

Announcement Code: TEMP 2023-058

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 Allocation of Connected Transaction Quota to A Series of Related Parties of Fujian Provincial Financial Investment

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.

Important Notes:

- **Transaction Content**

The 21st Meeting of the 10th Board of Directors of Industrial Bank Co., Ltd (hereinafter referred to as the Company) reviewed and approved the allocation of connected transaction quotas to a series of related parties of Fujian Provincial Financial Investment Co., Ltd (hereinafter referred to as Fujian Provincial Financial Investment). The credit-related connected transaction quota is set at RMB 21 billion, while the non-credit-related connected transaction quota is set at RMB 15.928 billion. These quotas will be valid for 2 years.

- The aforementioned connected transactions are part of the Company's daily business activities, having no significant impact on its current and future financial condition. They also do not compromise the Company's independence.
- The routine connected transactions mentioned above do not need to be presented to the shareholders' meeting for approval.

- During the Board of Directors' review of the aforementioned connected transactions, Mr. Chen Yichao, an affiliated director, abstained from voting.

I. Overview of Routine Connected Transactions

i. The Deliberation Procedure for the Operation of Routine Connected Transactions

According to the relevant provisions outlined in the *Administrative Measures for the Management of Connected Transactions of Banks and Insurance Institutions*, the *Administrative Measures for Independent Directors of Listed Companies*, the *Rules Governing the Listing of Stocks on the Shanghai Stock Exchange*, and the *Administrative Measures for Connected Transactions of Industrial Bank Co., Ltd* (referred to as the *Administrative Measures for Connected Transactions*), any connected transactions between the Company and related parties of the Fujian Provincial Financial Investment that exceed 1% but do not surpass 5% of the Company's audited net assets of the most recent period are deemed significant connected transactions. These transactions require review by the Audit and Connected Transaction Control Committee of the Board of Directors and consideration by a special meeting of the independent directors. However, they are not required to be presented to the Company's shareholder meeting for approval.

On December 14, 2023, the Audit and Connected Transaction Control Committee of the Tenth Board of Directors of the Company reviewed and approved the *Proposal for the Allocation of Connected Transaction Quota to a Series of Related Parties of Fujian Provincial Financial Investment Co., Ltd*. Subsequently, the proposal was reviewed in a special meeting held by the independent directors of the Company, with all five independent directors consenting to it. On December 15, 2023, during the 21st Meeting of the 10th Board of Directors of the Company, it was deliberated and agreed to allocate connected transaction quotas of RMB 36.928 billion worth to a series of related parties of Fujian Provincial Financial Investment.

Voting on the connected transaction proposal by the Board of Directors: Assent 10, Dissent 0, Abstain 0. Mr. Chen Yichao, an affiliated director, withheld his vote.

All independent directors of the Company have provided their prior approval and independent perspectives on the aforementioned connected transactions. They believe that these transactions are part of the Company's regular business operations and have

undergone the necessary approval procedures. Furthermore, the affiliated director withheld his vote during the Board of Directors' consideration of these transactions. The mentioned connected transactions have been conducted in accordance with standard commercial practices, with fair and reasonable terms. They have not compromised the interests of the Company and its shareholders, especially the minority shareholders. Additionally, these transactions will not have any adverse effects on the Company's financial position in the present or future periods, nor will they compromise the Company's independence. They are also in compliance with the relevant provisions of regulators, the Company's Articles of Association, and the *Administrative Measures for Connected Transactions*.

(ii) Estimated Amount and Type of Current Routine Connected Transactions

The approved connected transaction quota of RMB36.928 billion for the related parties of Fujian Provincial Financial Investment is valid for 2 years. This includes RMB 21 billion in credit-related connected transactions and RMB15.928 billion in non-credit-related connected transactions. Among the non-credit-related connected transactions, service-related transactions amount to RMB1.013 billion, asset transfer-related transactions amount to RMB5.015 billion, deposits other than demand deposits-related transactions amount to RMB9.8 billion, and other connected transactions amount to RMB100 million.

(iii) Main Considerations for Allocating Connected Transaction Quota to the Related Parties of Fujian Provincial Financial investment

Regarding the credit business, Fujian Provincial Financial Investment is recognized for its stable financial position, high credit rating, quality assets, strong profitability, and sound debt repayment ability. As a group customer prioritized by the Company, it has contributed positively to the Company's overall performance. Additionally, risks during the credit period are deemed manageable, and the Company will enhance customer service while striving to increase credit utilization rates. The allocated quota has been determined by considering past business collaborations and new partnerships.

For the non-credit business, the main considerations are as follows: (1) the Company will continue to conduct service-oriented businesses, including agency sales, asset custody, housing leasing, technology services, fund services, and professional management products, with the related parties of Fujian Provincial Financial

Investment. (2) The Company will enhance its asset transfer-related businesses, such as trading bill assets, spot bond transactions, and other asset transfers with the related parties of Fujian Provincial Financial Investment. (3) The Company will actively expand its deposit-related businesses, including time deposits, structured deposits, notice deposits for corporate customers, large certificates of deposit for corporate customers, and other deposit-type services with the related parties of Fujian Provincial Financial Investment.

