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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)

Executive Directors:

Mr. Zhu Qi

(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:

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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*

23 March 2005

To the Shareholders of the Bank

Dear Sir or Madam,

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

INTRODUCTION

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to be proposed as special business at the forthcoming annual general meeting of Industrial and Commercial Bank of China

(Asia) Limited (the “Bank”) to be held on Thursday, 14 April 2005 (the “Annual General Meeting”) to approve the granting of a general mandate to the board of directors of the Bank (the “Directors”) to exercise the powers of the Bank to repurchase shares in the capital of the Bank.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution (the “Resolution”) will be proposed to give the Directors a general and unconditional mandate to exercise all the powers of the Bank to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) fully paid-up ordinary shares of HK\$2.00 each (the “Shares”) in the capital of the Bank not exceeding 10 per cent. of the Bank’s issued share capital as at the date of passing the Resolution, for the period until the conclusion of the next annual general meeting of the Bank (or such earlier period as stated in the Resolution) (the “Repurchase Mandate”).

The full text of the Resolution is set out as Ordinary Resolution No. 7 in the notice of Annual General Meeting, set out on pages 145 to 148 of the Annual Report 2004 of the Bank sent together with this circular. In addition, and as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), an explanatory statement providing the requisite information regarding the Repurchase Mandate is set out in the Appendix to this circular.

RECOMMENDATION

The Directors considers that the above proposal in respect of the granting of the Repurchase Mandate is in the best interests of the Bank and its shareholders as a whole, and accordingly recommends all shareholders to vote in favour of the Resolution to be proposed at the Annual General Meeting of the Bank.

Yours faithfully,
Dr. Jiang Jianqing
Chairman

The information set out in this appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules in connection with the Repurchase Mandate and also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

SHARE CAPITAL

It is proposed that the Repurchase Mandate will authorise the repurchase by the Bank of up to 10 per cent. of the total number of issued shares of the Bank as at the date of passing the Resolution. As at 21 March 2005, being the latest practicable date for determining such figure prior to the printing of this explanatory statement (the "Latest Practicable Date"), the number of shares in issue was 1,047,964,783 Shares. On the basis of 1,047,964,783 Shares in issue and exercise in full of the Repurchase Mandate (and assuming no further Shares will be issued or repurchased after the Latest Practicable Date and up to the date of passing the Resolution), the Bank would be authorised under the Repurchase Mandate to repurchase a maximum of 104,796,478 Shares during the Relevant Period as referred to in the Ordinary Resolution No. 7 in the notice of Annual General Meeting. Any Shares repurchased pursuant to the Repurchase Mandate must be fully paid-up.

REASONS FOR REPURCHASES

The Directors believes that it is in the best interests of the Bank and its shareholders to have a general authority from shareholders to enable the Bank to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Bank and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Bank and its shareholders.

FUNDING OF REPURCHASES

For repurchasing securities, the Bank may only apply funds legally available for such purpose in accordance with the Bank's Memorandum and Articles of Association, the Listing Rules and the Companies Ordinance.

IMPACT ON WORKING CAPITAL OR GEARING POSITION

There might be a material adverse impact on the working capital or gearing position of the Bank (as compared with the position disclosed in its most recent published audited accounts) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Bank or the gearing level which in the opinion of the Directors is, from time to time, appropriate for the Bank.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by shareholders of the Bank, to sell Shares to the Bank.

No connected person of the Bank (as defined in the Listing Rules) has notified the Bank that he/she has a present intention to sell Shares to the Bank, or has undertaken not to sell any of the Shares held by him/her to the Bank in the event that the Bank is authorised to make purchases of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Bank to make purchases pursuant to the proposed Resolution in accordance with the Listing Rules and all applicable laws of Hong Kong, and in accordance with the regulations set out in the Articles of Association of the Bank.

EFFECT OF TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Bank increases, such an increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a shareholder or a group of shareholders acting in concert, could obtain or consolidate control of the Bank and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any purchases pursuant to the Repurchase Mandate.

SHARE REPURCHASES MADE BY THE BANK

During the six months immediately preceding the Latest Practicable Date, the Bank has not repurchased any of its Shares.

SHARE PRICES

During each of the twelve months immediately preceding the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:-

ORDINARY SHARES

Month	Highest Traded Price <i>HK\$</i>	Lowest Traded Price <i>HK\$</i>
2004		
March	12.50	10.70
April	11.65	9.25
May	10.00	8.20
June	10.40	9.25
July	10.50	9.70
August	10.90	9.85
September	10.95	10.45
October	11.00	10.30
November	11.30	10.40
December	11.30	10.75
2005		
January	11.60	10.55
February	11.00	10.55