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中國工商銀行股份有限公司

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1398)

## **CONNECTED TRANSACTION ACQUISITION OF 70% INTEREST IN THE BANK OF EAST ASIA (CANADA)**

The board of directors of the Bank announces that on 4 June 2009, the Bank entered into the Share Sale Agreement with BEA, pursuant to which the Bank agreed to purchase from BEA, 70% of the issued and outstanding common shares of The Bank of East Asia (Canada), for a cash consideration of CAD\$80,249,120 (equivalent to approximately HK\$567 million). Upon completion of the Transaction, the Bank will also enter into a shareholders agreement with BEA and The Bank of East Asia (Canada).

The Transaction does not constitute a notifiable transaction of the Bank under the Listing Rules. Whilst BEA (which holds 25% interest in ICEA Finance, a subsidiary of the Bank) is a connected person of the Bank under the Listing Rules, since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules is less than 0.1%, the Transaction is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. This announcement is made for the information of shareholders and investors only.

## **THE ACQUISITION**

The board of directors of Industrial and Commercial Bank of China Limited (the "**Bank**") announces that the Bank entered into a share sale agreement with The Bank of East Asia, Limited ("**BEA**") on 4 June 2009 (the "**Share Sale Agreement**"), pursuant to which the Bank agreed to purchase from BEA, 70% of the issued and outstanding common shares of The Bank of East Asia (Canada) (the "**Target**") (the "**Transaction**"). The terms of the Share Sale Agreement have been determined through arm's length negotiations between the parties. The directors of the Bank, including independent non-executive directors, consider that the Share Sale Agreement was entered into on normal commercial terms, and its terms are fair and reasonable and in the interests of the shareholders of the Bank as a whole.

The consideration for the Transaction is CAD\$80,249,120 (equivalent to approximately HK\$567 million), which will be adjusted after completion of the Transaction to reflect any increase or decrease in 70% of the book value of the Target between 31 December 2008 and the completion date of the Transaction. The consideration for the Transaction will be financed using internal resources of the Bank and will be paid in cash upon completion.

Completion of the Transaction is conditional upon, inter alia, the obtaining of all necessary regulatory approvals from the China Banking Regulatory Commission, the Hong Kong Monetary Authority, the Minister of Finance (Canada), and the Commissioner of Competition (Canada) and the completion of the sale by the Bank of its 75% interest in ICEA Finance Holdings Limited (“**ICEA Finance**”) to BEA (details of which are set out in the announcement of the Bank dated 4 June 2009). Upon completion of the Transaction, the Target will be held, as to 70% by the Bank, and as to 30% by BEA.

In connection with the Transaction, the Bank, BEA and the Target will also enter into a shareholders agreement (the “**Shareholders Agreement**”) upon completion of the Transaction. The Shareholders Agreement governs the affairs of the Target and the respective rights and obligations of the Bank and BEA as shareholders of the Target. Under the Shareholders Agreement, at any time after the first anniversary of the completion of the Transaction, the Bank will have an option to acquire an additional 10% of the shares of the Target from BEA, and BEA will have an option to require the Bank to purchase all the remaining shares of the Target held by BEA. The Bank will comply with all applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), including the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules if and when these options are exercised.

## **REASONS FOR THE TRANSACTION**

Acquiring a controlling interest in the Target is an important component in the Bank’s globalisation strategy, and the Transaction would complement the Bank’s overseas institutions. In particular, with the opening of the Bank’s New York branch in October 2008, the acquisition of the Target will present the Bank with a solid platform upon which to further expand its operating network in North America.

## **INFORMATION ABOUT THE PARTIES**

The Target is a wholly-owned subsidiary of BEA and is incorporated as a Schedule II bank under the *Bank Act (Canada)* (a Canadian bank which is subsidiary of a foreign bank) since 1991. It offers a diversified range of banking products and services through six branches in Toronto and Vancouver. As of 31 December 2008, the total assets of the Target amounted to CAD\$556 million (equivalent to approximately HK\$3,928 million), with total loans of CAD\$444 million (equivalent to approximately HK\$3,137 million) and total deposits of CAD\$482 million (equivalent to approximately HK\$3,405 million).

The Bank is the largest commercial bank in the PRC and provides a variety of financial products and services to more than 3.10 million corporate banking customers and 190 million personal banking customers through its 16,252 domestic institutions, 134 overseas institutions and 1,440 correspondent banks worldwide.

BEA is the largest independent local bank in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

## **LISTING RULES IMPLICATIONS**

The Transaction does not constitute a notifiable transaction of the Bank under the Listing Rules. Whilst BEA (which holds 25% interest in ICEA Finance, a subsidiary of the Bank) is a connected person of the Bank under the Listing Rules, since each of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules is less than 0.1% (assuming either of the options granted under the Shareholders Agreement has been exercised for a proportionate amount of the same consideration under the Share Sale Agreement), the Transaction is exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. In addition, based on latest information available, the board of directors of the Bank is of the view that any upward adjustment to the consideration of the Transaction under the terms of the Share Sale Agreement shall not result in the applicable percentage ratios set out in Rule 14.07 of the Listing Rules to be equal to or more than 0.1%. This announcement is made for the information of shareholders and investors only.

**The Board of Directors of  
Industrial and Commercial Bank of China Limited**

Beijing, PRC, 4 June 2009

This announcement contains translations between Canadian dollar and Hong Kong dollar amounts at CAD\$1.000 = HK\$7.065, being the exchange rate prevailing on 3 June 2009. The translations should not be taken as a representation that Hong Kong dollars could actually be converted into Canadian dollars at that rate or at all.

*As at the date of this announcement, the board of directors comprises Mr. JIANG Jianqing, Mr. YANG Kaisheng, Mr. ZHANG Furong and Mr. NIU Ximing as executive directors, Mr. HUAN Huiwu, Mr. GAO Jianhong, Ms. LI Chunxiang, Mr. LI Jun, Mr. LI Xiwen and Mr. WEI Fusheng as non-executive directors, Mr. LEUNG Kam Chung, Antony, Mr. QIAN Yingyi, Mr. XU Shanda and Mr. WONG Kwong Shing, Frank as independent non-executive directors.*