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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**

The Board announced that on 1 November 2010, the Company entered into a Licence Agreement with ICBC in respect of the granting of a licence by the Company for ICBC to occupy the Property for a term of two years and seven months commenced on 1 November 2010 and expiring on 31 May 2013 (both days inclusive).

As ICBC is the controlling shareholder of the Company and hence the entering into of the Licence Agreement constitutes continuing connected transactions of the Company under Listing Rule 14A.14 and will be subject to the reporting and announcement requirements under Listing Rule 14A.34.

As each of the applicable percentage ratios (save for the profits ratio which is not applicable) of the Company calculated in accordance with Listing Rule 14.07 in respect of the aggregated fees (excluding those charges payable on a reimbursement basis) payable under the Licence Agreement is, on an annual basis, less than 5%, the entering into of the Licence Agreement is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules and the Company will comply with the reporting and announcement requirements as set out in Listing Rules 14A.45 to 14A.47.

LICENCE AGREEMENT

On 1 November 2010, the Company, as licensor, and ICBC, as licensee, entered into the Licence Agreement whereby the Company granted a licence for ICBC to occupy the Property for a term of two years and seven months commenced on 1 November 2010 and expiring on 31 May 2013 (both days inclusive). Under the Licence Agreement, ICBC shall pay the Company a monthly licence fee of HK\$353,204.50, monthly management charge of HK\$15,397.32 and other charges payable on a reimbursement basis payable by the Company under the Lease. The amount payable by ICBC under the Licence Agreement represents the same amount payable by the Company under the Lease in respect of the Property.

REASONS FOR THE TRANSACTIONS

The entering into of the Lease by the Company enables the Company to be in stronger bargaining position in the long run as a tenant of a number of properties within the Building. As the Company will not be utilising the Property, the Property is then licenced to ICBC under the Licence Agreement as permitted under the Lease and the licence fees receivable by the Company constitute the whole part of the rent payable by the Company under the Lease. The Directors (including the independent non-executive directors) consider that the terms of the Licence Agreement are on normal commercial terms and are fair and reasonable and that the entering into of the Licence Agreement is in the interest of the Company and the Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS

As at the date of this announcement, ICBC held 984,364,740 Shares, representing approximately 72.81% 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 such, the entering into of the Licence Agreement constitutes continuing connected transactions of the Company under Listing Rule 14A.14. As each of the applicable percentage ratios (save for the profits ratio which is not applicable) of the Company calculated in accordance with Listing Rule 14.07 in respect of the aggregated fees (excluding those charges payable on a reimbursement basis) payable under the Licence Agreement is, on an annual basis, less than 5%, the entering into of the Licence Agreement is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules and the Company will comply with the reporting and announcement requirements as set out in Listing Rules 14A.45 to 14A.47.

ANNUAL CAPS

Based on the expected total value of the transactions between the Company and ICBC under the Licence Agreement (excluding the charges payable on reimbursement basis), the expected maximum annual value, also referred to as the “annual caps”, for the two months ending 31 December 2010, for each of the two years ending 31 December 2011 and 31 December 2012 and for the five months ending 31 May 2013 will be HK\$710,000, HK\$4,240,000, HK\$4,240,000 and HK\$1,770,000 respectively.

INFORMATION ON THE COMPANY AND ICBC

The Company is a licensed bank incorporated in Hong Kong and whose Shares 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, 10 “Elite Club” wealth management centres and 4 commercial business centres 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.

DEFINITIONS

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

“Board” or “Directors”	the board of directors of the Company;
“Building”	ICBC Tower, No. 3 Garden Road, Central, Hong Kong;
“Company”	Industrial and Commercial Bank of China (Asia) Limited;
“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 with its shares listed on the Stock Exchange and the Shanghai Stock Exchange;

“Lease”	a lease dated 1 June 2004 entered into by the Company with an entity for the lease of the Property for a term of ten years commenced on 1 June 2004 and expiring on 31 May 2014 (both days inclusive). To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, as at the date of this announcement, such entity including its ultimate beneficial owner are independent of, and not connected with, the Company;
“Licence Agreement”	a licence agreement dated 1 November 2010 entered into between the Company and ICBC in relation to the granting of a licence by the Company for ICBC to occupy the Property;
“Listing Rule(s)”	the Rules Governing the Listing of Securities on the Stock Exchange presently in force as at the date hereof;
“PRC”	the People's Republic of China;
“Property”	all that portion of approximately 4,741 square feet on the 26th Floor of the Building;
“Share(s)”	ordinary share(s) of par value of HK\$2.00 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 1 November 2010

As at the date of this announcement, the Board comprises Mr. Chen Aiping, Mr. Wong Yuen Fai, Mr. Zhang Yi and Mr. Zong Jianxin 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.