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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)

**CONTINUING CONNECTED TRANSACTION
— RENEWAL OF AGREEMENT AND ANNUAL CAPS**

Summary

References are made to the Announcements in respect of service fees payable under the Custodian and Trustee Services Agreement with ICBC in relation to the provision of custodian, settlement and clearing services and the annual caps applicable to the transactions contemplated thereunder for the four months ending 31 December 2007 and the two years ending 31 December 2008 and 2009.

ICBC proposes to appoint the Company to continue the provision of the Services following the expiration of the existing term. On 31 December 2009, the Company entered into the Second Supplemental Agreement with ICBC pursuant to which the term of the Custodian and Trustee Services Agreement has been renewed for a term of further three years commencing from the date of the Second Supplemental Agreement.

In addition, the annual caps applicable to the transactions contemplated under the Custodian and Trustee Services Agreement will expire on 31 December 2009. As the Company will continue to provide the Services after 31 December 2009, the applicable annual caps will be renewed.

As each of the applicable percentage ratios (save for profits ratio which is not applicable) of the Company calculated in accordance with Rule 14.07 of the Listing Rules in respect of the aggregated fees receivable under the Custodian and Trustee Services Agreement (as supplemented) and the Dividend Services Agreement are, on an annual basis, less than 2.5%, the transactions contemplated thereunder are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules and the Company will comply with the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

SECOND SUPPLEMENTAL AGREEMENT

References are made to the announcements of the Company dated 4 September 2007 and 16 May 2008 (the “Announcements”) in relation to, among other things, the custodian and trustee services agreement dated 4 September 2007 between the Company and ICBC (as amended and supplemented by the Supplemental Custodian and Trustee Services Agreement, collectively the “Custodian and Trustee Services Agreement”). Capitalised terms used herein shall have the same meanings as defined in the Announcements, unless otherwise defined in this announcement.

As set out in the Announcements, pursuant to the Custodian and Trustee Services Agreement, the Company was appointed by ICBC to provide custodian, settlement and clearing services in relation to the investments outside the PRC in certain investment products by the customers of ICBC in connection with the Qualified Domestic Institutional Investor scheme of the PRC (the “Services”). In consideration of the Services provided by the Company, the Company will be paid service fees (to be agreed by the parties from time to time) which will be calculated on the basis of the amount(s) of the assets for which custodian, settlement and clearing services are provided by the Company at the prevailing market rates from time to time, with such service fees to be settled on a monthly basis. The annual caps applicable to the Custodian and Trustee Services Agreement is HK\$11,000,000 for each of the two years ending 31 December 2008 and 2009.

On 31 December 2009, the Company entered into a second supplemental agreement to the Custodian and Trustee Services Agreement (the “Second Supplemental Agreement”) with ICBC pursuant to which the Company agreed to, among other things, continue to provide the Services to ICBC as prescribed in the Custodian and Trustee Services Agreement for a further term of three years commencing from 31 December 2009 and to revise the maximum annual amount of fees payable thereunder.

ANNUAL CAPS

For the four-month period ended 31 December 2007 and the year ended 31 December 2008, the amount of service fees received by the Company under the Custodian and Trustee Services Agreement were approximately HK\$961,000 and HK\$6,274,000 respectively. Based on the historical size of the assets under custody and the expected annual growth rate of the assets under custody under the Custodian and Trustee Services Agreement (excluding the amounts payable on reimbursement basis such as legal, accounting and tax expenses), the expected maximum aggregate service fees, also referred to as the “annual caps”, for the three years ending 31 December 2010, 2011 and 2012 under the Custodian and Trustee Services Agreement (as supplemented) will be HK\$16,000,000, HK\$16,000,000 and HK\$16,000,000 respectively.

REASONS FOR THE TRANSACTIONS

Following the revival of the global economy, growth in the global capital markets is expected to resume in 2010, leading to an inflow of funds into the capital markets. Given the strong correlation between growth in the capital markets and demands for custodian services, the Company anticipates that the size of the assets under the Company's custody in connection with the Qualified Domestic Institutional Investor scheme of the PRC will increase, resulting in a corresponding increase in the service fees payable to the Company by ICBC under the Custodian and Trustee Services Agreement (as supplemented) for the years 2010 to 2012. With the expected increase in size of the assets under custody, the Directors (including the independent non-executive Directors) consider that the terms of the Second Supplemental Agreement has been entered into on normal commercial terms and in the ordinary course of business of the Company. The Directors also consider that the terms of the Second Supplemental Agreement are fair and reasonable and in the interest of the Shareholders as a whole.

DIVIDEND SERVICES AGREEMENT

As referred to in the Company's announcement dated 4 September 2007, a wholly-owned subsidiary of the Company entered into the Dividend Services Agreement with ICBC in relation to (among other things) the distribution and payment of dividends payable by ICBC to the holders of its H shares of RMB 1.00 each for the period commencing on 4 June 2007 and expiring on 4 June 2010. The annual caps in respect of the fees receivable under the Dividend Services Agreement (excluding the charges payable on reimbursement basis) for the two years ending 31 December 2008 and 2009 were set at HK\$1,000,000 and HK\$1,000,000 respectively. The Company proposes to renew the Dividend Services Agreement with ICBC for a further term of at least six months up to and including 31 December 2010, and based on the amount of the historical annual caps, the Company proposes that the annual caps for the year ending 31 December 2010 under the Dividend Services Agreement will be set at HK\$1,000,000. As the transactions under both the Custodian and Trustee Services Agreement and the Dividend Services Agreement involve ICBC, the value of transactions contemplated under the Custodian and Trustee Services Agreement is aggregated by the Company with the value of transactions contemplated under the Dividend Services Agreement in accordance with Rule 14A.25 of the Listing Rules for the purposes of determining the relevant category into which the transactions fall under.

The Directors (including the independent non-executive Directors) consider that the services contemplated under the Dividend Services Agreement are provided in the ordinary course of business of the Company. The Directors also consider that the terms of the Dividend Services Agreement are on normal commercial terms and are fair and reasonable and that the Dividend Services Agreement is in the interest of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ICBC held 954,516,464 Shares, representing approximately 72.40% 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.

As each of the applicable percentage ratios (save for profits ratio which is not applicable) of the Company calculated in accordance with Rule 14.07 of the Listing Rules in respect of the aggregated fees receivable under the Custodian and Trustee Services Agreement (as supplemented) and the Dividend Services Agreement are, on an annual basis, less than 2.5%, the transactions contemplated thereunder are exempted from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules and the Company will comply with the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules.

INFORMATION ON THE COMPANY AND ICBC

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 44 retail branches, 9 "Elite Club" wealth management centres, 4 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.

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 31 December 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.