
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

If you have sold or transferred all of your shares in Industrial and Commercial Bank of China (Asia) Limited (the “Company”), you should at once hand this prospectus and the accompanying Warrant Certificate to the purchaser or transferee or to the bank manager, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of this prospectus has been registered with the Registrar of Companies in Hong Kong for registration as required by section 38D of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of this prospectus.



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)

BONUS ISSUE OF WARRANTS



A letter from the Board is set out on pages 4 to 7 of this prospectus. A summary of the principal terms of the Warrants is set out on pages 8 to 17 of this prospectus.

5 November, 2007

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EXPECTED TIMETABLE

Date of despatch of prospectus and Warrant CertificatesMonday, 5 November, 2007

Commencement of dealings in Warrants on the Stock Exchange . . .Wednesday, 7 November, 2007

DEFINITIONS

In this prospectus, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of directors of the Company;
“Bonus Warrant Issue”	bonus issue of Warrants by the Company to all Shareholders (other than excluded Overseas Shareholders) whose names appear on the register of members of the Company on the Record Date, on the basis of one Warrant for every nine existing Shares then held;
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC;
“Circular”	the circular of the Company dated 16 October 2007 in relation to the Bonus Warrant Issue;
“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 Main Board of the Stock Exchange;
“EGM”	the extraordinary general meeting of the Company held on Wednesday, 31 October, 2007 at which the Bonus Warrant Issue (including the creation and issue of the Warrants) and the allotment and issue of Shares falling to be issued upon exercise of the subscription rights attached to the Warrants were approved by the Shareholders;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	the latest practicable date prior to the date of publication of this prospectus for the purposes of ascertaining certain information, being 31 October, 2007;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong;

DEFINITIONS

“Record Date”	the record date for the purpose of ascertaining the entitlements of Shareholders to the Bonus Warrant Issue, being Monday, 15 October, 2007;
“Scrip Dividend”	the interim dividend of HK\$0.23 per ordinary share for the six months ended 30 June, 2007, payable in cash with an option to receive new, fully paid shares in lieu of cash, to Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 7 September, 2007, which was announced by the Company on 16 August, 2007 and further particulars of which are set out in a circular to Shareholders dated 10 September, 2007;
“Share(s)”	ordinary share(s) of HK\$2.00 each in the share capital of the Company;
“Shareholder(s)”	registered holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Warrant(s)”	warrant(s) to be issued by the Company, to subscribe for new Shares at the initial subscription price of HK\$20 per new Share, subject to adjustment, at any time from Wednesday, 7 November, 2007 to Thursday, 6 November, 2008 (both dates inclusive). A summary of the terms and conditions of the warrants is set out in the Appendix to this prospectus.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zhu Qi

(Managing Director and Chief Executive Officer)

Mr. Wong Yuen Fai

(Deputy General Manager & Alternate Chief Executive)

Mr. Zhang Yi

(Deputy General Manager & Alternate Chief Executive)

Registered Office:

33/F., ICBC Tower

3 Garden Road

Central

Hong Kong

Non-executive Directors:

Dr. Jiang Jianqing *(Chairman)*

Ms. Wang Lili *(Vice Chairman)*

Mr. Chen Aiping

Mr. Damis Jacobus Ziengs

Professor Wong Yue Chim, Richard, SBS, JP*

Mr. Tsui Yiu Wa, Alec*

Mr. Yuen Kam Ho, George*

** Independent Non-executive Directors*

5 November, 2007

To the Shareholders of the Company

Dear Sir or Madam,

BONUS ISSUE OF WARRANTS

INTRODUCTION

On 27 September, 2007, it was announced that the Board proposed a conditional Bonus Warrant Issue to Shareholders (other than excluded Overseas Shareholders) whose names appear on the Company's register of members on the Record Date, on the basis of one Warrant for every nine Shares held. At the EGM, the Bonus Warrant Issue was approved by the Shareholders.

The purpose of this prospectus is to provide you with further particulars in respect of the Bonus Warrant Issue.

LETTER FROM THE BOARD

BONUS WARRANT ISSUE

Subject to the satisfaction of the conditions described in the Circular, Warrants will be issued to the Shareholders (other than excluded Overseas Shareholders) whose names appear on the Company's register of members on the Record Date on the basis of one Warrant for every nine Shares held.

