**Code of A shares: 601166 Abbreviation of A Shares: Industrial Bank Code: TEMP 2017-21**

**Code of Preferred Stock: 360005, 360012 Abbreviation of Preferred Stock: Industrial Preferred 1, Industrial Preferred 2**

Industrial Bank Co., Ltd.

Announcement on Related Transaction with

Fujian Investment & Development Group Co., Ltd.

The board of Directors of the Company and all directors guarantee there’s no false account, misleading statement or material omissions of the announcement, and will be jointly and severally be responsible for the truthfulness, accuracy and integrity of the announcement.

**Prompt of Important Content:**

**(I) Transaction Content:**

On August 29, 2017, the 4th Meeting of the 9th Board of Directors of the Company reviewed and passed the Proposal on Offer of Related Transaction Quota to Fujian Investment & Development Group Co., Ltd., agreed to give Fujian Investment & Development Group Co., Ltd. (hereinafter called as "Fujian Investment Group") RMB 5 billion of credit related translation quota and RMB 7.9 billion of non-credit related translation quota; the term of validity is 2 years.

**(II) Voting Challenge:** this transaction is a related transaction, and no related director should avoid the voting.

**(III) Influence of Related Transaction:** the said related transactions are reasonable transactions during daily business operation of the Company and have no significant influence on operation activities and financial conditions of the Company as well as the independence of the Company.

**I. Overview of Related Transaction**

The 4th Meeting of the 9th Board of Directors of the Company reviewed and passed the Proposal on Offer of Related Transaction Quota to Fujian Investment & Development Group Co., Ltd., in which the company agreed to grant Fujian Investment Group RMB 5 billion of credit related transaction quota, including: (1) RMB 2 billion of quasi-credit quota used for non-standard credit investment; (2) RMB 1 billion of external basic credit quota used for short-term liquidity loans; (3) RMB 2 billion of credit quota for special underwriting and investment, in which the quota for investment is not more than RMB 900 million. The company agreed to grant Fujian Investment Group RMB 7.9 billion of non-credit related transaction quota, wherein: the annual amount of principal accrued in customized wealth management for institutional clients is not more than RMB 7 billion, the annual amount of principal accrued in wealth management capital bond investment (bond investment pool mode) is not more than RMB 630 million, the annual amount of principal accrued in credit asset transfer is not more than RMB 100 million, the accumulative accruals of bond underwriting, private equity fund service and other business is not more than RMB 170 million. The term of validity is 2 years.

The related transaction quota granted to Fujian Investment Group this time is not more than 5% of the absolute value of the audited net assets of the company in the nearest period, so the quota only has to be audited by the Board of Directors, reviewed by the Related Transaction Control Committee and approved by the Board of Directors without the need to be deliberated by the general meeting.

**II. Introduction of Related Parties**

(I) Basic Information of Related Parties

Incorporated on April 27, 2009, with the place of registration in Fuzhou, the legal representative of Yan Zheng and a registered capital of RMB 10 billion, Fujian Investment Group is a state-owned solely-funded limited liability company approved by the Fujian Provincial People’s Government. The contributor is Fujian Provincial People’s Government and the obligation of contributor is fulfilled by the State Owned Assets Supervision and Administration Commission of the People’s Government of Fujian Province. The operation of state-owned assets is subject to authorization. The business scope of the company includes investment and development in electricity, gas, water production and supply, railroad transportation and other industries and projects; investment in banks, securities, trust, guarantee, venture capital and other key industries identified by the province; investment in agriculture, forestry, accommodation and mining industries; real estate development; asset management. As at December 31, 2016, the total asset of Fujian Investment Group was RMB 77.139 billion, the owner’s equity was RMB 42.484 billion; from January to December of 2016, the business income was RMB 2.792 billion, the net profit was RMB 1.865 billion.

