**Code of A Shares: 601166 Abbreviation of A Shares: Industrial Bank Announcement Code: 2018-16**

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

**Industrial Bank Co., Ltd.**
**Announcement on Implementation of Dividend Distribution of 2017**

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|  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:

* Distribution ratio of every common share of A shares

Cash dividend of each A share (common share): RMB 0.65 (tax included)

* Relevant Date

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type of Shares | Date of Record | Last Transaction Date | Ex-dividend Date | Date of Distributing Cash Dividends |
| A shares | 2018/6/14 | - | 2018/6/15 | 2018/6/15 |

* Differentiated bonus shares: No

# Session and Date of General Meeting Approving the Distribution Plan

This profit distribution plan was reviewed and passed in the General Meeting of 2017 held on May 25, 2018.

# Distribution Plan

## Year distribution: 2017

## Objectives:

All the shareholders of common shares of our company registered by Shanghai Branch of China Securities Depository and Clearing Company Limited (hereinafter referred to as CSDC Shanghai) by the time Shanghai Stock Exchange was closed on the date of record.

## Distribution plan:

This profit distribution plan is based on the total capital stock of 20,774,190,751 of the company before implementation.0.65 (tax included) cash dividend is distributed for each share, totaling RMB 13.503 billion cash dividends distributed (tax included).

# Relevant Date

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type of Shares | Date of Record | Last Transaction Date | Ex-dividend Date | Date of Distributing Cash Dividends |
| A shares | 2018/6/14 | - | 2018/6/15 | 2018/6/15 |

# Implementation Method of Distribution

## Implementation method

The company entrusts CSDC Shanghai, through its capital liquidation system, to distribute cash dividends of common shares of our company to the shareholders who are registered after the closing of Shanghai Stock Exchange on the date of record and who have made specific transactions with the member institutions of Shanghai Stock Exchange. Investors who have made specific transactions may withdraw the cash dividends at the designated stock exchange on the date of distribution. The dividends of the shareholders who have not yet made specific transactions is temporarily kept by CSDC Shanghai and will be distributed to them after they make specific transaction.

## Objectives of direct distribution

The cash dividends held by Hang Seng Bank Limited is distributed by the company.

## Instructions to tax deduction

(1) As for natural person shareholders and securities investment funds holding common shares, according to the provisions of the *Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Issues About Different Individual Income Tax Policies for Dividends of Listed Companies* (Cai Shui [2015] No. 101) and the *Notice on Implementing Different Individual Income Tax Policies for Dividends of Listed Companies* (Cai Shui [2012] No. 85), if the holding period is less than 1 month, the actual tax rate of dividends is 20%; if the holding period is from 1 month to 1 year, the tax rate is 10%; if the holding period is more than 1 year, the individual income tax is exempted.

The individual income tax for this dividend distribution is not withheld temporarily. When the shares are transferred, CSDC Shanghai calculates the actual payable tax based on the holding period while the securities company or other trustee deducts such amount from personal capital accounts and pay CSDC Shanghai. CSDC Shanghai pays the company within 5 days of the next month and the company applies for tax payment with the competent tax authority within the statutory declaration period of the current month of taxation.

(2) As for qualified foreign institutional investor (QFII) shareholders holding common shares of the company, according to the provisions of the *Notice on Issues Related to Chinese Resident Enterprises Paying Dividends and Bonus to QFII, Deducting Interest and Withholding Enterprise Income Tax for QFII* (Gui Shui Han [2009] No. 47) issued by State Administration of Taxation (SAT) on January 23, 2009, the company shall deduct and withhold the enterprise income tax at the rate of 10% in an unified way, with the after-tax actual cash dividend distributed for each share up to RMB 0.5850. If any relevant shareholder believes that he/she shall enjoy the agreed or arranged taxation preference for the dividends or bonus he/she has gained, he/she may file a request with the competent tax authority after obtaining the dividends or bonus.

(3) As for investors (including enterprises and individual) of the Stock Exchange of Hong Kong investing in common shares of our company in Shanghai Stock Exchange (Hu Gu Tong), the cash dividends are distributed in RMB to the account of nominal holders of shares by CSDC Shanghai; the tax deduction is executed according to the *Notice of the Ministry of Finance, State Administration of Taxation and China Securities Regulatory Commission on Tax Policies in Pilot Zones for Shanghai and Hong Kong Stock Market Trading Interconnection and Communication Mechanism* (Cai Shui [2014] No. 81); the individual income tax shall be deducted at the rate of 10%, with the after-tax actual cash dividend distributed for each share up to RMB 0.5850.

(4) As for other common shareholders of the company identified as resident enterprise following the definition in the *Enterprise Income Tax Law*, the income tax incurred from the dividends and bonus shall be paid by themselves and the pre-tax cash dividend actually distributed for each share is RMB 0.65. As for other non-resident enterprise shareholders, the company does not deduct nor withdraw the income tax and the income tax incurred from dividends or bonus is paid by taxpayers themselves.

# Consultation Method

The method of consulting on issues related to the implementation of annual dividend distribution of the company is shown as follows:

Contact Department: Office of the Board of the company

Contact Number: 0591-87857530

Hereby Announced.

Industrial Bank Co., Ltd. Board of Directors

June 8, 2018