1. Subscription Price and Subscription Period

Each Warrant will entitle the holder thereof to subscribe in cash for one Share, at an initial subscription price of HK\$20 per Share (subject to adjustment), at any time during the period which is expected to commence on Wednesday, 7 November, 2007 and end on Thursday, 6 November, 2008 (both dates inclusive).

2. Shares to be Issued Upon Exercise of the Warrants

Based on 1,139,627,553 Shares in issue as at the Record Date, 126,625,283 Warrants would be issued pursuant to the Bonus Warrant Issue which will carry rights to subscribe in aggregate up to approximately 126,625,283 new Shares (representing, as at the Latest Practicable Date, approximately 11.01% of the existing issued share capital and approximately 9.92% of the issued share capital as enlarged by the issue of Shares on exercise of the Warrants).

Full exercise of the Warrants at the initial subscription price of HK\$20 per Share would result in the receipt by the Company of approximately HK\$2,532,505,660 of subscription monies before expenses.

As the Record Date for the Bonus Warrant Issue is prior to the issue of Shares pursuant to the Scrip Dividend, elections or otherwise by Shareholders to receive new Shares in lieu of cash pursuant to the Scrip Dividend will not affect the entitlements pursuant to the Bonus Warrant Issue.

3. Fractional Entitlements

Fractional entitlements to the Warrants will not be issued to the Shareholders but will be aggregated and sold. The net proceeds of sale will be retained for the benefit of the Company.

4. Overseas Shareholders

The Warrants will not be registered under the securities legislation of any jurisdictions outside Hong Kong. Accordingly, no allotment of Warrants will be made to Overseas Shareholders and who the Board is of the view that their exclusion from the Bonus Warrant Issue is necessary or expedient on account of applicable legal or regulatory requirements of such place.

The Company has made enquiry as to the legal and regulatory restrictions in extending the Bonus Warrant Issue to the Overseas Shareholders. The Company has been advised by its legal advisers on the laws of the United States of America and Canada, respectively, that the Company may need to take additional steps to comply and/or ascertain with the regulatory requirements of the relevant regulatory authorities in the United States of America and Canada if the Warrants are granted to Overseas

LETTER FROM THE BOARD

Shareholders in the United States of America and Canada, respectively. Accordingly, the Company would be required to comply with the relevant laws and regulations if the Warrants are to be granted to the Overseas Shareholders with registered addresses in the United States of America and Canada. The Board, having considered the relevant legal and regulatory restrictions, is of the view that the exclusion of Overseas Shareholders in the United States of America and Canada is necessary or expedient. Accordingly, the Warrants will not be granted to these excluded Overseas Shareholders.

Arrangements will be made for Warrants which would otherwise have been issued to excluded Overseas Shareholders to be sold in the market as soon as reasonably practicable after dealings commence if a premium (net of expenses) can be obtained. Any net proceeds of sale, after deduction of all expenses, will be distributed in Hong Kong dollars pro rata to Overseas Shareholders and will be posted to them at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company.

USE OF PROCEEDS

The Company intends to apply any subscription monies received as and when subscription rights attached to the Warrants are exercised towards the general working capital of the Group.

LISTING

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the new Shares falling to be issued upon exercise of the Subscription Rights.

The new Shares falling to be issued upon exercise of the Subscription Rights will rank *pari passu* in all respect with the then existing issued Shares.

CERTIFICATES AND BOARD LOTS

The Warrants will be issued in registered form. Subject to the satisfaction of the conditions precedent to the Bonus Warrant Issue, it is expected that certificates for the Warrants will be posted on or before Monday, 5 November, 2007 at the risk of Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Subject to, the granting of listing of, and permission to deal in, the Warrants and the new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants on the Stock Exchange as well as the compliance with the stock admission requirements of HKSCC, the Warrants and the new Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Warrants on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

The Warrants will only be listed or dealt in on the Stock Exchange and not on any other stock exchange nor is any listing of the Warrants proposed to be sought on any stock exchange other than the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any stock exchange (other than the Stock Exchange) and no such listing or permission to deal in securities of the Company is being or proposed to be sought on any other stock exchange at the present time.