(II) Related Relationship with Listed Companies

The supervisor of our company, Peng Jinguang, is concurrently acting as the deputy secretary of the Part Committee, the vice chairman and the general manager of Fujian Investment Group. According to the relevant provisions in the Guideline for Implementation of Related Transactions of Listed Companies of Shanghai Stock Exchange, and the Administrative Measures of Industrial Bank on Related Transactions (revised in December 2016), Fujian Investment Group is the related party of our company.

**III. Main Content and Pricing Policy of Related Transaction**

(I) Main Content of Related Transaction

The company agreed to grant Fujian Investment Group RMB 5 billion of credit related transaction quota, including: (1) RMB 2 billion of quasi-credit quota used for non-standard credit investment; (2) RMB 1 billion of external basic credit quota used for short-term liquidity loans; (3) RMB 2 billion of credit quota for special underwriting and investment, in which the quota for investment is not more than RMB 900 million. The company agreed to grant Fujian Investment Group RMB 7.9 billion of non-credit related transaction quota, wherein: the annual amount of principal accrued in customized wealth management for institutional clients is not more than RMB 7 billion, the annual amount of principal accrued in wealth management capital bond investment (bond investment pool mode) is not more than RMB 630 million, the annual amount of principal accrued in credit asset transfer is not more than RMB 100 million, the accumulative accruals of bond underwriting, private equity fund service and other business is not more than RMB 170 million. The term of validity is 2 years.

(II) Pricing Policy

For related transactions between the Company and Fujian Investment Group, non-related transaction price of an independent third party will be referenced for the pricing of such transactions. In case of credit related transactions, if related credit conditions are not better than conditions for the same credit of other credit receivers, non-related transaction price of an independent third party will be referenced for related transaction price and settlement method is the same with that of non-related transaction of an independent third party; non-credit related transaction belongs to reasonable transaction during daily business operation of the Company, and for such transactions, general business rules will be followed, and conditions not more favorable than those of similar transactions of non-related parties will be adopted.

**IV. Goal of Related Transaction and Influence of This Related Transaction on Listed Company**

Relevant businesses conducted by the Company and Fujian Investment Group will facilitate continuous promotion of cooperation between both parties. With regard to the said related transactions, the Company will conclude based on general business rules or terms not more favorable than those applicable to independent third parties during the daily business operation; transaction conditions will be fair and reasonable, in the interest of the Company and all shareholders, subject to relevant regulations requirements of the regulatory department and internal policies of the Company and without prejudice to interests of the Company and minority shareholders, and will not have negative influence on current and future financial conditions of the Company and independence of the Company.

**V. Opinion of Independent Directors**

Independent directors Mr. Paul M. Theil, Mr. Zhu Qing, Mr. Liu Shiping, Mr. Su Xijia and Mr. Lin Hua, expressed the following independent opinions with regard to such related transactions:

1. Procedure. The issue that the company grants related transaction quota to Fujian Investment & Development Group Co., Ltd. has gone through corresponding review and approval procedure. The deliberation of the above-mentioned related transaction proposal by the Board of Directors complies with the requirements of China Banking Regulatory Commission, China Securities Regulatory Commission, Shanghai Stock Exchange and other regulatory departments, as well as other regulations in the Articles of Association of Industrial Bank Co., Ltd. and the Administrative Measures of Industrial Bank on Related Transactions.

2. Fairness. The said related transactions belong to reasonable transactions during the daily business operation of the Company, and for such transactions, general business rules will be followed, and conditions not more favorable than those for similar transactions of non-related parties will be adopted; transaction conditions are fair and reasonable; and such transactions are subject to relevant regulations requirements of the regulatory department and internal policies of the Company and without prejudice to interests of the Company and shareholders (especially minority shareholders), and will not have negative influence on current and future financial conditions of the Company and independence of the listed company.

**VI. Contents of Reference Documents**

1. Resolution of Audit & Related Transaction Control Committee of Board of Directors;

2. Resolution of Board of Directors;

3. Prior approval signed and confirmed by independent directors;

4. Independent Opinion signed and confirmed by independent directors.

Hereby Announced.

Board of Directors of Industrial Bank Co., Ltd.

August 30, 2017