Industrial Bank Co., Ltd.

# Semi-annual Special Report of Deposit and Actual Use of Raised Funds for 2019

According to the requirements of *Administrative Measures on the Issuance of Securities by Listed Companies*, the *Supervision Guidance No. 2 for Listed Companies - Supervision Requirements on Management and Usage of Funds Raised by Listed Companies*, the *Measures of Shanghai Stock Exchange for Managing Funds Raised by Listed Companies (2013 Revision)*, the *No. 1 Guidelines for the Provisional Announcement of Working Memorandum of the Daily Information Disclosure of Listed Companies - No. 16 Special Report of Deposit and Actual Use of Raised Funds by Listed Companies* and the *Administrative Measures on the Use of Raised Funds by Industrial Bank Co., Ltd.*, Semi-annual Report of Deposit and Actual Use of Raised Funds for 2019 raised by Industrial Bank Co., Ltd. (hereinafter referred to as "the company") is as follows:

**I. Basic condition of funds raised**

**(1) The amount of funds actually raised and the reception time of the fund**

Approved by the China Securities Regulatory Commission (CSRC) on the *Reply on the Approval for Industrial Bank Co., Ltd.'s Private Offering of Preferred Stock* (Zheng Jian Xu Ke [2018] No. 2164), the company issued 300 million non-public domestic preferred shares at a price of RMB 100 per share, and the total amount of funds raised is RMB 30,000,000,000.00. As of April 11, 2019, the special account for funds raised of the company has received the above fund. After deducting the issuance expenses of RMB 66,988,000.00, the actual net funds raised were RMB 29,933,012,000.00. The actual net funds raised plus the deductable amount of issuance expenses of the non-public issued domestic preferred shares from VAT input tax of RMB 3,791,773.58, totaling RMB 29,936,803,773.58, all of which is included in other equity instruments to supplement the company's other tier 1 capital.

On April 11, 2019, Deloitte & Touche (special general partnership) issued the *Capital Verification Report on the Industrial Bank Co., Ltd.’s Collection of Raised Funds of Non-public Issued Domestic Preferred Shares* (De Shi Bao (Yan) Zi (19) No. 00147), the actual collection of funds raised by the company for the non-public issued domestic preferred shares was verified.

**(2) The amount of funds used and the current balance**

As of June 30, 2019, the funds raised by the company for these non-public issued domestic preferred shares have all been used to supplement other tier 1 capital, totaling RMB 29,936,803,773.58, and the balance of unused funds raised is RMB 0. The actual balance of the special account for funds raised is RMB 0.

**I. Management of funds raised**

**(1) Management of funds raised**

In order to regulate the management of the company's fundraising and protect the rights and interests of small and medium-sized investors, the company has formulated the *Administrative Measures for the Use of Funds Raised by the Industrial Bank Co., Ltd.*, so as to made specific provisions on the deposit, use of funds raised and management supervision and be subject to strictly enforcement.

In April 2019, the company and the joint sponsors GF Securities Co., Ltd. and Industrial Securities Co., Ltd. (hereinafter referred to as the “Joint Sponsors”) signed the *Regulation Agreement on the Special Account Deposit of Funds via Non-public Issued Domestic Preferred Shares Raised by the Industrial Bank Co., Ltd.* The above-mentioned agreement signed between the company and the joint sponsor institutions was formulated in accordance with the Shanghai Stock Exchange's *Tripartite Regulation Agreement for the Special Account Deposit of Funds Raised (Template)*, and no major differences exist. The company manages the raised funds in strict accordance with the *Administrative Measures for the Use of Funds Raised by the Industrial Bank Co., Ltd*. There is no violation of the regulations of *Administrative Measures on the Raised Funds of Listed Companies of the Shanghai Stock Exchange (2013 Revision)* and *Administrative Measures for the Use of Funds Raised by the Industrial Bank Co., Ltd.* for the deposit, use, and management of funds raised.

**(2) Deposit of special account for funds raised**

As of June 30, 2019, the specific deposit of funds raised is as follows:

Unit: RMB

|  |  |  |
| --- | --- | --- |
| **Bank Account** | **Account Category** | **Balance** |
| 117010100100168432 | Special Account for Funds Raised | 0 |

**III. Actual use of funds raised**

**(1) Use of funds for equity investment projects**

As of June 30, 2019, the raised funds of RMB 29,936,803,773.58 have been used to supplement other tier 1 capital. For details of the use of raised funds, please refer to the “Comparison Table for Use of Raised Funds” (see attached schedule).

