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

If you have sold or transferred all your shares in Industrial and Commercial Bank of China (Asia) Limited, you should at once pass this circular and the accompanying proxy form 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.

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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF LOAN ASSETS**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

COMMERZBANK

Commerzbank AG Hong Kong Branch

A notice convening an extraordinary general meeting of Industrial and Commercial Bank of China (Asia) Limited to be held at 33/F., ICBC Tower, 3 Garden Road, Central, Hong Kong on Wednesday, 3 September 2008 at 10:00 a.m. is set out on pages 26 to 27 of this circular. Whether or not you intend to attend such meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's share registrars, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

19 August 2008

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DEFINITIONS

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

“Acquisition”	the acquisition by the Company from ICIC of, amongst other things, the Vendor Loans under the Sale and Purchase Agreement;
“Assumed Liabilities”	all obligations of ICIC outstanding at Completion in respect of Undrawn Facilities Advances (as defined in the Sale and Purchase Agreement);
“Bill Purchase Loans”	the bill purchase loans comprised in the Vendor Loans which will be sold and purchased under the Sale and Purchase Agreement;
“Board” or “Directors”	the directors of the Company;
“Company”	Industrial and Commercial Bank of China (Asia) Limited;
“Completion”	the completion of the Acquisition under the Sale and Purchase Agreement;
“Completion Date”	the date of Completion;
“Completion Statement”	the statement to be prepared by ICIC and agreed by the parties to the Sale and Purchase Agreement setting out the Net Loan Value of the Vendor Loans as at the date of Completion;
“Consideration”	the purchase consideration payable by the Company to ICIC in respect of the Vendor Loans;
“EGM”	the extraordinary general meeting (including any adjournment thereof) of the Shareholders of the Company to be convened to consider and, if appropriate, approve the Sale and Purchase Agreement, including the Acquisition;
“Estimated Purchase Price”	in relation to the Vendor Loans, the aggregate estimated Net Loan Value of the Vendor Loans as at the date of the Sale and Purchase Agreement;
“Export Invoice Finance Loans”	the export invoice finance loans comprised in the Vendor Loans which will be sold and purchased under the Sale and Purchase Agreement;
“Group”	the Company and its subsidiaries from time to time;
“Hire-Purchase Loans”	the hire purchase loans comprised in the Vendor Loans which will be sold and purchased under the Sale and Purchase Agreement;

DEFINITIONS

“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“HK\$” or “Hong Kong Dollars”	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 whose shares are listed on the Stock Exchange and the Shanghai Stock Exchange;
“ICBC HK”	the Hong Kong branch of ICBC, which is a licensed bank in Hong Kong and is registered with the Companies Registry as a non-Hong Kong company registered in Hong Kong under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“ICBC HK Participation Loans”	all of the Syndicated Loans, certain Letters of Credit, Trust Receipts and Term Loans and their Related Security;
“ICIC”	Industrial and Commercial International Capital Ltd., a company incorporated in Hong Kong as a restricted licence bank and a wholly-owned subsidiary of ICBC;
“Independent Board Committee”	an independent committee of the Board comprising the independent non-executive Directors formed for the purpose of advising the Independent Shareholders with respect to the Acquisition;
“Independent Financial Adviser” or “Commerzbank”	Commerzbank AG, acting through its Hong Kong Branch, a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and an authorised financial institution under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as set out in Schedule 5 to the SFO, appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Acquisition;
“Independent Shareholders”	shareholders of the Company other than ICBC and its associates (as defined in the Listing Rules);
“Latest Practicable Date”	15 August 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Letters of Credit”	the letters of credit comprised in the Vendor Loans which are to be sold and purchased under the Sale and Purchase Agreement;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mortgage Loans”	the mortgage loans comprised in the Vendor Loans which are to be sold and purchased under the Sale and Purchase Agreement;
“Net Loan Value”	in respect of each Vendor Loan, the total amount of principal and interest (if any) repayable by the relevant borrowers to ICIC as at Completion less all provisions made as shown in the Completion Statement;
“Overdraft Loans”	the overdraft loans comprised in the Vendor Loans which are to be sold and purchased under the Sale and Purchase Agreement;
“Participation Agreement”	the participation agreement dated 13 August 2008 made between the Company and ICBC HK in relation to the ICBC HK Participation Loans;
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Taiwan, Hong Kong and Macau;
“Re-financing Loans”	the L/C re-financing loans and TT re-financing loans which are to be sold and purchased under the Sale and Purchase Agreement;
“Related Security”	in relation to any Vendor Loans, the mortgages, pledges, guarantees and other securities given by the obligor(s) in respect thereof;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 August 2008 made between the Company and ICIC in relation to the Acquisition;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares”	ordinary shares of par value of HK\$2.00 each in the capital of the Company;
“Shareholders”	holders of the Shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Syndicated Loans”	the syndicated loans comprised in the Vendor Loans which are to be sold and purchased under the Sale and Purchase Agreement;

DEFINITIONS

“Term Loans”	the term loans comprised in the Vendor Loans which are to be sold and purchased under the Sale and Purchase Agreement;
“Trust Receipts”	the trust receipts comprised in the Vendor Loans which are to be sold and purchased under the Sale and Purchase Agreement;
“Undrawn Facilities Advances”	with respect to the Vendor Loans advances or obligations which ICIC is obliged to make to borrowers under existing facilities as at the Completion Date; and
“Vendor Loans”	the loans advanced by ICIC to borrowers and their Related Security as at the date of Completion to be sold by ICIC pursuant to the Sale and Purchase Agreement.