II. Introduction of Related Parties and Connection

(i) Company Profile of Related Parties

Fujian Provincial Financial Investment, established on February 28, 2022, with approval from the People's Government of Fujian Province, is a wholly state-owned provincial company. It operates under unified social credit code 91350000MA8UMNMH01, with Wan Chongwei serving as its legal representative. The company, with a registered capital of 100 billion yuan, is registered in Fuzhou City. Its main office is located at Block A, Zhongshan Mansion, No. 154, East Hudong Road, Gulou District, Fuzhou City, Fujian Province. Primarily, it is engaged in self-funded investment, private equity investment fund management, and venture capital fund management. The Department of Finance of Fujian Province acts as its controlling shareholder and de facto controller.

As of June 30, 2023, Fujian Provincial Financial Investment reported consolidated total assets of RMB116.772 billion and net assets of RMB116.714 billion. Its gearing ratio was 0.05%. During the period from January to June 2023, its investment revenue amounted to RMB7.682 billion, with a net profit of RMB7.662 billion.

(ii) Connection with Listed Companies

As of the end of September 2023, the Fujian Provincial Department of Finance held 2.18% of the Company's RMB ordinary shares, while Fujian Provincial Financial Investment held 16.91%, resulting in a combined shareholding ratio of 19.09%, making them the largest shareholder of the Company. According to the "Administrative Measures for Connected Transactions of Banks and Insurance Institutions," "Rules for Listing of Stocks on the Shanghai Stock Exchange," and "Administrative Measures for Connected Transactions of Industrial Bank Co., Ltd.," as well as other relevant

regulations, the related parties of Fujian Provincial Financial Investment are considered the Company's related parties under the supervision of the CBIRC and the CSRC/SSE.

III. Main Content and Pricing Policy of Related Transaction

(i) Main Content of Connected Transaction

The approved quota of RMB36.928 billion was allocated to the related parties of the Fujian Provincial Financial Investment for a period of 2 years, distributed as follows:

(1) A credit-related connected transaction quota of RMB21 billion, intended for various short-, medium-, and long-term business activities. (2) Non-credit related connected transactions totaling RMB15.928 billion, including: service-related transactions amounting to RMB1.013 billion; asset transfer-related transactions totaling RMB5.015 billion; deposits other than demand deposits of RMB9.8 billion; and other related transactions of RMB100 million.

(ii) Pricing Policy

For the pricing of transactions between the Company and related parties of the Fujian Provincial Financial Investment, rates applied in non-connected transactions between independent third parties are referred. In credit connected transactions, if the terms are not more favorable than those offered to other entities, pricing and settlement methods follow those of independent third-party non-connected transactions. Non-credit related transactions are conducted in line with standard commercial practices in the Company's daily operations, with terms no more advantageous than those for similar transactions with unrelated parties.

IV. Purpose of Connected Transactions and Their Influence on Listed Companies

The mentioned connected transactions have been conducted in accordance with standard commercial practices, with fair and reasonable terms in line with the regulatory requirements and provisions of the Company's internal policies. They have not compromised the interests of the Company and its shareholders, especially the minority shareholders. Additionally, these transactions will not have any adverse effects on the Company's financial position in the present or future periods, nor will they compromise the Company's independence.

V. List of Documents for Reference

1. Resolution of the 17th Meeting of the Audit and Connected Transaction Control

Committee of the 10th Board of Directors.

2. Resolution of the 21st Meeting of the 10th Board of Directors.
3. Resolution of the Special Meeting of Independent Directors.
4. Pre-approval Opinions Signed and Confirmed by the Independent Directors.
5. Independent Opinions Signed and Confirmed by the Independent Directors.

It is hereby announced.

Annex: Industrial Bank Co., Ltd Independent Opinion of Independent Directors on
Matters of Significant Connected Transactions

Board of Directors of Industrial Bank Co., Ltd.

December 15, 2023

Annex:

Industrial Bank Co., Ltd
Independent Opinion of Independent
Directors on Matters of Significant
Connected Transactions

In accordance with the *Corporate Governance Guidelines for Banks and Insurance Institutions, Administrative Measures for Connected Transactions of Banks and Insurance Institutions, Rules for Listing of Stocks on the Shanghai Stock Exchange*, as well as the *Articles of Association and Administrative Measures for Connected Transactions of Industrial Bank Co., Ltd* (referred to as the Bank), I, as an independent director, hereby provide my independent opinion on the Bank's allocation of connected transaction quota to a series of related parties of Fujian Provincial Financial Investment Co., Ltd, considering it a material connected transaction. My opinion is as follows:

- (I) Procedures: The Bank's allocation of connected transaction quotas to a series of related parties of Fujian Provincial Financial Investment Co., Ltd. underwent appropriate review and approval procedures. During the deliberation of the aforementioned connected transaction proposal by the Board of Directors, the affiliated director withheld his vote. The relevant procedures complied with regulations issued by the CBIRC, CSRC, SSE, and other supervisory authorities, as well as with the Articles of Association and the Regulations on the Management of Connected Transactions of the Bank.
- (II) (II) Fairness: The aforementioned connected transactions are part of the Bank's routine business operations. They are conducted in line with general commercial principles and on terms no more favorable than those for similar transactions with unrelated parties. The transaction terms are fair and reasonable, complying with relevant laws, regulations, and the Bank's internal policies. They do not undermine the interests of the Bank and its shareholders, particularly minority shareholders, nor do they have adverse effects on the Bank's current or future financial position.

Additionally, these transactions do not compromise the Bank's independence.

Independent directors: Ben Shenglin, Xu Lin, Wang Hongmei, Qi Yuan, Zhang Xuewen
December 15, 2023