Dealings in the Warrants are expected to commence on the Stock Exchange on Wednesday, 7 November, 2007. The Warrants are expected to be traded on the Stock Exchange in board lots of 1,000 Warrants carrying rights to subscribe 1,000 Shares at HK\$20 per Share (subject to adjustment). As far as possible, certificates will be issued in board lots of Warrants.

Dealings in the Warrant will be subject to payment of stamp duty in Hong Kong.

GENERAL

The Bonus Warrant Issue complies with the relevant provisions of Chapter 15 of the Listing Rules, Hong Kong law and the Company's articles of association.

Save for the Bonus Warrant Issue, the Company has no other outstanding equity securities which remain to be issued on exercise of any other subscription rights nor are there any options outstanding under any employee share option scheme as at the Latest Practicable Date.

ADDITIONAL INFORMATION

Your attention is drawn to the information contained in the Appendix to this prospectus, which sets out a summary of the terms and conditions of the Warrants.

Yours faithfully,
On behalf of the Board
Dr. Jiang Jianqing
Chairman

APPENDIX SUMMARY OF TERMS AND CONDITIONS OF WARRANT

Warrants conferring rights to subscribe for an aggregate of 126,625,283 Shares, at an initial subscription price of HK\$20 per Share (subject to adjustment), will be issued in registered form subject to, and with the benefit of, an instrument by way of deed poll (“**Instrument**”) to be executed by the Company which will be enforceable by each holder of the Warrants (“**Warrantholder**”).

The principal terms and conditions of the Warrants will be set out in the certificates for the Warrants (“**Warrant Certificates**”), and include provisions to the effect set out below. Warrantholders will be entitled to the benefit of, be bound by, and be deemed to have notice of all such terms and conditions and of the provisions of the Instrument. The Instrument may be inspected at the registered office of the Company and at the principal office for the time being of the Registrars (as such term is defined in the Instrument).

1. SUBSCRIPTION RIGHTS

- 1.1 The registered holder for the time being of each Warrant will have the right (“**Subscription Right**”) at any time from 7 November, 2007 until 6 November, 2008 (the “**Subscription Period**”) (the close of business on any business day falling within the Subscription Period on which any of the Subscription Rights are duly exercised is called a “**Subscription Date**”), to subscribe in cash for one Share, and for the whole or part, but not in respect of a fraction of a Share in respect of the number of Warrants stated on the Warrant Certificate held by such Warrantholder at a price of HK\$20 per Share (subject to adjustment as referred to below) (“**Subscription Price**”) provided that, if such rights are exercised during the period when the register of members of the Company maintained in the territory in which the Stock Exchange for the time being is situate is closed, the Subscription Date will be the close of business of next following business day on which such register or branch register is open.

After 6 November, 2008, any Subscription Rights which have not been exercised in respect of the Warrants will lapse and the relevant Warrant Certificates will cease to be valid for any purpose whatsoever after such date.

- 1.2 The entitlement of the Warrantholders to their Warrants will be evidenced by Warrant Certificates, each of which will contain a subscription form (“**Subscription Form**”). In order to exercise his Subscription Rights, a Warrantholder must complete and sign the Subscription Form (which will be irrevocable) and deliver the same and the Warrant Certificate, to the Registrars (as defined in the Instrument), together with a remittance for the Exercise Moneys (as defined in the Instrument) (or, in the case of a partial exercise, the relevant portion of the Exercise Moneys), being the amount of the Subscription Price for the Shares in respect of which the Warrantholder is exercising his Subscription Rights. In each case, compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

APPENDIX SUMMARY OF TERMS AND CONDITIONS OF WARRANT

- 1.3 No fraction of a Share will be allotted but regard shall be paid, where applicable, to the provisions of Clause 6.3 of the Instrument.
- 1.4 The Company has undertaken in the Instrument that Shares falling to be issued upon the exercise of the Subscription Rights will be issued and allotted not later than 10 business days after the relevant Subscription Date taking account of any adjustment which may have been made pursuant to Clause 4 of the Instrument and will rank pari passu with the Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date (as defined in the Instrument) therefor shall be on or before the relevant Subscription Date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.
- 1.5 As soon as practicable after the relevant allotment and issue of Shares (and, in any event not later than 10 business days after the relevant Subscription Date) there will be issued free of charge to the Warrantholder(s) to whom such allotment has been made upon his exercise of any Subscription Rights:
 - 1.5.1 a certificate (or certificates) for the relevant Shares in the name(s) of such Warrantholder(s);
 - 1.5.2 (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights represented by the Warrant Certificate(s) remaining unexercised; and
 - 1.5.3 (if applicable) the certificate mentioned in Clause 6.1.4 of the Instrument.

