

Announcement Code: TEMP 2024-010

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 PICC

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 22nd 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 the People's Insurance Company of China(hereinafter referred to as PICC). The credit-related connected transaction quota is set at RMB 40 billion, while the non-credit-related connected transaction quota is set at RMB 40 billion。 These quotas will be valid for 3years.

- 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 need to be presented to the shareholders' meeting for approval.

- During the Board of Directors' review of the aforementioned connected transactions, Ms. Qiao Lijian, 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*), the Company's transactions with related parties of CNTC are considered significant due to their exceeding 5% of the Company's latest audited net assets and 5% of its net capital at the end of the previous quarter. As such, they require scrutiny by the Audit and Connected Transaction Control Committee of the Board of Directors, along with a special meeting of independent directors, before being presented for approval by the Board of Directors. Subsequently, they must undergo review at the general meeting of shareholders of the Company.

On March 27, 2024, the 19th meeting of 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 China National Tobacco Corporation*. 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 March 28, 2024, during the 22nd Meeting of the 10th Board of Directors of the Company, it was deliberated and agreed to allocate connected transaction quotas of RMB 80 billion worth to a series of related parties of PICC.

Voting on the connected transaction proposal by the Board of Directors: Assent 11, Dissent 0, Abstain 0. Ms. Qiao Lijian, an affiliated director, withheld her 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 RMB80billion for the related parties of PICC is valid for 3 years. This includes RMB 40 billion in credit-related connected transactions and RMB40 billion in non-credit-related connected transactions. The credit-related connected transactions, including credit and credit-like activities, encompass a wide range of short-, medium-, and long-term business arrangements. Among the non-credit-related connected transactions, service-related transactions amount to RMB2.358 billion, asset transfer-related transactions amount to RMB9.286 billion, deposits other than demand deposits-related transactions amount to RMB23 billion, and other connected transactions amount to RMB5.356 billion.

(iii) Main Considerations for Allocating Connected Transaction Quota to the Related Parties of PICC

Regarding the credit business, PICC is recognized for its stable financial position, high credit rating, quality assets, strong profitability, and sound debt repayment ability. As a strategic 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 PICC. (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 PICC. (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 PICC.

II. Introduction of Related Parties and Connection

(i) Company Profile of Related Parties

PICC was established on October 20, 1949, at 108 Xijiao Minxiang, Beijing. It holds a unified social credit code of 911000001000237368, with Wang Tingke as its legal representative. The registered capital amounts to 44.223 billion yuan, with the registered office located in Beijing and the headquarters situated at 88 Xichang'an Street, Xicheng District, Beijing. PICC primarily operates in property insurance, life insurance, and asset management businesses.

As of December 2023, PICC reported consolidated total assets of RMB1557.2 billion and net assets of RMB331.7 billion. Its gearing ratio was 78.69%. In 2023, its investment revenue amounted to RMB25.6 billion, with a net profit of RMB31.5 billion.

(ii) Connection with Listed Companies

As of the end of December 2023, PICC and its subsidiaries held 12.90% of the Company's RMB ordinary shares. 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 PICC 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 RMB80 billion was allocated to the related parties of PICC for a period of 3 years, distributed as follows: (1) A credit-related connected transaction quota of RMB40 billion, intended for various short-, medium-, and long-term business activities. (2) Non-credit related connected transactions totaling RMB40 billion, including: service-related transactions amounting to RMB2.358 billion; asset transfer-related transactions totaling RMB9.286 billion; deposits other than demand deposits of RMB 23 billion; and

other related transactions of RMB5.356 billion.

(ii) Pricing Policy

For the pricing of transactions between the Company and related parties of PICC, 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 19th Meeting of the Audit and Connected Transaction Control Committee of the 10th Board of Directors.
2. Resolution of the 22nd Meeting of the 10th Board of Directors.
3. Resolution of the First Special Meeting of Independent Directors in 2024.
4. 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.

March 28, 2024

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 China National Tobacco Cooperation, 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 People's Insurance Company of China 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) 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
March 28, 2024