

Announcement number: Lin 2025-009

A-share code: 601166

A-share abbreviation: Industrial Bank

Preferred shares codes: 360005, 360012, 360032

Preferred shares abbreviations: Xing Ye You 1, Xing Ye You 2, Xing Ye You 3

Convertible bonds code: 113052

Convertible bonds abbreviation: Industrial Convertible Bonds

Announcement of Industrial Bank Co., Ltd. on the 2024 Profit Distribution Plan

The Company's Board of Directors and all directors hereby warrant that this announcement is free from false representation, misleading statement or material omission and assume legal liabilities for the authenticity, accuracy and entirety of the announcement.

Important Notice:

- Cash dividends of RMB1.06 per share (tax inclusive) will be distributed.
- The profit distribution will be on the basis of ordinary shares of the Company on the record date for implementation of interest distribution, which will be specified in the announcement on implementation of interest distribution. If the total ordinary share capital of the Company changes before the record date for implementation of interest distribution, the Company will propose to maintain the same total amount of distribution and adjust the distribution ratio per share accordingly, and will make disclosure in the announcement on implementation of interest distribution.
- The distribution does not involve any circumstances that may trigger other risk warnings as per Item viii. of Paragraph 1 of Article 9.8.1 of the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*.

I. Profit Distribution Plan

i. Specific contents of the profit distribution plan

As at December 31, 2024, the undistributed profits of Industrial Bank Co., Ltd. (hereinafter referred to as the "Company") in the parent company's financial statements audited by KPMG Huazhen LLP amounted to RMB487,115 million. After being reviewed and approved by the seventh meeting of the 11th session of the Board of Directors, the Company plans to distribute profits on the basis of ordinary shares of the Company on the record date for implementation of interest distribution for 2024. The profit distribution plan is as follows:

1. Appropriation to the statutory surplus reserve: According to the *Company Law of the People's Republic of China*, the Company's appropriation to the statutory surplus reserve ceased when the balance of this reserve had reached 50% of registered capital at the end of 2024.
2. Transferring to the general reserve: A general reserve of RMB4,531 million was transferred according to the *Measures on General Provision for Bad and Doubtful Debts for Financial Institutions* issued by the Ministry of Finance.

3. Payment of dividends of preferred shares: The Company issued three tranches of preferred shares in RMB in a non-public manner, totaling RMB56 billion, and the dividends payable for 2024 amounted to RMB2,597 million.

4. Distribution of dividends of ordinary shares: According to the profit distribution policy in the Company's Articles of Association, and taking into account the regulatory requirements for capital adequacy ratio, investor demands, and the Company's sustainable business development, it is to distribute cash dividends of RMB10.60 per 10 shares (tax inclusive) to all ordinary shareholders registered on the record date for implementation of interest distribution. The Company proposes to distribute a cash dividend of RMB22,021 million in total based on the total ordinary share capital of 20,774,308,106 shares as at December 31, 2024.

As the convertible corporate bonds issued by the Company are in the conversion period, if the total ordinary share capital of the Company changes before the record date for implementation of interest distribution, the Company will propose to maintain the same total amount of distribution and adjust the distribution ratio per share accordingly, and will make disclosure in the announcement on implementation of interest distribution.

After the implementation of the distribution plan, the remaining undistributed profits will be carried forward to the next year to supplement the Company's core tier 1 capital.

The profit distribution plan is subject to be approved at the Company's 2024 Annual General Meeting of Shareholders.

ii. Explanation of no risk warning of the Company

Unit: RMB1,000,000

Item	2024	2023	2022
Total cash dividends	22,021	21,605	24,680
Total repurchased and cancelled shares	0	0	0
Net profit attributable to shareholders of the listed company	77,205	77,116	91,377
Undistributed profit of the parent company's balance sheet at the end of the year	487,115		
Cumulative cash dividends in the last three accounting years	68,306		
Have cumulative cash dividends in the last three accounting years less than RMB50 million?	No		
Cumulative repurchased and cancelled shares in the last three accounting years	0		
Average net profit in the last three accounting years	81,899		
Cumulative cash dividends and repurchased and cancelled shares in the last three accounting years	68,306		
Cash dividend rate (%) (Cumulative cash dividends and repurchased and cancelled shares / average net profit in the last three accounting years)	83.40		

Has the cash dividend rate been below 30%?	No
Has any circumstance that may trigger other risk warnings as per Item viii. of Paragraph 1 of Article 9.8.1 of the <i>Rules Governing the Listing of Stocks</i> involved?	No

II. Explanation of Cash Dividend Rate for the Year

During the reporting period, the Company's net profit attributable to the shareholders of the parent company in the consolidated financial statements recorded RMB77,205 million, and the net profit attributable to the ordinary shareholders of the parent company was RMB72,993 million. The Company is proposed to distribute a cash dividend of RMB22,021 million in total based on the total ordinary share capital of 20,774,308,106 shares as at December 31, 2024, which accounts for 28.52% of the net profit attributable to the shareholders of the parent company in the consolidated financial statements and 30.17% of the net profit attributable to the ordinary shareholders of the parent company in the consolidated financial statements. The main considerations are as follows:

- i. Strengthening the endogenous capital accumulation of commercial banks. Capital is the foundation of a bank's sound operations and risk resilience. At present, the external business environment of commercial banks remains complex and severe. Commercial banks should strengthen endogenous capital accumulation to maintain a strong capital adequacy level and enhance their ability to resist risks.
- ii. Stricter capital regulatory requirements. The *Systemically Important Banks Assessment Measures*, the *Provisions on the Additional Regulation of Systemically Important Banks (Trial)* issued by the People's Bank of China and the former CBIRC and the *Rules on Capital Management of Commercial Banks* issued by the National Financial Regulatory Administration in 2023 imposed stricter requirements on the capital adequacy and risk management for commercial banks.
- iii. Supporting economic development. The Company will make efforts to support the "five major areas" and the layout of "five new tracks", increase its credit granting, fully serve the real economy to achieve high-quality development, and continuously strengthen its sound operation capabilities.

In view of the above internal and external factors, the Company has maintained the continuity and stability of its dividend policy on the whole, the cash dividend rate is rising year by year, and consideration was given to the interests of the Company's shareholders as well as the sustainable development of the Company.

III. Decision-making Procedures

- i. Convening, reviewing and voting at Board Meetings

The seventh meeting of the 11th session of the Board of Directors of the Company was held on March 27, 2025, and the meeting reviewed and approved the *2024 Profit Distribution Plan*, which complies with the profit distribution policy in the Company's Articles of Association. All directors unanimously agreed to submit the proposal to the 2024 Annual General Meeting of Shareholders for deliberation.

- ii. Opinion of the Board of Supervisors

The fifth meeting of the ninth session of the Board of Supervisors of the Company was held on March 26, 2025, and the meeting reviewed and approved the *2024 Profit*

Distribution Plan. The Board of Supervisors held that the plan and its decision-making procedures comply with the profit distribution policy in the Company's Articles of Association.

IV. Related Risk Warning

The Company's 2024 Profit Distribution Plan will not have a significant impact on the Company's earnings per share or operating cash flow, and will not affect the Company's normal operation and long-term development.

It is hereby announced.

Board of Directors of Industrial Bank Co., Ltd.

March 27, 2025