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. Chen Aiping

(Managing Director & 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)*

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

Mr. Tsui Yiu Wa, Alec*

Mr. Yuen Kam Ho, George*

* *Independent Non-executive Directors*

19 August 2008

To the Shareholders of the Company

To the warrant holders of the Company (for information only)

Dear Sir and Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF LOAN ASSETS**

1. INTRODUCTION

As announced by the Company on 4 August 2008, the Company and ICIC entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, the Company agreed to purchase from ICIC the Vendor Loans, their Related Security and the Assumed Liabilities.

Completion of the Acquisition is conditional on and subject to the conditions set out in the paragraph 2 below under the heading "Conditions".

LETTER FROM THE BOARD

The total purchase consideration payable by the Company in respect of the Vendor Loans shall be the aggregate Net Loan Value attributable to the Vendor Loans as shown in the Completion Statement. The estimated amount of the consideration for the Vendor Loans as at 31 July 2008 is approximately HK\$1,507.4 million. The amount of the Consideration was determined after arm's length negotiation between the Company and ICIC.

As ICBC is the controlling shareholder of the Company, and ICIC is a wholly-owned subsidiary of ICBC, ICIC is a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction for the Company under the Listing Rules and subject to approval by the Independent Shareholders. In addition, as the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the purposes of the Listing Rules.

The Company has established an Independent Board Committee comprising the independent non-executive Directors to consider and advise the Independent Shareholders with respect to the Acquisition. The Company has appointed Commerzbank as its Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Acquisition.

The purpose of this circular is to provide you with, inter alia, (a) information relating to the Acquisition ; (b) the letter from the Independent Board Committee containing its advice to the Independent Shareholders on the Acquisition; (c) the letter from Commerzbank containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition; and (d) notice of EGM to be convened at which an ordinary resolution will be proposed to consider, and if thought fit, to approve the Acquisition and the transactions contemplated therein.

2. SALE AND PURCHASE AGREEMENT

Date

4 August 2008

Parties:

ICIC: ICIC, a wholly-owned subsidiary of ICBC and a connected person of the Company under the Listing Rules, acting as vendor of the Vendor Loans

The Company: the Company, acting as purchaser of the Vendor Loans

LETTER FROM THE BOARD

The Acquisition

Pursuant to the Sale and Purchase Agreement, the Company has agreed to purchase from ICIC the Vendor Loans and their Related Security, and to assume the burden of the Assumed Liabilities. The Vendor Loans comprise of:

- Bill Purchase Loans;
- Export Invoice Finance Loans;
- Hire-Purchase Loans;
- Letters of Credit;
- Mortgage Loans;
- Overdraft Loans;
- Re-financing Loans;
- Syndicated Loans;
- Term Loans; and
- Trust Receipts.

Conditions

Completion of the Acquisition is subject to the satisfaction or, where applicable, waiver of each of the following conditions by 31 January 2009:

1. if required, approval of the Sale and Purchase Agreement by the Shareholders of the Company in accordance with the Listing Rules having been obtained;
2. if required, approval of the Sale and Purchase Agreement by the shareholders of ICBC in accordance with the Listing Rules having been obtained;
3. if required, the obtaining by the ICIC, the Company and/or ICBC HK of the consent of the Hong Kong Monetary Authority to enter into the transactions contemplated hereunder;
4. the making of such enquiries, investigations and due diligence reviews by the Company in respect of the Vendor Loans which the Company in its absolute discretion deems necessary, desirable or appropriate and confirmation by the Company in writing, in its absolute opinion, that the results of such enquiries, investigations and due diligence reviews are satisfactory to the Company;

LETTER FROM THE BOARD

5. the execution by the Company and ICBC HK the Participation Agreement; and
6. the warranties as contained in the Sale and Purchase Agreement remaining true, complete and accurate in all respects at Completion.

The Company is entitled to waive the conditions set out in paragraphs 4, 5 and 6 above.

Completion

Completion of the Acquisition will take place within 10 business days following the due fulfilment of the last in time to be satisfied of the conditions specified above (except the condition set out under paragraph 6 above) or at such other time as the parties shall agree.

Consideration and payment of purchase price

The Consideration payable by the Company in respect of the Vendor Loans (including the Related Security) shall be the aggregate Net Loan Value attributable to the Vendor Loans as shown in the Completion Statement. The estimated amount of the consideration for the Vendor Loans as at 31 July 2008 is approximately HK\$1,507.4 million. The Consideration is expected to be funded by internal resources of the Company.

At Completion, the Company will pay ICIC the Estimated Purchase Price for the Vendor Loans.

Adjustment to the consideration

The Consideration is subject to adjustment by reference to the Completion Statement to be prepared by ICIC following Completion and to be agreed by the Company.

Subject to such adjustment, the Company will be obliged to pay to ICIC any shortfall, and ICIC will be obliged to pay to the Company any excess, which the final consideration as so determined falls short of or exceeds (as the case may be) to the Estimated Purchase Price paid at Completion. It is expected that the final settlement of the consideration will take place no later than 30 days after the date of Completion. Adjustment to the Estimated Purchase Price shall be on a dollar-to-dollar basis.

Currently, it is not expected that the adjustment to the Estimated Purchase Price will result in the Acquisition constituting a major transaction of the Company under the Listing Rules.

