**Code of A share: 601166 Abbreviation of A Share: Industrial Bank Code: TEMP 2021-009**

**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 China National Tobacco Corporation 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 March 30, 2021, the 27th Meeting of the 9th Board of Directors of the Company reviewed and agreed to give the Related Legal Persons of China National Tobacco Corporation Series credit related transaction quota of RMB 17 billion and non-credit related transaction quota of RMB 5.3 billion, with a validity period of 3 years. Related director Mr. Han Jingwen has abstained from voting. 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.

**I. Overview of Related Transaction**

The 27th Meeting of the 9th Board of Directors of the Company reviewed and approved the *Proposal on Giving Related Transaction Quota to certain Related Parties*, agreed to give the Related Legal Persons of China National Tobacco Corporation Series related transaction quota of RMB 22.3 billion, with a validity period of 3 years, including: credit related transaction quota of RMB 17 billion for China National Tobacco Corporation and its affiliated companies to carry out various short, medium and long term businesses, including: the main credit quota is RMB 15 billion, the investment limit under non-guarantee financial management is RMB 2 billion; non-credit related translation quota of RMB 5.3 billion with transaction types of structured deposits and wealth management, entrusted loans, asset custody, property leasing and other comprehensive services.

The related transaction quota between the Company and the Related Legal Persons of China National Tobacco Corporation Series this time exceeds 1% but is less than 5% 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

China National Tobacco Corporation is an extra-large state-owned enterprise established with the approval of the State Council. It is funded by the State Council and its state-owned assets are supervised by the Ministry of Finance. The Company was established on December 15, 1983. Registered in Beijing, it is an enterprise owned by the whole people with a registered capital of RMB 57 billion and Zhang Jianmin as its legal representative. Its business scope includes the production, operation, import and export of tobacco monopoly products as well as the operation and management of state-owned assets.

(II) Related Relationship with Listed Companies

China National Tobacco Corporation and its subsidiaries hold 9.90% of the Company’s total shares and have director Mr. Han Jingwen 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*, China National Tobacco Corporation 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

The Company’s 2017 annual general meeting of shareholders agreed on May 25, 2018 to give an additional related transaction quota of RMB 4.76 billion to the Related Legal Persons of China National Tobacco Corporation Series. After the change, the total amount of the Related Legal Persons of China National Tobacco Corporation Series related transaction quota was RMB 20.3 billion, including: credit related transaction quota of RMB 15 billion, non-credit related translation quota of RMB 5.3 billion, valid until April 30, 2021.

As the original approval quota will expire on April 30, 2021, this re-approval will give the Related Legal Persons of China National Tobacco Corporation Series related transaction quota of RMB 22.3 billion, with a validity period of 3 years. The scope of use includes the Company and its consolidated subsidiaries, specifically including: credit related transaction quota of RMB 17 billion, including: the main credit quota is RMB 15 billion for various short, medium and long term businesses, the investment limit under non-guarantee financial management is RMB 2 billion for various investment under non-guarantee financial management; non-credit related translation quota of RMB 5.3 billion with transaction types of structured deposits and wealth management, entrusted loans, asset custody, property leasing and other comprehensive services.

(II) Pricing Policy

For related transactions between the Company and the Related Legal Persons of China National Tobacco Corporation 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 China National Tobacco Corporation 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 China National Tobacco Corporation 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 24th Meeting of the Audit & Related Transaction Control Committee of the 9th Board of Directors of the Company;

2. Resolution of the 27th Meeting of the 9th Board of Directors of the Company;

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.

 March 30, 2021