



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)

**ACQUISITION OF EQUITY INTEREST IN
THE TAI PING INSURANCE COMPANY, LIMITED**

This announcement is made pursuant to Listing Rule 13.09(1).

On 18 December 2008, the Company entered into the Equity Transfer Agreement with CIHC pursuant to, inter alia, its exercise of the 2007 Option and the 2008 Option. Under the Equity Transfer Agreement, the Company has agreed conditionally to acquire from CIHC an aggregate of 4.52% of the existing total equity interest in TPI for an aggregate cash consideration of RMB70,965,000 (approximately HK\$80,403,340).

Upon completion of the Acquisition, the Company shall hold 12.45% of the total equity interest of TPI, being the same percentage level prior to the 2007 Capital Contribution.

This announcement is made pursuant to Listing Rule 13.09(1).

BACKGROUND

Reference is made to the Announcements in relation to, among other things, the grant of the 2007 Option and the 2008 Option by CIHC to the Company. Unless defined otherwise, terms used in this announcement shall have the same meanings as defined in the Announcements.

On 18 December 2008, the Company exercised the 2007 Option and the 2008 Option pursuant to which the Company shall acquire from CIHC (i) the 2007 Option Interest for a cash consideration of RMB37,350,000 (approximately HK\$42,317,550); and (ii) the 2008 Option Interest for a consideration of RMB25,858,900 (approximately HK\$29,298,130).

In addition, since the 2008 Capital Contribution resulted in an effective dilution of the proportion of the equity interest in TPI which the Company would have been entitled to acquire pursuant to the 2007 Option, CIHC has also agreed to sell to the Company the Top-up Interest for a cash consideration of RMB7,756,100 (approximately HK\$8,787,660). The Top-up Interest is equivalent to approximately 0.494% of the existing total equity interest in TPI.

THE EQUITY TRANSFER AGREEMENT

In connection with the Acquisition, the Company has entered into the Equity Transfer Agreement with CIHC.

Parties

Date: 18 December 2008

Seller: CIHC

Purchaser: The Company

Under the terms of the Equity Transfer Agreement, the Company has agreed, subject to the satisfaction of the conditions precedent set out below, to acquire an aggregate of 4.52% (being the aggregate of the 2007 Option Interest, 2008 Option Interest and the Top-up Interest) of the existing total equity interest in TPI for an aggregate cash consideration of RMB70,965,000 (approximately HK\$80,403,340).

Completion of the Equity Transfer Agreement is conditional upon the fulfillment of the following conditions:-

- (i) the shareholders of TPI having approved the Equity Transfer Agreement and the transfers of equity interests thereunder, and the amendments to the articles of association of TPI wherever necessary as a result of the Acquisition having been made;
- (ii) if required, the CIRC having approved the Equity Transfer Agreement and the transfers of equity interests thereunder, and all necessary amendments to the articles of association of TPI wherever necessary as a result of the Acquisition.

As at the date of this announcement, CIHC, CIIH and the Company are interested in approximately 42.02%, 50.05% and 7.93% respectively of the equity interest in TPI. Upon completion of the Acquisition, CIHC, CIIH and the Company will be interested in 37.50%, 50.05% and 12.45% respectively of the equity interest in TPI.

The following table shows the interests of CIHC, CIIH and the Company in the registered interest of TPI before and after the completion of the Acquisition:

shareholders of TPI	Interest in registered capital prior to completion of the Acquisition		Interest in registered capital after completion of the Acquisition	
	RMB	(%)	RMB	(%)
CIHC	659,715,000	(42.02%)	588,750,000	(37.50%)
CIIH	785,785,000	(50.05%)	785,785,000	(50.05%)
The Company	<u>124,500,000</u>	<u>(7.93%)</u>	<u>195,465,000</u>	<u>(12.45%)</u>
Total:	<u>1,570,000,000</u>	<u>(100.00%)</u>	<u>1,570,000,000</u>	<u>(100.00%)</u>

REASONS FOR THE ACQUISITION

The Directors believe that China's general insurance market is prospectively profitable and the Company will benefit from its investment in TPI in the long term. Through the exercise of the 2007 Option and the 2008 Option and the acquisition of the Top-up Interest, the equity interest of the Company in TPI will be increased from approximately 7.93% to 12.45%, being the percentage level of the equity interest of the Company in TPI immediately prior to the 2007 Capital Contribution. The Directors consider the Equity Transfer Agreement is on normal commercial terms, and that such terms are fair and reasonable so far as the Shareholders are concerned and that the Acquisition is in the interests of the Company and the Shareholders.

Definitions

In this announcement, the following capitalised terms shall have the following meanings:

“2007 Capital Contribution” the capital contribution made by CIHC and CIIH to TPI in 2007 as described in the Company's announcement dated 9 July 2007;

“2007 Option”	the option granted by CIHC to the Company under the option deed dated 9 July 2007 entered into between CIHC, CIIH and the Company (as amended and supplemented on 7 July 2008 and 31 October 2008) to acquire the 2007 Option Interest;
“2007 Option Interest”	the equity interest in TPI which the Company is entitled to acquire under the 2007 Option, being approximately 2.873% of the total equity interest in TPI existing immediately following the 2007 Capital Contribution;
“2008 Capital Contribution”	the capital contribution made by CIHC and CIIH to TPI in 2008 as described in the Company’s announcement dated 20 June 2008;
“2008 Option”	the option granted by CIHC to the Company under the option deed dated 20 June 2008 entered into between CIHC, CIIH and the Company to acquire the 2008 Option Interest;
“2008 Option Interest”	the equity interest in TPI which the Company is entitled to acquire under the 2008 Option, being approximately 1.647% of the existing total equity interest of TPI;
“Acquisition”	the proposed acquisition of the 2007 Option Interest, the 2008 Option Interest and the Top-up Interest under the Equity Transfer Agreement;
“Announcements”	the announcements issued by the Company on 9 July 2007, 20 June 2008, 7 July 2008 and 31 October 2008;
“CIHC”	China Insurance (Holdings) Company, Limited (中國保險(控股)有限公司), a limited company established in the PRC and the ultimate holding company of CIIH;
“CIIH”	China Insurance International Holdings Company Limited (中保國際控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on The Stock Exchange of the Hong Kong Limited;
“CIRC”	中國保險監督管理委員會 (China Insurance Regulatory Commission*), the primary regulator of the insurance sector in the PRC;

“Company”	Industrial and Commercial Bank of China (Asia) Limited;
“Directors”	the board of directors of the Company;
“Equity Transfer Agreement”	the equity transfer agreement dated 18 December 2008 entered into between the Company and CIHC in respect of the Acquisition;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“PRC”	People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the ordinary shares of par value of HK\$2.00 each in the capital of the Company from time to time;
“TPI”	太平保險有限公司 (The Tai Ping Insurance Company, Limited*), a limited liability company established in the PRC; and
“Top-up Interest”	an approximately 0.494% of the existing total equity interest in TPI which CIHC has agreed under the Equity Transfer Agreement to sell to the Company.

In this announcement, an exchange rate of RMB1.00 to HK\$1.133 has been used. No representation is made that such amounts were or could be exchanged at such rates.

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 18 December 2008

As at the date of this announcement, the Board comprises Mr. Chen Aiping, Mr. Wong Yuen Fai and Mr. Zhang Yi as executive directors, Dr. Jiang Jianqing, Ms. Wang Lili and Mr. Hu Hao as non-executive directors and Professor Wong Yue Chim, Richard, S.B.S., J.P., Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George as independent non-executive directors.

** For identification only*