**Announcement Code: TEMP 2022-020**

**Code of A Share: 601166 Abbreviation of A Share: Industrial Bank**

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

**Code of Convertible Bonds: 113052 Abbreviation of Convertible Bonds: Industrial Convertible Bonds**

**Industrial Bank Co., Ltd.**

**Announcement on the Renewal of Accounting Firm Contract**

The Board of Directors of the Company and all directors guarantee that the announcement does not contain any false account, misleading statement, or material omissions, and will collectively and individually take responsibility for ensuring the authenticity, accuracy, and integrity of the announcement.

**Important notifications:**

This is to notify that the Industrial Bank Co., Ltd. plans to renew the services of KPMG Huazhen LLP for 2022 annual audit, semi-annual report review, and internal control audit services for a period of one year at a total audit cost of RMB 8.85 million yuan.

**I. Profile of the Accounting Firm for Renewal**

**(i) Institutional Information**

**1. Basic Information**

KPMG Huazhen LLP is a partnership enterprise established on August 18, 1992 in Beijing and reorganized into a special common partnership under the new name of KPMG Huazhen LLP (“KPMG Huazhen”) on July 5, 2012 with the approval of the Ministry of Finance. It obtained business license on July 10, 2012 and officially began operation on August 1, 2012.

KPMG Huazhen is headquartered in Beijing with the registered address of 8/F, Office Tower E2, Oriental Plaza, 1 East Chang An Avenue, Dongcheng District Beijing.

The chief partner of KPMG Huazhen is Zou Jun, Chinese, qualified as a Chinese Certified Public Accountant.

By December 31, 2021, KPMG Huazhen had 199 partners and 977 certified accountants, including over 210 certified accountants who have signed securities service business audit reports.

KPMG Huazhen’s audited total business revenue in 2020 exceeds RMB 3.4 billion yuan, including an audit business revenue above RMB 3.1 billion yuan (including domestic statutory securities business revenue above RMB 600 million yuan, other securities business revenue above RMB 700 million yuan, and securities business revenue above RMB 1.3 billion yuan).

KPMG Huazhen had 57 customers for the auditing of listed companies’ 2020 annual reports, and collected a total of RMB 356 million yuan for the auditing of listed companies’ financial statements. These listed companies spread across a wide range of sectors such as manufacturing, financial services, mining, electric power, heat, gas and water production and supply, wholesale and retail, transportation, warehousing and postal services, real estate, rental and commercial services, scientific research and technical services, water conservancy, environmental and public facilities management, information transmission, software and information technology services, as well as health and social work. KPMG Huazhen audited 15 listed company customers of the same industry in 2020.

**2. Investor Protection**

The sum between cumulative compensation limit of professional indemnity insurance and the professional indemnity insurance fund purchased by KPMG Huazhen exceeds RMB 200 million yuan, which meets statutory requirements. Over the recent three years, KPMG Huazhen has not been subject to any civil liabilities arising from any civil litigation in connection with its professional services.

**3. Credibility Record**

Over the recent three years, KPMG Huazhen and its employees have not been subject to any criminal or administrative penalties or administrative regulatory measures imposed by the China Securities Regulatory Commission (CSRC) and its local offices or self-regulatory measures or disciplinary actions imposed by securities exchanges, industry associations or other self-regulatory organizations.

**(ii) Project Information**

**1. Basic information**

The project partner, signature certified accountant and project quality-control reviewer of KPMG Huazhen for the 2020 financial statement audit project of the Industrial Bank Co., Ltd. (“Company”) are as follows:

Project partner Chen Sijie obtained the Chinese certified accountant qualification in 2000. Chen Sijie began to practice at KPMG Huazhen in 1996 and began to conduct auditing for listed companies in 2000. Since 2019, he began to provide auditing services for the Company. Over the past three years, Chen Sijie has signed or reviewed eight audit reports for listed companies.

Signature certified accountant Wu Zhongming obtained the Chinese certified accountant qualification in 2012. Since 2003, Wu Zhongming began to practice at KPMG Huazhen. He began to audit listed companies since 2012 and provide auditing services for the Company since 2021. Over the past three years, Wu Zhongming has signed or reviewed two audit reports for listed companies.

Quality-control reviewer Song Chenyang is a practicing member of the China Certified Public Accountant Association (CCPAA). Song Chenyang began to perform auditing for listed companies at KPMG Huazhen in 1993 and provide auditing services for the Company since 2019. Over the past three years, he has signed or reviewed the auditing reports of many listed companies.

**2. Credibility Record**

Over the recent three years, KPMG Huazhen and its employees have not been subject to any criminal or administrative penalties or administrative regulatory measures imposed by the China Securities Regulatory Commission (CSRC) and its local offices or self-regulatory measures or disciplinary actions imposed by securities exchanges, industry associations or other self-regulatory organizations.

**3. Independence**

KPMG Huazhen and its project partner, signature certified accountant and project quality-control reviewer have maintained independence in accordance with professional code of conduct.

**4. Auditing Fee**

KPMG Huazhen determines its audit service fee according to the degree of business responsibility, complexity, work requirements, necessary working conditions and working hours, as well as the input of professional knowledge and work experience from personnel at all levels. In 2022, the audit fee for this Project was RMB 8.85 million yuan, an increase of 5% in auditing expenses from the previous year.

**II. The Company’s Decision-Making Procedure**

2.1 The Fifth Meeting of the 10th Board of Directors Audit and the Related Party Control Committee of the Company adopted the *Resolution on the Engagement of an Accounting Firm in 2022*. Members of the Board of Directors Audit and Related Party Control Committee believed that KPMG Huazhen met regulatory requirements in terms of professional qualification, competence, investor protection, independence, and credibility, and agreed to submit the resolution to the Board of Directors for deliberation.

2.2 All the independent directors of the Company have expressed *ex-ante* approval on the engagement of the accounting firm. In accordance with relevant procedures of corporate governance, the proposal was submitted to the Company’s Board of Directors for deliberation, and the following independent opinion is expressed:

KPMG Huazhen meets regulatory requirements in terms of professional qualification, competence, investor protection, independence, and credibility. The decision to engage KPMG Huazhen as the Company’s accounting firm for 2022 has completed sufficient and appropriate decision-making process and is consistent with relevant requirements of laws and regulations and the Company’s *Constitution*. It is agreed to submit the matter to the shareholders’ meeting for deliberation.

(iii) The Fifth Meeting of the Company’s 10th Board of Directors has adopted the *Resolution on the Engagement of Accounting Firm for 2022*. Voting results: Assent 13, Dissent 0, Abstain 0.

(iv) The renewal of the services of the accounting firm has yet to be submitted to the 2021 Annual Shareholders’ Meeting and shall take effect as of the date of adoption at the shareholders’ meeting.

Board of Directors of the Industrial Bank Co., Ltd.

March 24, 2022