**Code of A share: 601166 Abbreviation of A Share: Industrial Bank Code: TEMP 2020-036**

**Code of Preferred Stock:** **360005, 360012, 360032 Abbreviation of Preferred Stocks:** **Industrial Preferred 1, Industrial Preferred 2, Industrial Preferred 3**

Industrial Bank Co., Ltd.

Announcement on Giving Zhejiang Provincial Energy Group Company Ltd. Series Related Transaction Quota

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 responsible for the truthfulness, accuracy and integrity of the announcement.

**Prompt of Important Content**

On December 18, 2020, the 26th Meeting of the 9th Board of Directors of the Company reviewed and agreed to give the Related Legal Persons of Zhejiang Provincial Energy Group Series credit related transaction quota of RMB 8.1 billion and non-credit related transaction quota of RMB 100 million, with a validity period of 2 years. The above-mentioned related transactions are reasonable transactions in the Company’s daily business operations, which exert no significant impacts on the Company’s business activities and financial status, and will not affect the Company’s independence. This transaction does not involve the withdrawal of related directors from voting.

**I. Overview of Related Transaction**

The 26th Meeting of the 9th Board of Directors of the Company reviewed and approved the *Proposal on Giving Zhejiang Provincial Energy Group Company Ltd. Series Related Transaction Quota*, agreed to give the Related Legal Persons of Zhejiang Provincial Energy Group Series related transaction quota of RMB 8.2 billion, with a validity period of 2 years, including: credit related transaction quota of RMB 8.1 billion for various short, medium and long term businesses, including: the main credit quota is RMB 6 billion, and the investment limit under non-guarantee financial management is RMB 2.1 billion; non-credit related translation quota of RMB 100 million with transaction types of bond underwriting, asset custody and other asset transfer or comprehensive service businesses.

The related transaction quota between the Company and the Related Legal Persons of Zhejiang Provincial Energy Group Series this time exceeds 1% but is less than 5% of the absolute value of the audited net assets of the Company in the nearest period, which makes it a substantive related transaction requiring to be audited by the Board of Directors, reviewed by the Related Transaction Control Committee and approved by the Board of Directors.

**II. Introduction of Related Parties**

(I) Basic Information of Related Parties

Zhejiang Provincial Energy Group Company Ltd. is a wholly state-owned limited liability company approved by the *Notice of the People’s Government of Zhejiang Province on the Establishment of Zhejiang Provincial Energy Group Company Ltd.* (Zhe Zheng Fa [2001] No. 6), and established on the basis of assets of the original Zhejiang Electric Power Development Co., Ltd. and Zhejiang Coal Group Company. As a provincial-level state-owned assets operating enterprise of energy type, this Company was established on March 21, 2001. The legal representative is Tong Yahui and the registered capital is RMB 10 billion. It is mainly engaged in power supply construction, electricity and heat production, the development and trade circulation of oil, coal and natural gas, energy technology, energy services and energy finance, etc.

(II) Related Relationship with Listed Companies

Zhejiang Provincial Energy Group Company Ltd., Zhejiang Zheneng Electric Power Co., Ltd. and Zhejiang Provincial Energy Group Finance Co., Ltd., hold 0.60% of the Company’s total shares and have supervisor stationed in the Company. According to provisions of CBIRC’s *Administrative Measures on Related Transactions between Commercial Banks and Internal Personnel and Shareholders*, *Temporary Measures on Equity Management of Commercial Banks*, SSE’s *Guideline for Implementation of Related Transactions of Listed Companies* and the Company’s *Administrative Measures on Related Transactions*, Zhejiang Provincial Energy Group and its affiliated companies are related parties of the Company.

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

(I) Main Content of Related Transaction

On December 21, 2018, the 12th Meeting of the 9th Board of Directors of the Company approved and gave the Related Legal Persons of Zhejiang Provincial Energy Group Series related transaction quota of RMB 8.1 billion, with a validity period of 2 years, including: credit related transaction quota of RMB 8 billion, including: the main credit quota is RMB 6 billion, and the investment limit under non-guarantee financial management is RMB 2 billion; non-credit related translation quota of RMB 100 million.

As the original approval quota will expire on December 21, 2020, this re-approval will give the Related Legal Persons of Zhejiang Provincial Energy Group Series related transaction quota of RMB 8.2 billion, with a validity period of 2 years. The scope of use includes the Company and its consolidated subsidiaries, specifically including: credit related transaction quota of RMB 8.1 billion for various short, medium and long term businesses, including: the main credit quota is RMB 6.0 billion, and the investment limit under non-guarantee financial management is RMB 2.1 billion; non-credit related translation quota of RMB 100 million with transaction types of bond underwriting, asset custody and other asset transfer or comprehensive service businesses.

(II) Pricing Policy

For related transactions between the Company and the Related Legal Persons of Zhejiang Provincial Energy Group Series, 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 the 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**

Considering the continuous promotion of the cooperation between the Company and the Related Legal Persons of Zhejiang Provincial Energy Group Series in multiple business fields and the increasing demand for relevant businesses, the relevant businesses carried out by the Company with the Related Legal Persons of Zhejiang Provincial Energy Group Series is conducive to the further cooperation of all parties.

The above-mentioned related transactions are concluded based on market principles and general business rules or terms not more favorable than those applicable to independent third parties during the daily business of the Company, the transaction conditions will be fair and reasonable, in line with the interests 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 the 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 listed 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 of the Company, expressed the following independent opinions with regard above related transactions:

(I) Procedure. The above-mentioned related transactions have been audited by the Board of Directors, reviewed by the Related Transaction Control Committee and reviewed by the Board of Directors, which is in compliance with the regulations issued by CBIRC, SCRC, SSE and other regulatory authorities, and the Company’s Articles of Association and *Administrative Measures on Related Transactions*.

(II) Fairness. The above-mentioned 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, the 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 the 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 the Audit & Related Transaction Control Committee of the Board of Directors;

2. Resolution of the Board of Directors;

3. Prior Approval Opinions Signed and Confirmed by Independent Directors;

4. Independent Opinions Signed and Confirmed by Independent Directors.

Hereby Announced.

Board of Directors of Industrial Bank Co., Ltd.

December 18, 2020