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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)

**ANNOUNCEMENT IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS
EXEMPT FROM INDEPENDENT SHAREHOLDERS' APPROVAL**

SUMMARY

The Company hereby announces that the Company entered into the Securities Brokerage Agency Agreements with the Macau branch of ICBC and Seng Heng Bank, a subsidiary of ICBC, respectively, to enable them to provide Hong Kong securities brokerage and related services for their respective customers.

As ICBC is the controlling shareholder of the Company, the entering into of the Securities Brokerage Agency Agreements constitutes continuing connected transactions of the Company under Rule 14A.14 of the Listing Rules.

The aggregate fees payable under the Securities Brokerage Agency Agreements during the period from 1 January 2009 to the date of this announcement were approximately HK\$3,752,000. Each of the applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but less than 2.5% (except the assets ratio which is less than 0.1%). As such, the Securities Brokerage Agency Agreements are subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules in respect of the Securities Brokerage Agency Agreements.

FIRST AGENCY AGREEMENT

On 4 January 2008, the Macau branch of ICBC opened a standard omnibus account with the Company in respect of the provision of Hong Kong securities brokerage and related services by the Company. On the same date, the Macau branch of ICBC entered into a supplemental agreement with the Company pursuant to which the parties agreed that, inter alia, such services provided are to enable the Macau branch of ICBC to provide back to back services to its customers for a term of one year commencing from 4 January 2008 renewable for successive terms of one year each. In consideration of the services provided by the Company, the Company will be paid services fees (comprising commissions and other related services fees) which are determined at the prevailing market rates and no more favourable to the Macau branch of ICBC than those available to third parties.

SECOND AGENCY AGREEMENT

On 13 February 2009, Seng Heng Bank opened a standard omnibus account with the Company in respect of the provision of Hong Kong securities brokerage and related services by the Company. On 1 April 2009, Seng Heng Bank entered into a supplemental agreement with the Company pursuant to which the parties agreed that, inter alia, such services provided are to enable Seng Heng Bank to provide back to back services to its customers for a term of three years commenced from the date of the supplemental agreement. In consideration of the services provided by the Company, the Company will be paid services fees (comprising commissions and other related services fees) which are determined at the prevailing market rates and no more favourable to Seng Heng Bank than those available to third parties.

TRANSACTIONS PURSUANT TO THE SECURITIES BROKERAGE AGENCY AGREEMENTS

The Company has been informed that the Macau branch of ICBC has been integrated with Seng Heng Bank with effect from 11 July 2009. The Company therefore expects that (a) there will be no further transactions between the Macau branch of ICBC and the Company pursuant to the First Agency Agreement; and (b) the volume of transactions between Seng Heng Bank and the Company pursuant to the Second Agency Agreement will increase.

REASONS FOR THE TRANSACTIONS

The Company is a licensed bank in Hong Kong and offers a comprehensive range of financial products and services to retail and corporate customers. The Company, through its wholly-owned subsidiary, provides securities brokerage services to the customers of the Company from time to time in the ordinary and usual course of business. The Directors consider that each of the Securities Services Agency Agreements is entered into in the ordinary course of business of the Group on normal commercial terms. The Directors also consider that it is in the interests of the Group and its Shareholders as a whole to engage in the transactions under the Securities Brokerage Agency Agreements as they are beneficial to the business and profitability of the Group.

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, ICBC held 938,271,351 Shares, representing approximately 72.22% of the issued share capital of the Company. Accordingly, ICBC is a controlling shareholder of the Company and a connected person of the Company for the purposes of the Listing Rules. Seng Heng Bank is a subsidiary of ICBC. As an associate of a connected person of the Company, Seng Heng Bank is also a connected person of the Company for the purposes of the Listing Rules. The entering into of each of the Securities Brokerage Agency Agreements constitutes a continuing connected transaction of the Company under Rule 14A.14 of the Listing Rules.

The fee paid under the First Agency Agreement during the year ended 31 December 2008 was approximately HK\$1,136,000. As each of the applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules is less than 0.1% for the year ended 31 December 2008, the First Agency Agreement was exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.33(3) of the Listing Rules.

