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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)

RE-ELECTION OF DIRECTORS

AND

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

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(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*

4 April 2006

To the Shareholders of the Bank

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS
AND
PROPOSED GENERAL MANDATE TO REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming annual general meeting of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") to be held on Thursday, 27 April 2006 (the "Annual General Meeting") relating to (1) the re-election of the Directors of the Bank who will retire and, being eligible, have offered themselves for re-election at the Annual General Meeting, and (2) 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.

LETTER FROM THE CHAIRMAN

RE-ELECTION OF DIRECTORS

In accordance with the new requirement of the Code Provision A.4.2 of the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), Mr. Zhu Qi, the Managing Director of the Bank, will offer himself for retirement at the Annual General Meeting.

In accordance with Article 93 of the Articles of Association of the Bank, Mr. Zhang Yi, an Executive Director of the Bank, who was appointed as a Director of the Bank on 15 March 2005 should have retired at the annual general meeting of the Bank held on 14 April 2005 (the “2004 Annual General Meeting”). As the notice of the 2004 Annual General Meeting was issued before the appointment of Mr. Zhang Yi and Mr. Zhang Yi would only be appointed for less than one month by the conclusion of the 2004 Annual General Meeting. For the best interests of the Bank and its shareholders, Mr. Zhang Yi will retire at the forthcoming Annual General Meeting.

In accordance with Articles 94(1) and 94(2) of the Bank, Professor Wong Yue Chim, Richard, Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George, Independent Non-executive Directors of the Bank, will retire by rotation at the Annual General Meeting.

Mr. Zhu Qi, Mr. Zhang Yi, Professor Wong Yue Chim, Richard, Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George (collectively, the “Retiring Directors”), being eligible, have offered themselves for re-election at the Annual General Meeting.

The re-election of the Retiring Directors at the Annual General Meeting will not be for any specific term of office, but they will be subject to retirement by rotation and re-election at annual general meetings in accordance with the Articles of Association of the Bank and the retirement requirement under the Code. The particulars of the Retiring Directors offering for re-election, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix I to this circular.

PROPOSED 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”).

LETTER FROM THE CHAIRMAN

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 189 to 191 of the Annual Report 2005 of the Bank sent together with this circular. In addition, and as required under the Listing Rules, an explanatory statement providing the requisite information regarding the Repurchase Mandate is set out in Appendix II 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 following are the particulars of the five Directors proposed to be re-elected at the Annual General Meeting of the Bank:

(I) Mr. Zhu Qi (*Managing Director and Chief Executive Officer*)

Mr. Zhu, aged 45, was appointed as a Director of the Bank in June 2000 and the Managing Director and Chief Executive Officer of the Bank in October 2001. He was also appointed as the Chairman of each of ICBC Asia Wa Pei Limited (formerly known as Belgian Bank) and Chinese Mercantile Bank, wholly-owned subsidiaries of the Bank, in April 2004 and August 2005 respectively. Mr. Zhu is a Director of certain other wholly-owned subsidiaries of the Bank, namely, ICBC (Asia) Futures Limited, ICBC (Asia) Bullion Company Limited and ICBC (Asia) Nominee Limited. He is also a Director of China Ping An Insurance (Hong Kong) Company Limited, an associate of the Bank, and the Deputy Chairman of ICEA Finance Holdings Limited, the Chairman of Industrial and Commercial International Capital Limited and a Director of The Tai Ping Insurance Company, Limited. Mr. Zhu graduated from Middle China Economy and Financial University with a Bachelor's Degree and a Master's Degree in Economics. He has over 19 years of banking experience.

As at 31 March 2006, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date"), Mr. Zhu held 50,000 Shares of the Bank within the meaning of Part XV of the Securities and Futures Ordinance of (the "SFO"). Mr. Zhu does not have a service contract with the Bank or its subsidiaries. No terms have been fixed or proposed for Mr. Zhu's length of service with the Bank. For the year ended 31 December 2005, Mr. Zhu's emolument comprises an annual salary of HK\$2,299,999 and the payment of a discretionary annual bonus. The emolument of Mr. Zhu is determined by reference to his duties, responsibilities, performance, the Bank's results and the prevailing market conditions.

(II) Mr. Zhang Yi (*Executive Director, Deputy General Manager and Alternate Chief Executive*)

Mr. Zhang, aged 43, joined the Bank as an Assistant General Manager in January 2003 and was promoted as a Deputy General Manager of the Bank in December 2003. Mr. Zhang was appointed as a Director and an Alternate Chief Executive of the Bank in March 2005. Mr. Zhang was also appointed as a Director of Chinese Mercantile Bank, a wholly-owned subsidiary of the Bank, in December 2005. Mr. Zhang graduated from Shanghai University of Finance and Economics with a Master's Degree in Money and Banking and qualified as a Senior Economist. Prior to joining the Bank, Mr. Zhang was the General Manager of Financial Planning Department of Industrial and Commercial Bank of China Limited (formerly known as The Industrial and Commercial Bank of China), Shanghai Municipal Branch.