Basis of determination of the consideration

The Consideration was determined after arm's length negotiation between the Company and ICIC. The adoption of Net Loan Value as the basis for the amount of the purchase price was made after negotiation between the parties. The Company is of the view that acquiring the Vendor Loans at Net Loan Value is fair and reasonable on the basis of the due diligence reviews carried out assessing the recoverability of the Vendor Loans.

LETTER FROM THE BOARD

Other key terms

The Sale and Purchase Agreement also provides for the following:

1. If any documents, consent or agreement of any third party is required to transfer the benefit of the Vendor Loans and has not been obtained prior to Completion to the reasonable satisfaction of the Company, ICIC and the Company shall use their respective reasonable endeavours to obtain such documents and/or consent or agreement as soon as possible following Completion.
2. The beneficial ownership of the Vendor Loans will pass at Completion. However, after Completion, and until such time as such documents and/or consent or agreement is obtained to the reasonable satisfaction of the Company and the full benefit of the Vendor Loans is transferred to the Company, ICIC shall be deemed to hold the benefit of the applicable Vendor Loans on trust for the Company and the Company shall be entitled to the use and enjoyment of those Vendor Loans as against ICIC and to receive the income therefrom to the extent that ICIC is not constrained by operation of law or the consent of any third party from granting such use or enjoyment or the right to receive any income to the Company. If the Company is not able to receive the benefit of such Vendor Loans by operation of law or the consent of any third party, ICIC shall agree to enter into a sub-participation agreement with the Company which the economic benefit of such Vendor Loans shall pass to the Company.

3. FINANCIAL INFORMATION RELATING TO THE VENDOR LOANS

As at 31 July 2008, the aggregate value of the Vendor Loans amounts to approximately HK\$1,507.4 million.

The net profit before tax attributable to the Vendor Loans amounts to approximately HK\$7,073,842 and HK\$2,255,930 for the year ended 31 December 2006 and 31 December 2007 respectively; and the net profit after tax attributable to the Vendor Loans amounts to approximately HK\$7,073,842 and HK\$2,255,930 for the year ended 31 December 2006 and 31 December 2007 respectively.

4. REASONS FOR ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The entering into of the Sale and Purchase Agreement shall enable the Company to expand its portfolio of loans. Acquisition of the Vendor Loans is in the course of the Company's ordinary business and allows the Company to expand its loan assets. As part of the Company's business and management of its loan portfolio, the Company also enters into participation agreements with third parties to manage its risk exposure. Under the Sale and Purchase Agreement, the Company has agreed to acquire from ICIC all of the Vendor Loans in their entirety. By entering into the Participation Agreement with ICBC HK, the Company would be able to divert its exposure on the ICBC HK Participation Loans to ICBC HK. After the publication of the announcement of the Company on 4 August 2008, the Company entered into the Participation Agreement with ICBC HK, pursuant to which the ICBC HK Participation Loans will now also

LETTER FROM THE BOARD

include certain Letters of Credit, Trust Receipts, Term Loans and their Related Security. The Participation Agreement and the transactions contemplated therein will constitute continuing connected transactions for the Company. However, such transactions constitute Capital Markets Transactions (as defined in the Company's circular dated 15 December 2007) and approved by Independent Shareholders at an extraordinary general meeting held on 31 December 2007. Accordingly, the Company will only be required to comply with the reporting requirements under Chapter 14A of the Listing Rules in respect of the Participation Agreement and no further announcement, circular or independent shareholder's approval will be required.

The Vendor Loans represents less than 2% of the total loan portfolios of the Company as at 31 December 2007 and the Directors consider that the Acquisition will not have any material impact on the earnings, assets and liabilities of the Company.

5. INFORMATION ON THE COMPANY, ICIC AND ICBC

The Company is a fully licensed bank incorporated in Hong Kong 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 in Hong Kong. Currently, the Company has 42 retail branches, 5 business centres and 1 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.

ICIC is a company incorporated in Hong Kong and is wholly-owned by ICBC. It operates certain banking business comprising, inter alia, the Vendor Loans.

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

6. CONNECTED TRANSACTION

As at the Latest Practicable Date, ICBC held 910,892,218 Shares, representing approximately 71.73% of the issued share capital of the Company. As ICBC is the controlling shareholder of the Company, and ICIC is a wholly-owned subsidiary of ICBC, ICIC is a connected person of the Company for the purposes of the Listing Rules. Accordingly, the Sale and Purchase Agreement constitutes a connected transaction under Listing Rules for the Company.

7. EGM

A notice convening an EGM of the Company to be held on Wednesday, 3 September 2008 at 10:00 a.m. is set out on pages 26 to 27 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the Acquisition.

As ICIC is a wholly-owned subsidiary of ICBC, ICBC and its associates will abstain from voting on the ordinary resolution to be proposed at the EGM.

LETTER FROM THE BOARD

There is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon ICBC; and (ii) no obligation or entitlement of ICBC as at the Latest Practicable Date, whereby it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis.

You will find enclosed a form of proxy for use at the EGM. Whether or not you intend to attend such meeting, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding such meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

8. RECOMMENDATION OF THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee has been formed to advise the Independent Shareholders in relation to the Acquisition. Commerzbank has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

The letter from Commerzbank containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 20. The letter from the Independent Board Committee to the Independent Shareholders containing its recommendation is set out on page 12.

