for the listing of, and for permission to deal in, the 6,596,330 Shares allotted to Fortis Bank has been made to the Listing Committee of the Stock Exchange. The 6,596,330 Shares will rank pari passu in all respects with the other Shares in issue at the date of the issuance.

As disclosed in the Announcement, the 6,596,330 Shares are being issued to Fortis Bank at the price of HK\$11.0583 per Share, which is the same price as the Consideration Shares are being issued to ICBC, and representing the following:

- (i) the higher of the closing share price for the Shares on the date of the Acquisition Agreement (30 December 2004) and the average closing share price for the Shares for the 30 trading days up to the date of the Acquisition Agreement; and
- (ii) a premium of approximately 0.53% over HK\$11.00 per Share, being the closing price for the Shares on the date of the Acquisition Agreement (30 December 2004).

The net price to the Company for each Share issued to Fortis Bank is HK\$11.0583 and the total proceeds from the issuance of the 6,596,330 Shares to Fortis Bank is approximately HK\$72,944,000 and it is expected that the proceeds will be used for general working capital purposes. The 6,596,330 Shares were issued to Fortis Bank under the general mandate granted to the Directors on 14 April 2005 and during the twelve-month period preceding the date hereof, the Company has not issued any Share under the general mandate or raised any funds from any issuance of Shares.

The effect on the shareholding structure of the Company pursuant to the issuance of the Consideration Shares and the exercise of the Anti-dilution Right is as follows:

	Immediately before the issuance of the Consideration Shares and the new Shares pursuant to the Anti-dilution Right	%	As at the date of this announcement	%
ICBC	602,888,957	57.53%	669,587,059	59.72%
Fortis Bank	94,317,000	9%	100,913,330	9%
Public	350,758,826	33.47%	350,758,826	31.28%
Total	1,047,964,783	100%	1,121,259,215	100%

By Order of the Board
Cheng Pui Ling, Cathy
Company Secretary

Hong Kong, 12 August 2005

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, Mr. Chen Aiping and Mr. Damis Jacobus Ziegls 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.

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