The certificate(s) for Shares arising on the exercise of the Subscription Rights, the balancing Warrant Certificate (if any), and the certificate mentioned in Clause 6.1.4 of the Instrument (if any) will be sent by post at the risk of such Warrantholder(s) to the address of such Warrantholder(s) or (in the case of a joint holding) to the Warrantholder whose name stands first in the register of Warrantholders. If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Registrars to await collection by the relevant Warrantholders.

2. ADJUSTMENTS TO THE SUBSCRIPTION PRICE AND SUBSCRIPTION RIGHTS

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price and the Subscription Rights. The following is a summary of, and is subject to, the adjustment provisions of the Instrument:

- 2.1 The Subscription Price will (except as mentioned in sub-paragraphs 2.2 and 2.3 below) be adjusted as provided in the Instrument in each of the following cases (but shall however not be adjusted below the nominal value of Shares until the Subscription Right Reserve (as defined in the Instrument) is maintained pursuant to Clause 6 of the Instrument):
- 2.1.1 an alteration of the nominal amount of the Shares by reason of any consolidation or sub-division;
 - 2.1.2 an issue (other than in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
 - 2.1.3 a capital distribution (as defined in the Instrument) being made by the Company whether on a reduction or redemption of capital or otherwise, except pursuant to a purchase by the Company of Shares, to holders of Shares (in their capacity as such);
 - 2.1.4 a grant by the Company to the holders of Shares (in their capacity as such) of rights to acquire for cash assets of the Company or any of its Subsidiaries (as defined in the Instrument);
 - 2.1.5 an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined in the Instrument) per new Share is less than 90 per cent. of the market price (calculated as provided in the Instrument), or the terms of any such issue being altered so that the said total Effective Consideration is less than 90 per cent. of the market price;
 - 2.1.6 an issue being made by the Company wholly for cash of Shares at a price less than 90 per cent. of the market price (calculated as provided in the Instrument); and
 - 2.1.7 a repurchase by the Company of Shares or securities convertible into Shares or any rights to subscribe for Shares in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.

- 2.2 Except as mentioned in sub-paragraph 2.3 below, no such adjustment as is referred to in sub-paragraph 2.1 above will be made in respect of:
- 2.2.1 an issue of fully-paid Shares upon the exercise of any conversion rights attaching to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
 - 2.2.2 an issue by the Company of Shares or by the Company or any Subsidiary of securities wholly or partly convertible into or carrying rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - 2.2.3 an issue of fully-paid Shares by way of capitalisation of all or part of the Subscription Right Reserve (or other profits or reserves) to be established in certain circumstances subject and pursuant to the terms and conditions contained in the Instrument (or any similar reserve which has been or may be established pursuant to the terms of issue of any other securities convertible into or carrying rights to acquire Shares);
 - 2.2.4 an issue of Shares in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculated as provided in the Instrument) of such Shares is not more than 110 per cent. of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash; or
 - 2.2.5 an issue by the Company of Shares or by the Company or any Subsidiary of securities convertible into, or exchangeable for, or carrying rights of subscription for, Shares pursuant to a Share Option Scheme (as defined in the Instrument).
- 2.3 Notwithstanding the provisions referred to in sub-paragraphs 2.1 and 2.2 above, in any circumstances where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an approved merchant bank (as defined in the Instrument) or the Auditors (as defined in the Instrument) to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the Auditors shall consider this is to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis) as shall be certified by such approved merchant bank or the Auditors to be in its opinion appropriate.

- 2.4 Any adjustment to the Subscription Price will be made to the nearest one cent (HK\$0.005 being rounded up). No adjustment shall be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. No adjustment will be made (except on a consolidation of Shares or upon a repurchase of Shares) which would increase the Subscription Price.
- 2.5 Every adjustment to the Subscription Price will, save as otherwise expressly provided in the Instrument, be certified to be fair and appropriate by either (at the option of the Company) the Auditors or an approved merchant bank and notice of such adjustment (giving the relevant particulars) will be given to the Warrantholders. In giving any certificate or making any adjustment hereunder, the Auditors or the approved merchant bank shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest errors, their decision shall be conclusive and binding on the Company and the Warrantholders and all persons claiming through or under them respectively. Any such certificates of the Auditors or approved merchant bank will be available for inspection at the Company's registered office, where copies may be obtained.