The Independent Board Committee, having taken into account the advice of Commerzbank, is of opinion that the terms of the Sale and Purchase Agreement are fair and reasonable so far as the Independent Shareholders are concerned and that the terms of the Sale and Purchase Agreement are in the interests of the Company and Shareholders as a whole and accordingly, recommends that the Independent Shareholders should **vote in favour** of the ordinary resolution regarding the approval of the Sale and Purchase Agreement and the transactions contemplated therein as set out in the notice of EGM of the Company on pages 26 to 27 of this circular.

9. RECOMMENDATION OF THE BOARD

The Sale and Purchase Agreement was entered into on normal commercial terms following arm's length negotiations between ICIC and the Company. The Directors (including all of the independent non-executive Directors) believe that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Shareholders as a whole and that the Independent Shareholders should **vote in favour** of the ordinary resolution in the accompanying notice of EGM.

10. ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in Appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Dr. Jiang Jianqing
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

19 August 2008

To the Independent Shareholders

Dear Sir and Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF LOAN ASSETS**

We have been appointed as the Independent Board Committee to give a recommendation to the Independent Shareholders in connection with the Sale and Purchase Agreement, details of which are set out in the Letter from the Board contained in the circular to the Shareholders dated 19 August 2008 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

Having considered the terms of the Sale and Purchase Agreement and the advice and opinion of Commerzbank in relation thereto as set out on pages 13 to 20 of the Circular, we are of the opinion that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole. We therefore recommend that the Independent Shareholders **vote in favour** of the ordinary resolution regarding the approval of the Sale and Purchase Agreement and the transactions contemplated therein as set out in the notice of EGM contained in the Circular.

Yours faithfully,

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

Independent non-executive Director

Mr. Tsui Yiu Wa, Alec
Independent non-executive Director

Mr. Yuen Kam Ho, George
Independent non-executive Director

LETTER FROM COMMERZBANK

The following is the text of a letter prepared by Commerzbank for the purposes of inclusion in this circular.

COMMERZBANK

Hong Kong Branch

21st Floor, Hong Kong Club Building
3A Chater Road, Central
Hong Kong

19 August 2008

To the Independent Board Committee and the Independent Shareholders

Dear Sirs

DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF LOAN ASSETS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Acquisition. Details of, among other things, the Acquisition are set out in the letter from the Board contained in the circular dated 19 August 2008 (the “Circular”), of which this letter forms a part. Unless otherwise defined herein, terms used in this letter shall have the same meanings as those defined in the Circular.

On 4 August 2008, the Company entered into the Sale and Purchase Agreement with ICIC, pursuant to which the Company agreed to purchase from ICIC the Vendor Loans and the Related Security and to assume the Assumed Liabilities. The total purchase consideration payable by the Company in respect of the Vendor Loans (including the Related Security) shall be the aggregate Net Loan Value attributable to the Vendor Loans as shown in the Completion Statement.

ICBC is the controlling Shareholder holding 910,892,218 Shares, representing approximately 71.73% of the issued share capital of the Company, as at the Latest Practicable Date. ICIC is a wholly-owned subsidiary of ICBC and is therefore a connected person of the Company under the Listing Rules. Since the relevant ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but below 25%, the Acquisition constitutes a discloseable and connected transaction under the Listing Rules and is subject to reporting, announcement and independent shareholders’ approval requirements as set out in Rules 14A.45 to 54 of the Listing Rules. ICBC and its associates shall abstain from voting for the resolution(s) to approve the Acquisition and the transactions contemplated thereunder.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Professor Wong Yue Chim, Richard, *S.B.S., J.P.*, Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George, has been formed to advise the Independent Shareholders in respect of the Acquisition. We,

LETTER FROM COMMERZBANK

Commerzbank AG Hong Kong Branch, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the terms of the Acquisition and the transactions contemplated thereunder as to whether they are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

In formulating our recommendation, we have relied on the information and facts supplied to us by the Company. We have assumed that all information and facts supplied to us by the Company are true, complete and accurate in all material respects and we have relied on the same. Also, we have relied on the representations made by the Directors that having made all reasonable enquiries and careful decisions, and to the best of their information, knowledge and belief, there is no other fact or representation or the omission of which would make any statement contained in the Circular misleading. In addition, we have reviewed, inter alia, the Sale and Purchase Agreement, the financial information of the Company, including the published annual reports covering the two years ended 31 December 2007. We have also assumed that all information, statements and representations made or referred to in the Circular, which have been provided to us by the Company, and for which it is wholly responsible, are true, complete and accurate in all material respects at the time they were made and continue to be so at the date of despatch of the Circular.

We consider that we have (i) taken reasonable steps as required under Rule 13.80 of the Listing Rules in obtaining all necessary information from the Company; and (ii) reviewed sufficient information to enable us to reach an informed view regarding the Acquisition and to provide us with a reasonable basis for our recommendation. We have no reason to suspect that any material facts have been omitted or withheld, nor are we aware of any facts or circumstances, which would render the information and the representations made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Company; nor have we conducted any independent in-depth investigation into the business and affairs of the Company, ICIC and their respective associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion in relation to the Acquisition, and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

1. **Background and business of the Company**

The Company, being a licensed bank incorporated in Hong Kong and the listed flagship for the overseas banking business of ICBC in Hong Kong, is principally engaged in banking, financial and other financial related services in Hong Kong. As at the Latest Practicable Date, the Company has 42 retail branches, 5 business centres and 1 investment service centre in Hong Kong and an overseas branch established in the Cayman Islands.

