
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside the Hong Kong SAR may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to him/her without Industrial and Commercial Bank of China (Asia) Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside the Hong Kong SAR who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other formalities.



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

Professor Wong Yue Chim, Richard, S.B.S., J.P.*

Mr. Tsui Yiu Wa, Alec*

Mr. Yuen Kam Ho, George*

* *Independent Non-executive Directors*

26 May 2008

To the Shareholders of the Bank,

To the holders of Warrants of the Bank (for information only)

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2007**

1. Introduction

On 13 March 2008, it was announced that the board of directors (the “**Board**”) of Industrial and Commercial Bank of China (Asia) Limited (the “**Bank**”) recommended the payment of a final dividend

of HK\$0.63 per share of HK\$2.00 each in the capital of the Bank (the “**Shares**”) for the year ended 31 December 2007 (the “**Final Dividend**”) payable on or about 20 June 2008 to the shareholders of the Bank (the “**Shareholders**”) whose names appear on the register of members of the Bank on 22 May 2008 (the “**Record Date**”). Shareholders may exercise their option of electing to receive an allotment of new shares of HK\$2.00 each in the capital of the Bank (the “**New Shares**”) credited as fully paid in lieu of cash for the Final Dividend (the “**Scrip Dividend Scheme**”). The recommended Final Dividend was approved by the Shareholders at the annual general meeting of the Bank held on 22 May 2008.

The Scrip Dividend Scheme is subject to the granting by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of, and the permission to deal in, the New Shares to be issued pursuant to the Scrip Dividend Scheme. Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the New Shares.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by Shareholders in relation thereto.

Holders of warrants of the Bank (the “**Warrants**”), details of which were set out in the circular of the Bank dated 5 November 2007, are entitled to receive this document for the purpose of information only pursuant to the terms and conditions set out in the certificates for the Warrants.

2. **Details of the Scrip Dividend Scheme**

Under the Scrip Dividend Scheme, each Shareholder will have the choice of receiving:-

- (a) a Final Dividend of HK\$0.63 in cash for each Share held on the Record Date; or
- (b) an allotment of New Shares credited as fully paid in lieu of cash for the Final Dividend;
or
- (c) a combination of partly in (a) and partly in (b) above.

For the purpose of calculating the number of New Shares to be allotted, the market value of the New Shares has been determined by the Board at HK\$20.90 per Share which represents the average closing price per Share on the Stock Exchange for the five consecutive trading days of the Shares up to and including 22 May 2008 (the “**Reference Price**”).

The number of New Shares to be allotted to a Shareholder who wishes to receive the Final Dividend wholly or partly in New Shares will be calculated by dividing the total amount of the Final Dividend on the whole or such part of his/her registered holding of Shares as he/she so elects by the Reference Price, subject to fractions mentioned below.

$$\text{Number of New Shares to be received} = \frac{\text{Number of existing Shares held on the Record Date for which scrip dividend election is made} \times \text{HK\$0.63 (Final Dividend per Share)}}{\text{HK\$20.90 (Reference Price)}}$$

The number of New Shares to be received will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares in respect of alternatives (b) and (c) above will be aggregated and sold for the benefit of the Bank.

The New Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing issued Shares save that they will not rank for the Final Dividend.

3. Advantages of the Scrip Dividend Scheme

The Scrip Dividend Scheme will give Shareholders the opportunity to increase their investment in the Bank at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also benefit the Bank because, to the extent that Shareholders elect to receive New Shares, in whole or in part in lieu of cash dividend, the cash which would otherwise have been paid to the Shareholders will be retained for use by the Bank.

4. Form of Election

A Form of Election is enclosed with this circular for use by the Shareholders who wish to receive the Final Dividend wholly in New Shares or partly in cash and partly in New Shares. **If you wish to receive the whole of the Final Dividend in cash, you need not complete the Form of Election.**

If you wish to elect to receive an allotment of New Shares, or partly in cash and partly in New Shares, you should use the enclosed Form of Election. If you have signed the Form of Election but do not specify the number of Shares in respect of which you are entitled to receive New Shares under the Scrip Dividend Scheme, or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding on 22 May 2008, you will be deemed to have chosen to receive New Shares in respect of all the Shares of which you were then registered as the holder.

