**Industrial Bank Co., Ltd.**

**As of December 31, 2020**

**Attestation Report on Use Report of Previous Raised Funds**

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**On Industrial Bank Co., Ltd.**

**Attestation Report on Use Report of Previous Raised Funds**

KPMG Hua Zhen Zhuan Zi No. 2100579

**To Board of Directors of Industrial Bank Co., Ltd.:**

Upon your entrustment, we have conducted reasonable assurance attestation on the attached Use Report (hereinafter referred to as the "Use Report of Previous Raised Funds") of the Raised Funds (hereinafter referred to as the "Previous Raised Funds")by the Private Offering of A Share in 2017 and the Private Offering of Domestic Preferred Stock in 2019 as of December 31, 2020 of Industrial Bank Co., Ltd. (hereinafter referred to as the "Your Bank" or "Industrial Bank"). We have expressed an attestation opinion on whether the use report of previous raised funds was prepared in accordance with the *Regulations on Use Report of Previous Raised Funds* (Zheng Jian Fa Hang Zi [2007] No. 500) (hereinafter referred to as the "*Regulations on Use Report of Previous Raised Funds*") issued by the China Securities Regulatory Commission in all material respects, and whether truthfully reflected the use of Your Bank’s previous raised funds as of December 31, 2020 in all material respects.

**I. Responsibility of enterprise for use report of previous raised funds**

It is the responsibility of the board of directors of Your Bank to prepare the use report of previous raised funds in accordance with the *Regulations on Use Report of Previous Raised Funds*, such responsibilities include designing, performing and maintaining internal controls related to the preparation of the use report of previous raised funds, and ensuring that the contents of use report of previous raised funds are true, accurate and complete, and there are no false account, misleading statement or material omissions.

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| KPMG Huazhen LLP (Special General Partnership), a People's Republic of China partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited ("KPMG International"), a private British company limited by guarantee. | 毕马威华振会计师事务所（特殊普通合伙） - 中国合伙制会计师事务所，是与英国私营担保有限公司 - 毕马威国际有限公司（“毕马威国际”）相关联的独立成员所全球性组织中的成员。 |



**On Industrial Bank Co., Ltd.**

**Attestation Report on Use Report of Previous Raised Funds (Continue)**

KPMG Hua Zhen Zhuan Zi No. 2100579

**II. Responsibility of CPA(s)**

It is our responsibility to express an attestation opinion on the use report of previous raised funds on the basis of our attestation. We have conducted our attestation in accordance with the provisions of *Other Attestation Standards for Chinese Certified Public Accountants No. 3101- Attestation for Historical Financial Information Except Auditing or Reviewing*, which require that we should plan and perform the attestation in compliance with Chinese Certified Public Accountant's code of professional ethics to obtain reasonable assurance about whether the use report of previous raised funds are free of material misstatement.

An attestation includes performing relevant procedures to obtain attestation evidence on whether the use report of previous raised funds was prepared in accordance with the *Regulations on Use Report of Previous Raised Funds* in all material respects, and whether truthfully reflected the use of Your Bank’s previous raised funds as of December 31, 2020 in all material respects. The procedures are selected based on our judgment, including evaluating the risk of material misstatement in the use report of previous raised funds caused by malpractice or misstatement. In the course of our attestation, we have conducted inquiries, on the basis of spot checks, to examine the evidence supporting the amount and disclosure of use report of previous raised funds and other procedures we deem necessary.

We are convinced that we have obtained adequate and proper evidence, which provides a basis for our attestation opinion.

**III. Attestation opinion**

In our opinion, the above use report of previous raised funds was prepared in accordance with the *Regulations on Use Report of Previous Raised Funds* in all material respects, and truthfully reflected the use of Your Bank’s previous raised funds as of December 31, 2020 in all material respects.

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**On Industrial Bank Co., Ltd.**

**Attestation Report on Use Report of Previous Raised Funds (Continue)**

KPMG Hua Zhen Zhuan Zi No. 2100579

**IV. Purpose of usage**

This attestation report is only used for the purpose of Industrial Bank applied to the China Securities Regulatory Commission for the public offering of convertible bond, and may not be used for any other purpose without the written consent of the firm.