The Group predominantly operates its business in Hong Kong and has five business segments, namely (i) commercial banking, which represents commercial lending and trade financing; (ii) retail banking, which represents retail banking, hire purchase and leasing, and credit card business; (iii) treasury and markets, which represents foreign exchange, money market and capital market activities; (iv) corporate and investment banking, which mainly comprises

LETTER FROM COMMERZBANK

corporate banking, the provision of debt capital market and investment banking; and (v) other activities, which mainly comprise the central management unit, bank premises and any items which cannot be reasonably allocated to a particular business segment. Set out below is the summary of the Group's financial results for the three years ended 31 December 2007:

	For the year ended 31 December					
	2005		2006		2007	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
Operating income						
- Commercial banking	676,611	32.9	895,179	33.9	1,074,731	30.8
- Retail banking	552,085	26.8	787,691	29.9	1,113,977	31.9
	<u>1,228,696</u>	<u>59.7</u>	<u>1,682,870</u>	<u>63.8</u>	<u>2,188,708</u>	<u>62.7</u>
- Treasury and markets	445,631	21.7	421,533	16.0	667,150	19.1
- Corporate and investment banking	331,381	16.1	409,414	15.5	467,988	13.4
- Other activities	<u>51,050</u>	<u>2.5</u>	<u>125,057</u>	<u>4.7</u>	<u>167,740</u>	<u>4.8</u>
	<u>2,056,758</u>	<u>100.0</u>	<u>2,638,874</u>	<u>100.0</u>	<u>3,491,586</u>	<u>100.0</u>
<i>Less: Inter-segmental elimination</i>	<u>(23,773)</u>		<u>(41,712)</u>		<u>(312,901)</u>	
<i>Total operating income</i>	<u><u>2,032,985</u></u>		<u><u>2,597,162</u></u>		<u><u>3,178,685</u></u>	
Segment results						
- Commercial banking	386,729	32.0	586,984	36.8	740,176	38.1
- Retail banking	188,670	15.6	324,652	20.3	648,180	33.4
	<u>575,399</u>	<u>47.6</u>	<u>911,636</u>	<u>57.1</u>	<u>1,388,356</u>	<u>71.5</u>
- Treasury and markets	419,633	34.8	355,420	22.3	280,396	14.5
- Corporate and investment banking	283,762	23.5	334,483	20.9	487,939	25.1
- Other activities	<u>(71,201)</u>	<u>(5.9)</u>	<u>(4,317)</u>	<u>(0.3)</u>	<u>(216,354)</u>	<u>(11.1)</u>
<i>Operating profit</i>	<u><u>1,207,593</u></u>	<u><u>100.0</u></u>	<u><u>1,597,222</u></u>	<u><u>100.0</u></u>	<u><u>1,940,337</u></u>	<u><u>100.0</u></u>
Net profit attributable to Shareholders	<u><u>980,601</u></u>		<u><u>1,245,592</u></u>		<u><u>1,608,788</u></u>	

The commercial and retail banking business segments have consistently constituted approximately 60% of the Group's operating income in aggregate for each of the three years ended 31 December 2007 and the relevant aggregate operating income from the commercial and retail banking businesses was increased by approximately 78.1% from the year ended 31 December 2005 to 2007. The operating profits from commercial and retail banking businesses also increased significantly by approximately 1.41 times from the year ended 31 December 2005 to 2007.

ICIC, a restricted licensed bank incorporated in Hong Kong and a wholly-owned subsidiary of ICBC, operates certain banking business comprising, inter alia, the Vendor Loans. According to the management of the Company, ICIC entered into the Sale and Purchase Agreement with the Company because ICIC does not intend to continue to operate its banking business.

LETTER FROM COMMERZBANK

As stated in the section headed “Letter from the Board” of the Circular, the Acquisition is expected to expand the Group’s loan portfolio. Given that the Acquisition comprised various types of commercial and retail loans (for details of the loan portfolio, please refer to the section headed “The Consideration” in this letter) which will further strengthen the retail and commercial banking businesses of the Company, we are of the view that the Acquisition is in the ordinary course of business of the Company.

2. The Consideration

The Consideration payable by the Company to ICIC upon Completion in respect of the Vendor Loans (including the Related Security) shall be the Estimated Purchase Price, being the aggregate Net Loan Value attributable to the Vendor Loans as shown in the Completion Statement, the estimated amount of which as at 31 July 2008 is approximately HK\$1,507.4 million.

Set out below is the summary of the Vendor Loans, including the customer’s nature, terms and pricing of the respective loans and the type of security:

Type	Total outstanding amount as at 31 July 2008 <i>HK\$' million</i>	Customer Nature	Pricing Range	Maturity (<i>Note</i>)
Letters of Credit	—	Corporate clients	Hibor + 1% to Prime + 1%	Short to medium term
Export Invoice Finance Loans	26.2	Corporate clients	Prime - 2.5% to Prime + 1%	Medium to long term
Hire-Purchase Loans	7.2	Corporate clients	Flat rate 5.5% to Flat rate 6.5%	Short to medium term
Overdraft Loans	33.7	Individual and corporate clients	Fixed deposit + 1% to Prime + 3%	Medium to long term
Term Loans	161.5	Individual and corporate clients	Hibor + 0.5% to Prime + 0.75%	Short to long term
Trust Receipts	23.3	Corporate clients	Hibor + 1% to Prime + 1%	Short to long term
Bill Purchase Loans	1.7	Corporate clients	Prime - 1% to Prime + 1%	Medium to long term
Mortgage Loans	136.8	Individual and corporate clients	Prime - 3% to Prime + 1.75%	Medium to long term
Re-financing Loans	550.6	Corporate clients	Flat rate 4.855% to Flat rate 5.553%	Short term
Syndicated Loans	566.4	Corporate clients	Hibor + 0.65% to Libor + 2%	Short to medium term
Total	<u>1,507.4</u>			

Note: maturity of a short term loan is less than 1 year; maturity of a medium term loan is 1 year to 5 years; and maturity of a long term loan is over 5 years.