3. REGISTERED WARRANTS

The Warrants will be issued in registered form. The Company will be entitled to treat the registered holder of the Warrants as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or as required by law, be bound to recognise any equitable or other claim to or interest in such Warrants on the part of any other person, whether or not it shall have express or other notice thereof.

4. TRANSFER, TRANSMISSION AND REGISTER

- 4.1 The Warrants will be transferable in accordance with the terms of the Instrument by instrument of transfer in any usual or common form or in any other form as may be approved by the Directors. The Company will maintain a register accordingly. Transfers of Warrants must be executed by both the transferor and the transferee. Where the transferor or the transferee is HKSCC Nominees Limited (or such other company as may be approved by the board of Directors for this purpose), the transfers may be executed under the hand of an authorised person or by machine imprinted signature on its behalf. The provisions of the Articles of Association of the Company relating to the registration and transfer of Shares shall, mutatis mutandis, apply to the registration and transfer of the Warrants.
- 4.2 Persons who hold Warrants and have not registered the Warrants in their own names and wish to exercise the Warrants should note that they may incur additional costs and expenses in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing 10 business days prior to and including the last day for subscription, being 6 November, 2008.

APPENDIX SUMMARY OF TERMS AND CONDITIONS OF WARRANT

- 4.3 Since the Warrants will be admitted to CCASS, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least three trading days before 6 November, 2008.

5. CLOSURE OF REGISTER OF WARRANTHOLDERS

The registration of transfers may be suspended and the register of Warrantholders may be closed at such times and for such periods as the Directors may from time to time direct, provided that the same shall not be closed for a period longer in aggregate than 30 days in any one year. Any transfer or exercise of the Subscription Rights attached to the Warrants made while the register of Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the Warrantholders who have so exercised their respective Subscription Rights attached to their Warrants (but not otherwise), be considered as made immediately after the reopening of the register of Warrantholders.

6. PURCHASE AND CANCELLATION

The Company or any Subsidiary may at any time purchase the Warrants:

- 6.1 in the open market or by tender (available to all Warrantholders alike) at any price; or
- 6.2 by private treaty at a price, exclusive of expenses, not exceeding 110 per cent. of the closing price of the Warrants for one or more board lots of the Warrants on the last day on which the Warrants were traded on the Stock Exchange prior to the date of purchase thereof, but not otherwise.

All Warrants purchased as aforesaid will be cancelled forthwith and may not be reissued or resold.

7. MEETINGS OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS

- 7.1 The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by Special Resolution (as defined in the Instrument) of the provisions of the Instrument and/or of the terms and conditions endorsed on the Warrant Certificates. A resolution duly passed at such meeting will be binding on the Warrantholders, whether present or not.
- 7.2 All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of the conditions of the Warrants and/or the Instrument) and the sanction of a Special Resolution shall be necessary and sufficient to effect such alteration or abrogation.

7.3 At any meeting of Warranholders, two or more persons (or their proxies) in aggregate holding not less than 10 per cent. of the Subscription Rights of all the Warrants for the time being outstanding and exercisable, shall (except for the purpose of passing a Special Resolution) form a quorum. The requisite quorum at a meeting of Warranholders for the passing of a Special Resolution shall be two or more persons (or their proxies) holding in aggregate not less than one-third of the Subscription Rights of all Warrants for the time being outstanding and exercisable.

7.4 Where a Warranholder is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting provided that, if more than one person is so authorised, the authorisation must specify the number of Warrants in respect of which each such person is so authorised. The person or persons so authorised shall be entitled to exercise the same powers on behalf of the recognised clearing house as that recognised clearing house (or its nominees) could exercise if it were an individual Warranholder.

8. REPLACEMENT OF WARRANT CERTIFICATES

8.1 If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the office of the Registrars on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such higher fee as may from time to time be permitted under the rules prescribed by the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.

8.2 In the case of lost Warrant Certificates, Section 71A sub-sections (2), (3), (4), (6), (7) and (8) of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) shall apply as if “shares” referred to therein included warrants.