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| KPMG Huazhen LLP (Special General Partnership) | Chinese Certified Public Accountants |
|  | Shi Jian  *Shi Jian (signature)*  Chinese Certified Public Accountants  Shi Jian  [seal] |
|  | Chen Sijie *Chen Sijie (signature)*  Chinese Certified Public Accountants  Chen Sijie  [seal] |
| Beijing, China | *May 21*, 2021 |

Attachment: use report of previous raised funds as of December 31, 2020 of Industrial Bank Co., Ltd.

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**Industrial Bank Co., Ltd.**

**Use Report of Previous Raised Funds as of December 31, 2020**

Industrial Bank Co., Ltd. (hereinafter referred to as the "Company") has prepared the use report of previous raised funds as of December 31, 2020 in accordance with the *Regulations on Use Report of Previous Raised Funds* (Zheng Jian Fa Hang Zi [2007] No. 500) of the China Securities Regulatory Commission (hereinafter referred to as the "CSRC").

The special description of the use of the Company’s previous raised funds is as follows:

**I. Basic condition of previous raised funds**

(I) Private offering of A share in 2017

Approved by the CSRC on the *Reply on the Approval for Industrial Bank Co., Ltd.'s Private Offering of Shares* (Zheng Jian Xu Ke [2017] No. 407), the Company issued 1,721,854,000 private RMB common shares at a price of RMB 15.10 per share to Fujian Provincial Department of Finance, China National Tobacco Corporation, Fujian Branch of China National Tobacco Corporation, Guangdong Branch of China National Tobacco Corporation, Yango Holding Co., Ltd., Fujian Investment & Development Group Co., Ltd., and the total raised funds was RMB 25,999,995,400, after deducting various issuance expenses of RMB 105,748,295.15, the net raised funds was RMB 25,894,247,104.85.

The above funds have been fully received on March 31, 2017, Deloitte & Touche (Special General Partnership) issued the *Capital Verification Report on Industrial Bank Co., Ltd.’s New Registered Capital and Paid-in Capital (Share Capital) of the Private Offering of RMB Common Shares (A Share)* (De Shi Bao (Yan) Zi (17) No. 00187), the Company's new registered capital and paid-in capital (share capital) of this private offering of A share was verified.

The Company deposited the above raised funds by the private offering of A share in the special account for raised funds opened by the Business Department of the Company's Head Office, with the account number 117010100100168432. As of December 31, 2020, the deposit balance was RMB 0, and the above raised funds have all been used up.

(II) Private offering of domestic preferred stock in 2019Approved by the 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 private domestic preferred stock at a price of RMB 100 per share, and the total raised funds was RMB 30,000,000,000.00, after deducting various issuance expenses of RMB 66,988,000.00, the net raised funds was RMB 29,933,012,000.00, and plus the deductable amount of issuance expenses of the private offering of domestic preferred stock from VAT input tax of RMB 3,791,773.58, totaling RMB 29,936,803,773.58.

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The above funds have been fully received on April 11, 2019, Deloitte & Touche (special general partnership) issued the *Capital Verification Report on the Industrial Bank Co., Ltd.’s Actual Collection of Raised Funds by the Private Offering of Domestic Preferred Stock* (De Shi Bao (Yan) Zi (19) No. 00147), the Company's actual collection of raised funds of this private offering of domestic preferred stock was verified.

The Company deposited the above raised funds by the private offering of domestic preferred stock in the special account for raised funds opened by the Business Department of the Company's Head Office, with the account number 117010100100168432. As of December 31, 2020, the deposit balance was RMB 0, and the above raised funds have all been used up.

**II. Actual use of previous raised funds**

(I) Private offering of A share in 2017

As of December 31, 2020, the Company's net raised funds by the private offering of A share in 2017 was RMB 25,894,247,104.85 after deducting issuance expenses, all of which have been used to supplement the Company's core Tier 1 capital and were consistent with the purpose of raised funds promised by the Company's private offering of A share. As of December 31, 2020, for details of the actual use of previous raised funds, please refer to the *Comparison Table for Use of Previous Raised Funds* attached to this report.

(II) Private offering of domestic preferred stock in 2019

As of December 31, 2020, the Company's net raised funds by the private offering of domestic preferred stock in 2019 was RMB 29,933,012,000.00 after deducting issuance expenses, the actual net raised funds plus the deductable amount of issuance expenses of the private offering of domestic preferred stock from VAT input tax of RMB 3,791,773.58, totaling RMB 29,936,803,773.58, all of which have been used to supplement the Company's other Tier 1 capital and were consistent with the purpose of raised funds promised by the Company's private offering of domestic preferred stock. As of December 31, 2020, for details of the actual use of previous raised funds, please refer to the *Comparison Table for Use of Previous Raised Funds* attached to this report.