LETTER FROM COMMERZBANK

The total Net Loan Value amounted to approximately HK\$1,507.4 million as at 31 July 2008, which are mainly commercial and trade financing loans with different maturities ranging from 1 to 5 years and comprised 10 categories, namely (i) Bill Purchase Loans; (ii) Export Invoice Finance Loans; (iii) Hire-Purchase Loans; (iv) Letters of Credit; (v) Mortgage Loans; (vi) Overdraft Loans; (vii) Re-financing Loans; (viii) Syndicated Loans; (xi) Term Loans; and (x) Trust Receipts. These loan portfolios have different pricing terms of fixed rates and variable rates (e.g. prime rate with a margin, Hong Kong Inter-bank Offering Rate (“HIBOR”), London Inter-bank Offering Rate (“LIBOR”) etc.) and are with individual and corporate clients. We noted that the pricing terms of the Vendor Loans on average provide net interest margins (being the interest rates charged on the clients net of the respective funding costs of the loans) which are in line with those of similar loan assets of the Company. The Related Security include cash deposit, company or personal guarantee, residential or industrial properties, car parks, offices and shares of listed and unlisted companies (in the case of Syndicated Loans only). We understand from the management of the Company that the Vendor Loans were resulted from negotiations with the respective clients on a case-by-case basis, which are specific to the individual circumstances of the clients and there may not be readily available market data in determining such loan values. Accordingly, the Company has conducted an assessment on the respective loan portfolios in accordance with the Company’s credit policy including reviewing the credit rating procedures, historical payment records and client acceptance and evaluation procedures. Based on such assessment, the management of the Company is satisfied that respective loan portfolios under the Vendor Loans are generally loans with good payment records without significant defaults on payments. In addition, according to the management of the Company, the basis of arriving at the Net Loan Value is determined after negotiation between the Company and ICIC in accordance with the provision policy of the Company.

Having considered that (i) the Estimated Purchase Price for the Vendor Loans represents the aggregate estimated Net Loan Value as at Completion, the basis of which is arrived at after the assessment of recoverability by the internal credit department of the Company in accordance with the Company’s credit policy; (ii) the net interest margins of the Vendor Loans on average are in line with those of similar loan assets of the Company; and (iii) the management of the Company is satisfied that clients of the loan portfolios, in general, have good credit history with low default risk, we are of the view that the Consideration is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

3. The Participation Agreement

On 13 August 2008, the Company entered into the Participation Agreement with ICBC HK, pursuant to which, the Company agreed to grant to ICBC HK a participation in the ICBC HK Participation Loans and ICBC HK agreed to pay the Company a fee of HK\$3 million in cash on the Completion Date, which is similar to an agency fee in nature after arm’s length negotiations between the Company and ICBC HK based on the nature of the loans, background of the respective clients as well as the maturity and interest rate margin of the ICBC HK Participation Loans. The schedule of the ICBC HK Participation Loans include all the Syndicated Loans, certain Letters of Credit, Trust Receipts and Term Loans and the Related Security. The Letters of Credit, Trust Receipts and Term Loans under the Participation Agreement are generally short term loans or facilities with less than one year (save for one term loan which has a maturity of

LETTER FROM COMMERZBANK

4 years) or without maturity and the interest rate margins are lower than other loans in the same categories under the Vendor Loans. We also noted that the Syndicated Loans are generally large-scale term loans with maturity of less than one year to five years and the interest rates are relatively low (e.g. HIBOR+0.66% and LIBOR+1.35%) and generate relatively lower interest income as compared to other categories under the Vendor Loans. As at 31 July 2008, the Net Loan Value of the ICBC HK Participation Loans amounted to approximately HK\$592.6 million, representing approximately 39.3% of the Vendor Loans, over 90% of which are Syndicated Loans of approximately HK\$566.4 million. The consideration of HK\$3 million represents approximately 0.5% of the Net Loan Value of the ICBC HK Participation Loans as at 31 July 2008, which, as advised by the management of the Company, is in line with the rates charged by the Company for syndicated loan arrangements with ICBC HK and other financial institutions independent of and not connected to the Company. Given that the interest margins of the ICBC HK Participation Loans are relatively lower than those of other loan categories under the Vendor Loans, the management of the Company considers it in the Company's interest to offload the exposure of the ICBC HK Participation Loans for the purpose of efficient capital management of the Company.