**(2) Early-stage investment and replacement of equity investment projects**

As of June 30, 2019, the company did not have any early-stage investment and replacement of equity investment projects.

**(3) Temporary replenishment of working capital by using idle raised funds**

As of June 30, 2019, the company did not use the idle raised funds to temporarily replenish the liquidity.

**(4) Cash management and related product investment of idle raised funds**

As of June 30, 2019, the company did not have cash management and related product investment of idle raised funds.

**(5) Permanently replenishment of working capital or bank loans repayment with over-raised funds**

There are no over-raised funds for these non-public offering of domestic preferred shares.

**(6) The situation of over-raised funds for projects under construction and new projects (including acquisition of assets, etc.)**

There are no over-raised funds for these non-public offering of domestic preferred shares.

**(VII) Use of surplus funds raised**

As of June 30, 2019, the funds raised by the company have all been used to supplement other tier 1 capital, and there is no use of surplus funds.

**IV. Changes in the use of funds for equity investment projects**

As of June 30, 2019, the company did not have any changes in the use of funds for equity investment projects.

**V. Problems in the use and disclosure of raised funds**

The company has disclosed the relevant funds in a timely, true, accurate and complete manner in accordance with the relevant provisions of the *Measures of Shanghai Stock Exchange for Managing Funds Raised by Listed Companies (2013 Revision)* and the *Administrative Measures on the Use of Raised Funds by Industrial Bank Co., Ltd.*, and there is no violation of the management of raised funds.

Board of Directors of Industrial Bank Co., Ltd.

August 27, 2019

Attached Schedule: Comparison Table for Use of Raised Funds

Attached Schedule

**Comparison Table for Use of Raised Funds**

Unit: RMB

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Amount of Funds Raised (Note 1) | | | | 29,936,803,773.58 | | Total Raised Funds Invested in the Year | | | | | 29,936,803,773.58 | |
| Total Raised Funds whose Use is Changed | | | | - | | Total Raised Funds that has been Invested | | | | | 29,936,803,773.58 | |
| Proportion of Total Raised Funds whose Use is Changed | | | | - | |
| Project that Promises to Invest | Changed Project, Including Partial Changes (if any) | Promised Total Investment of Raised funds | Total Investment after Adjusted | Promised Investment as of the End of the Period (1) | Amount Invested this Year | Accumulated Investment as of the End of the Period (2) | The Difference Between Accumulated Investment and the Promised Investment as of the End of the Period (3)=(2)-(1) | Investment Progress as of the End of the Period (4) = (2)/(1) | Date when the project reaches the scheduled usable status | Benefits Achieved this Year (Note 2) | Whether the expected benefits are achieved  (Note 2) | Whether the project feasibility has changed significantly |
| Supplement Other Tier 1 Capital | Not Applicable | 29,936,803,773.58 | 29,936,803,773.58 | 29,936,803,773.58 | 29,936,803,773.58 | 29,936,803,773.58 | - | 100% | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Reasons for not reaching the scheduled progress (per specific equity investment projects) | | | | | None | | | | | | | |
| Explanation of Significant Changes in Project Feasibility | | | | | None | | | | | | | |
| Early-stage investment and replacement of equity investment projects | | | | | None | | | | | | | |
| Temporary replenishment of working capital by using idle raised funds | | | | | None | | | | | | | |
| Cash management and related product investment of idle raised funds | | | | | None | | | | | | | |
| Permanently replenishment of working capital or bank loans repayment with over-raised funds | | | | | None | | | | | | | |
| The Balance of Funds Raised and the Reasons for the Balance | | | | | None | | | | | | | |
| Other Use of Raised Funds | | | | | None | | | | | | | |

Note 1: The amount of funds raised is the addition of the net amount of actual raised funds after deducting sponsorship and underwriting fees and other issuance expenses plus the deductable amount of the issuance expenses of the non-public issued domestic preferred shares from VAT input tax.

Note 2: After the funds are raised, they are all used to supplement the company's other tier 1 capital. Since the funds invested in the equity investment project include the company's original self-owned funds and raised funds, it is impossible to separately calculate the realized benefits of the funds raised as of June 30, 2019.