**III. The economic benefits generated by the investment project of the previous raised funds**

Due to the particularity of the banking business, the Company's raised funds by the private offering of A share in 2017 and the private offering of domestic preferred stock in 2019 after deducting issuance expenses has all been used to supplement the Company's capital, and the realized benefits cannot be independently calculated. After the Company's raised funds were used to supplement capital, the capital adequacy level was improved.

**IV. Comparison between the use of previous raised funds and the information disclosed in the Company's regular reports**

The Company has compared the above actual use of previous raised funds with the relevant contents disclosed in the relevant regular reports and other information disclosure documents released by the Company since March 2017, and the actual use is consistent with the relevant contents disclosed.

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**V.** [**Conclusion**](http://www.youdao.com/w/conclusion/#keyfrom=E2Ctranslation)

The Company has used the previous raised funds in accordance with the purpose of the raised funds promised in the private offering of A share and the private offering of domestic preferred stock. The Company has faithfully fulfilled its obligation to disclose the investment direction and progress of previous raised funds. This report is prepared in accordance with the requirements of the Regulations on Use Report of Previous Raised Funds (Zheng Jian Fa Hang Zi [2007] No. 500) issued by CSRC.

All directors of the Company promise there’s no false account, misleading statement or material omissions of the report, and will be jointly and severally legal liabilities for the truthfulness, accuracy and integrity of the report.

Board of Directors of Industrial Bank Co., Ltd.

*May 21*, 2021

Attached Schedule: *Comparison Table for Use of Previous Raised Funds*

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Attached Schedule:

Comparison Table for Use of Previous Raised Funds

Prepared by: Industrial Bank Co., Ltd.

Deadline: December 31, 2020

Private Offering of A Share in 2017 Unit: RMB

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Amount of raised funds: | | | | 25,894,247,104.85 | | | Accumulated amount of raised funds has been used: | | | 25,894,247,104.85 | | |
| Amount of raised funds for the change of use: | | | | - | | | Amount of raised funds used in each year: | | | | | |
| Proportion of amount of raised funds for the change of use: | | | | - | | | 2017: | | | 25,894,247,104.85 | | |
| 2018: | | | - | | |
| 2019: | | | - | | |
| 2020: | | | - | | |
| Investment project | | | Investment amount of raised funds | | | | Accumulated investment amount of raised funds of the deadline | | | | | Date when the project reaches the scheduled usable status |
| No. | Promised investment project | Actual investment project | Promised investment amount before raised funds | | Promised investment amount after raised funds | Actual investment amount | Promised investment amount before raised funds | Promised investment amount after raised funds | Actual investment amount | | The difference between actual investment amount and promised investment amount after raised funds |
| 1 | Supplement core Tier 1 capital | Supplement core Tier 1 capital | 25,894,247,104.85 | | 25,894,247,104.85 | 25,894,247,104.85 | 25,894,247,104.85 | 25,894,247,104.85 | 25,894,247,104.85 | | - | Not Applicable |

Private offering of domestic preferred stock in 2019 Unit: RMB

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Amount of raised funds note 1: | | | | 29,936,803,773.58 | | | Accumulated amount of raised funds has been used: | | | 29,936,803,773.58 | | |
| Amount of raised funds for the change of use: | | | | - | | | Amount of raised funds used in each year: | | | | | |
| Proportion of amount of raised funds for the change of use: | | | | - | | | 2019: | | | 29,936,803,773.58 | | |
| 2020: | | | - | | |
| Investment project | | | Investment amount of raised funds | | | | Accumulated investment amount of raised funds of the deadline | | | | | Date when the project reaches the scheduled usable status |
| No. | Promised investment project | Actual investment project | Promised investment amount before raised funds | | Promised investment amount after raised funds | Actual investment amount | Promised investment amount before raised funds | Promised investment amount after raised funds | Actual investment amount | | The difference between actual investment amount and promised investment amount after raised funds |
| 1 | Supplement other Tier 1 capital | Supplement other Tier 1 capital | 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 | 29,936,803,773.58 | | - | Not Applicable |

Note 1: The amount of raised funds is the actual net raised funds after deducting sponsorship and underwriting fees and other issuance expenses plus the deductable amount of issuance expenses of the private offering of domestic preferred stock from VAT input tax.

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