As at the Latest Practicable Date, Mr. Zhang held 2,000 Shares of the Bank within the meaning of Part XV of the SFO. Mr. Zhang does not have a service contract with the Bank or its subsidiaries. No terms have been fixed or proposed for Mr. Zhang's length of service with the Bank, although he is subject to retirement by rotation and re-election at an annual general meeting of the Bank in accordance with the Articles of Association. For the year ended 31 December 2005, Mr. Zhang's emolument comprises an annual salary of HK\$1,690,000 and the payment of a discretionary annual bonus. The emolument of Mr. Zhang is determined by reference to his duties, responsibilities, performance, the Bank's results and the prevailing market conditions.

(III) Professor Wong Yue Chim, Richard, S.B.S., J.P. (*Independent Non-executive Director*)

Professor Wong, aged 53, was appointed as an Independent Non-executive Director of the Bank in July 2000. Professor Wong is the Chairman of the Audit Committee of the Bank. Professor Wong graduated from University of Chicago with a Bachelor's and a Master's Degrees in Economics and also a Doctorate in Economics. Professor Wong is the Deputy Vice-Chancellor and Chair of Economics of The University of Hong Kong. He has been active in advancing economic research on policy issues in Hong Kong and the PRC. Professor Wong was awarded the Silver Bauhinia Star in 1999 by the Government of the HKSAR for his contributions in education, housing, industry and technology development. Professor Wong is currently an Independent Non-executive Director of each of CK Life Sciences Int'l., (Holdings) Inc., Great Eagle Holdings Limited, Orient Overseas (International) Limited, Pacific Century Insurance Holdings Limited, Pacific Century Premium Developments Limited and Sun Hung Kai Properties Limited, the shares of such companies are listed on the Stock Exchange.

Professor Wong does not have a service contract with the Bank or its subsidiaries. No terms have been fixed or proposed for Professor Wong's length of service with the Bank, although he is subject to retirement by rotation and re-election at an annual general meeting of the Bank in accordance with the Articles of Association. For the year ended 31 December 2005, Professor Wong is entitled to a Director's fee of HK\$190,000. The fees payable to the Directors are determined by the Board with reference to his duties, responsibilities, performance, the Bank's results and the prevailing market conditions.

(IV) Mr. Tsui Yiu Wa, Alec (*Independent Non-executive Director*)

Mr. Tsui, aged 56, was appointed as an Independent Non-executive Director of the Bank in August 2000. Mr. Tsui is the Chairman of the Nomination Committee of the Bank. Mr. Tsui graduated from University of Tennessee with a Bachelor of Science Degree and a Master of Engineering Degree in Industrial Engineering. He has completed the Program for Senior Managers in Government at the John F. Kennedy School of Government at Harvard University. Mr. Tsui is currently the Chairman of WAG Worldsec Corporate Finance Limited and also the Vice-Chairman of China Mergers and Acquisition Association. Prior to his current appointment, he was the Adviser and Council Member of the Shenzhen

Stock Exchange from July 2001 to June 2002 and was the Chief Executive of Regent Pacific Group Limited, a Hong Kong listed investment company, from August 2000 to February 2001. He was also the Chairman of Hong Kong Securities Institute from December 2001 to December 2004. He joined the Stock Exchange in 1994 as an Executive Director of the Finance and Operations Services Division and became the Chief Executive from 1997 to 2000. He was also the Chief Operating Officer of Hong Kong Exchanges and Clearing Limited from March 2000 to July 2000 and the General Manager (Finance, Technology & Human Resources), and then Assistant Director (Licensing), and at the same time the General Manager (Human Resources) of the Securities and Futures Commission of Hong Kong from 1989 to 1993. Mr. Tsui also involved in numerous government and community activities, including being a former Chairman of the Supervisory Committee of Tracker Fund of Hong Kong and the Organizing Committee of Independent Commission Against Corruption Professional Ethics Programme for the Securities, Futures and Investments Sectors, a former member of the Standing Committee on Company Law Reform, the Hong Kong Trade Development Council Financial Services Advisory Committee, The Community Chest of Hong Kong Corporate and Employee Contribution Programme Organizing Committee Banking and Finance Group, the Banking and Finance Industry Training Board of the Vocational Training Council and the Investment Sub-Committee of the Government Committee of the Beat Drugs Fund Association. Mr. Tsui is currently an Independent Non-executive Director of each of Vertex Communications and Technology Group Limited, China Chengtong Development Group Limited, COSCO International Holdings Limited, China Power International Development Limited and Synergis Holdings Limited, the shares of such companies are listed on the Stock Exchange. During the last three years, Mr. Tsui was an Independent Non-executive Director of certain listed public companies, namely CITIC 21CN Company Limited, Value Convergence Holdings Limited, Techpacific Capital Limited and Stockmartnet Holdings Limited.