The Participation Agreement and the transactions contemplated therein shall constitute continuing connected transactions for the Company which fall under the Capital Market Transactions (as defined in the circular of the Company dated 15 December 2007). As stated in the circular of the Company dated 15 December 2007, Capital Market Transactions include various types of capital markets transactions between the Group and the ICBC Group in which the ICBC Group is or may be an agent bank, reference and paying agent, lead arranger or manager, joint leader, member or participant or sub-participant of a syndicate of lenders and the taking of security jointly with one or more of such lenders, participant or buyer or seller of an interest in syndicated or individual loans, partner in a partnership established for tax efficiency reasons, or tax efficiency adviser. These transactions also include the arranging of, participation/sub-participation in loans, acquiring and disposing of interests in syndicated or individual loans, subscription of debt securities and tax efficient financing. The Capital Market Transactions constitute part of the Company's capital management activities undertaken on a day to day basis in connection with its banking services. During the two years ended 31 December 2007, approximately HK\$405,139 million and HK\$47,830 million, respectively of the Company's interest in loans including syndicated loans were disposed to ICBC Group and approximately HK\$112,357 million and HK\$31,365 million, respectively of the ICBC Group's interest in loans including syndicated loans were purchased by the Company. As represented by the management of the Company, with participation of ICBC Group as a syndicate member, the Company's ability in undertaking syndicated loan business has been enhanced while maintaining its liquidity level and funding for future lending operations.

Having considered that (i) over 90% of the ICBC HK Participation Loans are Syndicated Loans which are considered as lower-yield assets by the Company and the participation of the ICBC HK in the ICBC HK Participation Loans will diversify the Company's risk exposure while maintaining its liquidity level and funding for future lending operations; (ii) the consideration for the Participation Agreement as a percentage to the corresponding net loan value is in line with the arrangement fee charged by the Company for loan syndication and is reasonable in view of the nature, client background, maturity and interest rate margin of the ICBC HK Participation

LETTER FROM COMMERZBANK

Loans (including the respective exposure and credit ratings); and (iii) the continuing connected transactions contemplated under the Participation Agreement fall under the Capital Market Transactions which constitute part of the Company's capital management activities in connection with its banking services, we consider that the entering into of the Participation Agreement is in the ordinary course of business of the Company and the terms of the Participation Agreement (including the consideration) are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

4. **Adjustment to the Consideration**

The Consideration is subject to adjustment by reference to the Completion Statement to be prepared by ICIC following Completion and to be agreed by the Company.

Subject to the above adjustment, the Company will be obliged to pay to ICIC any shortfall, and ICIC will be obliged to pay to the Company any excess, which the final consideration as so determined falls short of or exceeds (as the case may be) to the Estimated Purchase Price paid at Completion. It is expected that the final settlement of the Consideration will take place no later than 30 days after the date of Completion.

Having considered that (i) any adjustment to the Consideration has to be agreed by the Company; and (ii) any shortfall to be paid by the Company to ICIC or any excess to be paid to the Company by ICIC shall be determined based on the final consideration to be agreed by the Company and ICIC with reference to the Completion Statement and the Estimated Purchase Price, we consider the above-mentioned adjustment clause is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

5. **Financial impacts of the Acquisition**

Upon completion of the Acquisition, the Vendor Loans is expected to increase the loan assets of the Group. Given that the Consideration will be settled in cash, the Acquisition will not have any impact on the net asset value of the Group. In addition, the Vendor Loans, after taking out the ICBC HK Participation Loans, will be approximately HK\$914.8 million, representing approximately only 0.75 % of the total loan portfolios of the Company of approximately HK\$121,703.7 million as at 31 December 2007. As such, the Acquisition will not have material impact on the capital adequacy ratio and risk exposure of the Company.

CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular:

- (i) the Acquisition will strengthen the Company's loan portfolio and expand its customer base in the commercial and retail banking businesses;
- (ii) the Vendor Loans will be acquired by the Company at the Net Loan Value as at Completion;

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- (iii) the interest margins of the ICBC HK Participation Loans are relatively lower than those of other loan categories under the Vendor Loans; and
- (iv) the transactions contemplated under the Participation Agreement fall under the Capital Market Transactions which are in line with the existing ongoing banking transactions with ICBC Group;

we are of the view that the Acquisition is in the ordinary and usual course of business of the Company and the terms of the Sale and Purchase Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, we would advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution in relation to the Sale and Purchase Agreement and the transactions contemplated therein at the EGM.

Yours faithfully,
For and on behalf of
Commerzbank AG Hong Kong Branch

Kenneth Chan
Head of Corporate Finance — Asia Pacific

Andrew Yu
Corporate Finance — Asia Pacific

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (the "Associated Corporations") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or were deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (together, "Discloseable Interests") were as follows:

Director	Capacity in which interests are held	Number of Shares held	Number of warrants held ⁽¹⁾	Total interests	Approximate percentage of interests held in the entire share capital
Dr. Jiang Jianqing	Beneficial owner	14,985	1,596 ⁽²⁾	16,581	0.0013%
Mr. Zhang Yi	Beneficial owner	2,140	228 ⁽³⁾	2,368	0.0002%
Mr. Yuen Kam Ho, George	Beneficial owner	14,825	15,850 ⁽⁴⁾	30,675	0.0024%

Notes:

- The underlying shares represent registered warrants of the Company. Each warrant of the Company entitles the holder thereof to subscribe in cash for one share, at an initial subscription price of HK\$20 per Share (subject to adjustment) of the Company, at any time during the period from 7 November 2007 to 6 November 2008 (both days inclusive).
- This represented an interest in 1,596 units of registered warrants giving rise to an interest in 1,596 underlying shares.
- This represented an interest in 228 units of registered warrants giving rise to an interest in 228 underlying shares.
- This represented an interest in 15,850 units of registered warrants giving rise to an interest in 15,850 underlying shares.