As the transactions pursuant to the First Agency Agreement and the Second Agency Agreement involve ICBC or its subsidiary and are of a similar nature, in accordance with Rule 14A.25 of the Listing Rules, the fees payable under the First Agency Agreement and the Second Agency Agreement are aggregated for the purposes of determining the relevant category into which the transactions fall under.

At the time the Second Agency Agreement was entered into, it was not anticipated that the aggregate fees payable under the Securities Brokerage Agency Agreements will exceed HK\$3,752,000 (i.e. approximately 0.1% of the revenue of the Group for the year ended 31 December 2008) on the basis of the then prevailing market conditions.

The aggregate fees payable under the Securities Brokerage Agency Agreements during the period from 1 January 2009 to the date of this announcement were approximately HK\$3,752,000. Each of the applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but less than 2.5% (except the assets ratio which is less than 0.1%). As such, the Securities Brokerage Agency Agreements are subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company will comply with the requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules in respect of the Securities Brokerage Agency Agreements.

ANNUAL CAPS

Based on the expected total value of the transactions under the Securities Brokerage Agency Agreements, the anticipated growth rate of the transaction volume of the Hong Kong stock market, the expected maximum aggregate annual fees payable under such agreements, also referred to as the "annual caps", for the three years ending 31 December 2009, 2010 and 2011 will be HK\$13,000,000, HK\$20,000,000 and HK\$25,000,000 respectively. The applicable percentage ratios of the Company calculated in accordance with Rule 14.07 of the Listing Rules will be less than 2.5% for each of the three years ending 31 December 2009, 2010 and 2011.

The annual cap for the year ending 31 December 2009 is significantly higher than the actual agency fees payable for the first half of the year ending 31 December 2009. This is because the actual provision of securities brokerage services by the Company to Seng Heng Bank only started in April 2009. In addition, stock market sentiments have generally improved from that in the beginning of 2009, as indicated by a notable increase in the securities transaction orders placed by the Company's customers. The Company expects that stock market sentiments will continue to improve and securities transactions will continue to increase (including those in connection with initial public offerings). The annual caps for the years ending 31 December 2010 and 2011 are therefore much higher than the annual cap for the year ending 31 December 2009.

INFORMATION ON THE COMPANY, ICBC AND SENG HENG BANK

The Company is a licensed bank incorporated in Hong Kong, the Shares of which are listed on the Stock Exchange. The Company is principally engaged in banking, financial and other financial related services with a focus on retail banking, commercial banking as well as corporate banking business. As at the date of this announcement, the Company has 43 retail branches, 9 “Elite Club” wealth management centres, 5 commercial business centres and one Investment Service Centre in Hong Kong, and an overseas branch established in the Cayman Islands. The Company is the listed flagship of the Hong Kong banking business of ICBC.

ICBC is a banking institution established under the laws of the PRC, the shares of which are listed on the Stock Exchange and the Shanghai Stock Exchange. Seng Heng Bank is a non-wholly owned subsidiary of ICBC and is a licensed bank incorporated in Macau.

Definitions

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

“Board” or “Directors”	the board of directors of the Company including independent non-executive directors;
“Company”	Industrial and Commercial Bank of China (Asia) Limited;
“First Agency Agreement”	the documentation for opening securities brokerage account dated 4 January 2008 between the Company and the Macau branch of ICBC, as supplemented and amended by the supplemental agreement dated the same date;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange presently in force as at the date hereof;
“Macau”	the Macau Special Administrative Region of the PRC;
“PRC”	the People’s Republic of China;
“Second Agency Agreement”	the documentation for opening securities brokerage account dated 13 February 2009 between the Company and Seng Heng Bank, as supplemented and amended by the supplemental agreement dated 1 April 2009;
“Securities Brokerage Agency Agreements”	the First Agency Agreement and the Second Agency Agreement;
“Seng Heng Bank”	Seng Heng Bank Limited, a licensed bank incorporated in Macau and has been renamed as Industrial and Commercial Bank of China (Macau) Limited* with effect from 11 July 2009;
“Share(s)”	ordinary share(s) of par value of HK\$2.00 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s); and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 16 July 2009

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 purpose*