Mr. Tsui does not have a service contract with the Bank or its subsidiaries. No terms have been fixed or proposed for Mr. Tsui's length of service with the Bank, although he is subject to retirement by rotation and re-election at an annual general meeting of the Bank in accordance with the Articles of Association. For the year ended 31 December 2005, Mr. Tsui is entitled to a Director's fee of HK\$190,000. The fees payable to the Directors are determined by the Board with reference to his duties, responsibilities, performance, the Bank's results and the prevailing market conditions.

(V) Mr. Yuen Kam Ho, George, FHKIoD (*Independent Non-executive Director*)

Mr. Yuen, aged 61, was appointed as an Independent Non-executive Director of the Bank in April 2003. Mr. Yuen is the Chairman of the Remuneration Committee of the Bank. Mr. Yuen is currently the Chief Executive of The Better Hong Kong Foundation. He graduated from The University of Hong Kong with a Bachelor's Degree (Honors) in Economics and Political Science. Mr. Yuen has attended post-graduate studies in marketing management at the International Marketing Institute, Cambridge, Massachusetts, U.S.A. and has completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in public administration and international relations at Oxford University, the United Kingdom, and the International Executive Program in INSEAD,

France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organized by Kennedy School of Government, Harvard University. Besides, in June 2004, Stanford University, California, U.S.A. had invited Mr. Yuen to participate in its “Corporate Governance” forum and in early 2006 the University awarded a fellowship to Mr. Yuen as a non-profit leader at its Centre for Social Innovation. Prior to his joining the Foundation, Mr. Yuen was the Assistant Director/Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen is a member of the British Institute of Management and the Institute of Marketing, U.K. Mr. Yuen plays an active role in organizing significant business conferences in Hong Kong and also involves in numerous government and community activities, including being the Chairman of the International Relations Committee of the Asia Pacific Academy for Productivity and Innovation, a board member of the East-West Strategic Development Commission and a member of the Central Policy Unit (“CPU”) of the HKSAR Government. Mr. Yuen sits on the CPU Panel on the Pan-Pearl River Delta Panel. Mr. Yuen is currently a member of the Chinese People’s Political Consultative Conference, Guangxi Autonomous Region, China, an advisor of The Shanghai Academy of Social Sciences, China and an advisor of The Board of International Investment of Guangzhou Municipality, China. Mr. Yuen is a Fellow of the Hong Kong Institute of Directors and was commended by the U.S. President, George W. Bush for his efforts in support of coalition’s campaign against global terrorism.

As at the Latest Practicable Date, Mr. Yuen held 50,000 Shares of the Bank within the meaning of Part XV of the SFO. Mr. Yuen does not have a service contract with the Bank or its subsidiaries. No terms have been fixed or proposed for Mr. Yuen’s length of service with the Bank, although he is subject to retirement by rotation and re-election at an annual general meeting of the Bank in accordance with the Articles of Association. For the year ended 31 December 2005, Mr. Yuen is entitled to a Director’s fee of HK\$190,000. The fees payable to the Directors are determined by the Board with reference to his duties, responsibilities, performance, the Bank’s results and the prevailing market conditions.

Save as disclosed above, the Board of Directors of the Bank is not aware of any matters relating to the proposed re-election of the Retiring Directors that need to be brought to the attentions of the shareholders of the Bank or any other information need to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules.

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 the Latest Practicable Date, the number of shares in issue was 1,121,259,215 Shares. On the basis of 1,121,259,215 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 112,125,921 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 Directors 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>
2005		
March	10.85	10.40
April	10.60	9.65
May	9.90	9.45
June	9.75	9.45
July	10.35	9.40
August	10.75	10.10
September	10.30	9.75
October	9.90	9.35
November	10.15	9.50
December	9.80	9.40
2006		
January	10.10	9.50
February	11.00	10.00
March	12.00	10.20

Article 70(1) of the Articles of Association of the Bank sets out the procedure by which the shareholders may demand a poll.

At every general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or upon the declaration of the result of the show of hands) a poll 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.