If you wish to receive New Shares in lieu of the cash dividend either in whole or in part, you should complete and sign the enclosed Form of Election in accordance with the instructions printed thereon and return it to the Bank's share registrars, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 13 June 2008. No acknowledgment of receipt of the Form of Election will be issued. If the Bank's share registrars do not receive your completed Form of Election by 4:00 p.m. on 13 June 2008, you will receive the whole of your Final Dividend in cash and any election which you may have made in such Form of Election to receive New Shares will be of no effect.

5. **Overseas Shareholders**

The issue of the New Shares has not been, and will not be, registered under any applicable securities legislation and/or regulation of any territory outside the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong SAR**").

The Bank has made enquiry in all the relevant overseas jurisdictions as to the legal and regulatory restrictions in relation to the issue of the New Shares to Shareholders whose addresses as shown on the register of members of the Bank on the Record Date were outside the Hong Kong SAR (the "**Overseas Shareholders**"). The Bank has been advised by its legal advisers on the laws of the United States of America and Canada respectively, that the Bank 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 New Shares are issued to the Overseas Shareholders in the United States of America and Canada. Accordingly, the Bank would be required to comply with the relevant laws and regulations if the New Shares are to be issued 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 Form of Election will not be sent to those Overseas Shareholders with registered addresses in the United States of America or Canada or any of their territories or possessions, and such Shareholders will not receive the Final Dividend in scrip form and that they will only receive the Final Dividend wholly in cash.

No Shareholder receiving a copy of this circular and/or a Form of Election in any territory outside the Hong Kong SAR may treat the same as an invitation to elect for New Shares unless in the relevant territory such invitation could lawfully be made to him/her without the Bank having to comply with any unfulfilled registration or other legal requirements. Shareholders resident outside the Hong Kong SAR should consult their professional advisers as to whether or not they are permitted to receive the Final Dividend in the form of an issue of New Shares or if any governmental or other consent is required and as to the taxation consequences of their decision. It is the responsibility of any Overseas Shareholders who wish to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including obtaining any registration or complying with other legal requirements, governmental or regulatory procedures or any similar formalities. Shareholders who receive New Shares in lieu of cash for the Final Dividend must also comply with any restrictions on the sale of the Shares which may apply outside the Hong Kong SAR.

6. Recommendation and Advice

Whether or not it is to your advantage to receive New Shares or cash, in whole or in part, in respect of the Final Dividend depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom must solely be the responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees in particular are recommended to seek professional advice as to whether a decision to receive New Shares is within their powers and as to the effect of such decision having regard to the terms of the relevant trust instrument.

Dealings in the New Shares may be settled through the Central Clearing and Settlement System (“CCASS”). Investors should seek the advice of your stockbroker or other professional advisers for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests. All activities under CCASS are subject to the general rules of CCASS and CCASS Operational Procedures in effect from time to time.

7. Disclosure of Interests

Shareholders should note that an acquisition of New Shares under the Scrip Dividend Scheme may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of the Hong Kong SAR) for those Shareholders who may have notifiable interests in the Bank. Shareholders who are in doubt as to how these provisions may affect them are recommended to seek their own professional advice.

8. Listing of and Dealing in the New Shares

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares to be issued pursuant to the Scrip Dividend Scheme. Subject to the said listing and permission being granted by the Stock Exchange, it is expected that cheques for cash entitlements and share certificates for New Shares will be despatched to Shareholders by ordinary mail at their own risk or, in case of cheques in accordance with standing instructions (if any), on or about 20 June 2008.

Dealings in the New Shares on the Stock Exchange are expected to commence after despatch to Shareholders of the share certificates for the New Shares. The Shares are not listed, or dealt in, on any stock exchange other than the Stock Exchange and no listing or permission to deal is being, or is proposed to be, sought.

Yours faithfully,
For and on behalf of the Board
Industrial and Commercial Bank of China (Asia) Limited
Dr. Jiang Jianqing
Chairman