All the interests stated above represent long positions. As at the Latest Practicable Date, no short positions were recorded in the register required to be kept under Section 352 of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their spouses or children under 18 years of age were granted, or had exercised, any rights to subscribe for any equity or debt securities of the Company or any of its Associated Corporations that were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or were deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

3. OTHER PERSONS INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES

Save as disclosed below, the Directors are not aware of any person (not being a Director or chief executives of the Company) who as at the Latest Practicable Date had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of shareholder	Capacity in which interests are held	Number of Shares held	Number of warrants ⁽¹⁾ held	Total interests	Approximate percentage of interests held in the entire share capital
ICBC ⁽²⁾	Beneficial owner	910,892,218	—	910,892,218	71.73%
Central SAFE Investments Limited ⁽²⁾ (“Central SAFE”)	Interest of controlled corporation	910,892,218	—	910,892,218	71.73%
Ministry of Finance of the People’s Republic of China ⁽²⁾ (“Ministry of Finance”)	Interest of controlled corporation	910,892,218	—	910,892,218	71.73%

Note:

- The underlying shares represent registered warrants of the Company. Each warrant of the Company entitles the holder thereof to subscribe in cash for one share, at an initial subscription price of HK\$20 per Share (subject to adjustment) of the Company, at any time during the period from 7 November 2007 to 6 November 2008 (both days inclusive).
- ICBC is the legal owner of 910,892,218 Shares of the Company. Each of Central SAFE and Ministry of Finance is interested in such shares as a result of Central SAFE and Ministry of Finance being entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of ICBC.

As at the Latest Practicable Date:

- (a) none of the Directors had any direct or indirect interests in any assets which have since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group;
- (b) none of the Directors was materially interested in any contracts or arrangements entered into by any members of the Group subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

4. DISCLOSURE OF OTHER INTERESTS

(a) Directors' Service Contracts

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

(b) Directors' Interests in Competing Business

Save as disclosed below, as at the Latest Practicable Date, no Director has any interest, and as far as each Director is aware none of his associates have any interests, in any business which competes or is likely to compete, either directly or indirectly, with the existing business of the Group which falls to be disclosed under the Listing Rules:-

- (a) Dr. Jiang Jianqing is the Chairman of ICBC.
- (b) Ms. Wang Lili is the Chairman of ICBC (London) Limited.
- (c) Mr. Chen Aiping is the Director of each of Xiamen International Bank and ICEA Finance Holdings Limited.

5. EXPERT'S CONSENT AND QUALIFICATION

- (a) The following is the qualification of the professional adviser who has given opinion or advice which is contained in this circular:

Name	Qualification
Commerzbank	a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and an authorised financial institution under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities as set out in Schedule 5 to the SFO

As at the Latest Practicable Date, Commerzbank:-

- (i) does not have any direct or indirect interest in any assets which have since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to by any member of the Group; and
 - (ii) does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group.
- (b) Commerzbank has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter (which has been prepared for inclusion in this circular) and references to its name and its letter in the form and context in which they are respectively included.

6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2007 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. LITIGATION

As at the Latest Practicable Date, no litigation or claims of material importance are pending or threatened against any member of the Group.

8. PROCEDURES FOR DEMANDING A POLL

According to the Articles of Association of the Company, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members in person or by proxy having the right to vote on the resolution; or
- (c) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (d) a member or members present in person or by proxy holding shares conferring the right to attend and vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right,

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

9. GENERAL

- (a) The Secretary of the Company is Ms. Tsang Mei Kuen who is an associate member of each of The Hong Kong Institute of Company Secretaries and The Institute of Chartered Secretaries and Administrators, U.K..
- (b) The qualified accountant of the Company is Mr. Leung Ming Hym, Peter who is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (UK). He is also an associate member of the Institute of Chartered Accountants in England and Wales.
- (c) The registered office of the Company is situated at 33/F., ICBC Tower, 3 Garden Road, Central, Hong Kong.
- (d) The share registrars of the Company is Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) The English language text of this circular and the accompanying form of proxy shall prevail over the Chinese language text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Sale and Purchase Agreement is available for inspection during normal business hours (Saturdays and public holidays excepted) at 33/F., ICBC Tower, 3 Garden Road, Central, Hong Kong from the date of this circular up to and including 14 days after the despatch of this circular and at the EGM itself.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of the shareholders of Industrial and Commercial Bank of China (Asia) Limited (the “**Company**”) will be held at 33/F., ICBC Tower, 3 Garden Road, Central, Hong Kong on Wednesday, 3 September 2008 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution as an Ordinary Resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the sale and purchase agreement dated 4 August 2008 made between the Company and Industrial and Commercial International Capital Ltd. (“**ICIC**”) (the “**Sale and Purchase Agreement**”), a copy of which has been produced to the meeting marked “**A**” for the purpose of identification and signed by the chairman of the meeting, under which the Company has agreed to purchase from ICIC the Vendor Loans, their Related Security and the related Assumed Liabilities (as defined in the Sale and Purchase Agreement) and the transactions contemplated therein be and are hereby approved and **THAT** any one director of the Company be and is hereby authorized to do such acts and things and execute such other documents which in his/her opinion may be necessary, desirable or expedient to carry out or give effect to the Sale and Purchase Agreement and the transactions contemplated therein and otherwise to procure the completion thereof.”

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 19 August 2008

Registered Office:

33/F., ICBC Tower
3 Garden Road
Central
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one proxy or a maximum of two proxies to attend and vote in his stead. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company's share registrars, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be) and in default thereof the form of proxy and such power of attorney or other authority shall not be treated as valid.