9. PROTECTION OF SUBSCRIPTION RIGHTS

The Instrument contains certain undertakings by and restrictions on the Company designed to protect the Subscription Rights.

10. CALL

If at any time the aggregate number of the Warrants outstanding is equal to or less than 10 per cent. of the total number of the Warrants issued under the Instrument, then the Company may, on giving not less than three months’ notice to the Warranholders, require the Warranholders either to exercise their Subscription Rights or to allow them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without compensation to the Warranholders.

11. FURTHER ISSUES

The Company will be at liberty to issue further warrants or other securities convertible into, exchangeable for or carrying rights to subscribe for Shares in such manner and on such terms as it sees fit.

12. UNDERTAKINGS BY THE COMPANY

In addition to the undertakings given by it in relation to the grant and exercise of the Subscription Rights and the protection thereof, the Company has undertaken in the Instrument that:

- 12.1 it will send to the Warrantholders, at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of Shares generally;
- 12.2 it will pay all stamp and capital duties, registration fees or similar charges, if any, in respect of the execution of the Instrument, the creation and issue of the Warrants in registered form, the exercise of the Subscription Rights and the issue of Shares upon exercise of the Subscription Rights;
- 12.3 it will keep available for issue sufficient Ordinary Capital (as defined in the Instrument) to satisfy in full all rights for the time being outstanding of subscription for and conversion into Shares; and
- 12.4 it will use its best endeavours to procure that:
 - 12.4.1 at all times during the Subscription Period, the Warrants may be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Warrants on the Stock Exchange is withdrawn following an offer for all or any of the Warrants); and
 - 12.4.2 all Shares allotted upon exercise of the Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to holders of the Warrants).

13. WINDING UP OF THE COMPANY

The Instrument contains provisions to the effect that:

- 13.1 In the event that a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purposes of considering, and if thought fit approving, a resolution to voluntarily wind-up the Company, the Company will forthwith give

notice thereof to each Warrantholder and thereupon, every Warrantholder shall be entitled by irrevocable surrender of his Warrant Certificate(s) to the Company (such surrender to occur not later than two business days prior to the shareholders' meeting at which the resolution for such winding-up is proposed to be passed) with the Subscription Form(s) duly completed, together with payment of the Exercise Moneys (or a relative portion thereof), to exercise the Subscription Rights represented by such Warrant Certificate(s) and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the said shareholders' meeting allot such number of Shares to the Warrantholder which fall to be issued pursuant to the exercise of the Subscription Rights as aforesaid to the extent specified in the Subscription Form(s). The Company shall give notice to the Warranholders of the passing of such resolution within seven days after the passing thereof; and

- 13.2 if an effective resolution is passed during the Subscription Period for the voluntary winding-up of the Company for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some persons designated by them for such purpose by Special Resolution shall be a party, or a proposal in conjunction with which, is approved by a Special Resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warranholders.

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and the Warrant Certificates shall cease to be valid for any purpose.

14. NOTICES

The Instrument contains provisions relating to notices to be given to Warranholders and the following provisions shall apply to such notices:

- 14.1 every Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices to be given to such Warrantholder are to be sent and if any Warrantholder shall fail so to do notice may be given to such Warrantholder by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting the same for three days at the registered office of the Company;
- 14.2 a notice may be given by delivery, prepaid letter (airmail in the case of an overseas address), cable or telex message or alternatively, a notice may be given by paid advertisement published in English in one leading English language newspaper in Hong Kong and in Chinese in one leading Chinese language newspaper in Hong Kong; and
- 14.3 all notices with respect to any Warrants standing in the names of joint holders shall be given to whichever of such persons is named first in the register of Warranholders and notice so given shall be sufficient notice to all the holders of such Warrants.

15. OVERSEAS WARRANTHOLDERS

The Instrument contains provisions giving certain discretion to the Directors in the case of any Warrantholder who has a registered office in any territory (other than Hong Kong) where, in the opinion of the Directors, the issue of Shares upon exercise of any of the Subscription Rights attached to any Warrants held by such Warrantholder may be unlawful or impracticable.

16. GOVERNING LAW

The Instrument and the Warrants will be governed by and construed in accordance with the laws of Hong Kong.