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JIANGXI BANK CO., LTD.*

江西銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1916)

DISCLOSEABLE TRANSACTION

ENTERING INTO CREDITOR'S RIGHTS TRANSFER AGREEMENTS

The Board of Directors (the "**Board**") of Jiangxi Bank Co., Ltd. (the "**Bank**") is pleased to announce that subsequent to completion of public tender process, on December 31, 2019, the Bank entered into Creditor's Rights Transfer Agreement with the Jiangxi Financial Asset Management Co., Ltd. (the "**Financial Company**"), pursuant to which the Bank agreed to transfer its legally-owned loan-related creditor's rights that was set forth in relevant Creditor's Rights Transfer Agreement to the Financial Company at a consideration of RMB829,712,191.70. On the same date, AVIC Trust Company Limited ("**AVIC Trust**"), the trustee pursuant to the single fund trust contract ("**trust contract**") signed by the Bank on May 2014, entered into Creditor's Rights Transfer Agreement with the Financial Company, pursuant to which AVIC Trust agreed to transfer the Bank's legally-owned loan-related creditor's rights that were set forth in relevant Creditor's Rights Transfer Agreement to the Financial Company at a consideration of RMB237,373,000. The principal terms of Creditor's Rights Transfer Agreement are detailed below:

I. CREDITOR'S RIGHTS TRANSFER CONTRACT BETWEEN THE BANK AND THE FINANCIAL COMPANY

Date

December 31, 2019

Parties

- (1) The Bank (and relevant sub-branches or branches) (as the Vendor); and
- (2) The Financial Company (as the Purchaser)

Jiangxi Financial Holding Group Co., Ltd. is the largest shareholder of the Financial Company in which it holds approximately 40% of the equity interests and holds 5.77% issued share capital of the Bank as at the date of this announcement. Jiangxi Financial Holding Group Co., Ltd. is wholly-owned by Asset Management Center of Administrative Institutions in Jiangxi Province. As at the date of this announcement, the Financial Company and its ultimate beneficial owners are, to the best knowledge, information and belief of the Bank’s directors and having made all reasonable enquiries, third parties independent of the Bank and its connected persons.

Transfer Subject

The transfer subject is the Bank’s legally-owned credit assets set forth in the Creditor’s Rights Transfer Agreement, including but not limited to the principal creditor’s rights and security rights enjoyed by the Bank over borrowers, mortgagors, pledgors and guarantors, as well as other statutory or agreed ancillary rights and interests derived therefrom or related thereto (including but not limited to the right of litigation claim, the right of application for litigation preservation, the right of sealing up, the right of application for enforcement, the right to declare bankruptcy claims, the right to request for breach of contract relief, etc.). As of the base day, the principal balance and interest of loan-related creditor’s rights, owned by the Bank and to be transferred to the Financial Company pursuant to the Creditor’s Rights Transfer Agreement, and expenses for the realization of creditor’s rights such as court acceptance fee, preservation expenses, announcement expenses, attorney fee and others totalled RMB1,115,785,976.44.

Consideration and Payment Terms

The total transfer consideration for the Financial Company to purchase the loan-related creditor’s rights under the Creditor’s Rights Transfer Agreement is RMB829,712,191.70. The consideration was determined through arm’s length negotiations between the parties and based on reference to the book value, the age of the creditor’s rights, and the possibility of successful recovery of the creditor’s rights at the base date according to the Creditor’s Rights Transfer Agreement. The directors of the Bank consider that the consideration for the creditor’s rights transfer is fair and reasonable.

The consideration payment arrangement according to Creditor’s Rights Transfer Agreement is as follows:

Amount of price for creditor’s rights transfer	Payment arrangement
RMB560,000,000	The Financial Company shall pay 30% of the price for creditor’s rights transfer within 30 working days after the signing of the Creditor’s Rights Transfer Agreement, and the remaining price shall be paid to the designated account of the Bank (and relevant sub-branches or branches) before December 31, 2022.
RMB269,712,191.70	The Financial Company shall pay 30% of the price for creditor’s rights transfer within 5 working days after the signing of the Creditor’s Rights Transfer Agreement, and the remaining price shall be paid to the designated account of the Bank (and relevant sub-branches or branches) before December 31, 2022.

The Bank (and relevant sub-branches or branches) undertake to deliver effective receipts to the Financial Company within two working days after receiving the price for creditor’s rights transfer.

Closing

From the date when the Financial Company's first installment of price for creditor's rights transfer is paid to the Bank (and relevant sub-branches or branches), unless otherwise agreed, the Financial Company may independently exercise all the creditor's rights to the obligor in accordance with the provisions of relevant laws and regulations, and bear the costs, liabilities, risks and losses that may occur during the disposition of the loan-related creditor's rights at its own risk.

Management during the Transition Period

During the transition period (i.e. from the deadline for calculating and determining the the balance of principal and interest of principal creditor's rights under the loan-related creditor's rights to the date when the loan-related creditor's rights are transferred), the Bank (and relevant sub-branches or branches) shall actively manage and maintain loan-related creditor's rights from the perspective of maximizing the protection of the rights and interests of the Financial Company, including but not limited to:

- (1) The Bank (and relevant sub-branches or branches) shall receive and sign the legal documents relating to the loan-related creditor's rights for the benefit of the Financial Company, and deliver such documents as a supplementary part of the asset document to the Financial Company on the date of delivery of the relevant documents of the loan-related creditor's rights;
- (2) Unless the Financial Company agrees in writing in advance, the Bank (and relevant sub-branches or branches) shall not waive or neglect to exercise any statutory or agreed entity rights and procedural rights relating to the loan-related creditor's rights.

Liability for Breach of Contract

If the Financial Company delays in fulfilling its obligation to pay the transfer price, it shall make up the price within 30 working days; if it cannot make up the price within 30 working days, both parties can resolve it through negotiation; if negotiation fails, one party has the right to terminate the contract.

Any breach of the Creditor's Rights Transfer Agreement by either party shall constitute a breach of contract. Unless otherwise agreed in the Creditor's Rights Transfer Agreement, such party shall be liable for the losses arising therefrom, including but not limited to direct losses, expected loss of profits, and the litigation costs, travel costs, attorney's fees, etc. incurred by the observant party in filing a claim against the defaulting party.

II. CREDITOR'S RIGHTS TRANSFER AGREEMENT BETWEEN AVIC TRUST AND THE FINANCIAL COMPANY

The Bank (as the Trustor) entered into a trust contract with AVIC Trust (as the Trustee) in May 2014, pursuant to which the Bank entrusted the trust fund which is mainly loan fund to AVIC Trust which conducts management, application and disposal for the trust fund and allocates the trust interests to the Bank subject to the fund trust contract in the interests of the Bank. At the same time, AVIC Trust receives Trustee's remuneration according to the trust contract.

On December 31, 2019, AVIC Trust entered into Creditor's Rights Transfer Agreement with the Financial Company, pursuant to which AVIC Trust agreed to transfer the Bank's legally-owned loan-related creditor's rights which is set forth in relevant Creditor's Rights Transfer Agreement to the Financial Company at a total consideration of RMB237,373,000. The remuneration for AVIC Trust to sign the Creditor's Rights Transfer Agreement to dispose of the loan-related creditor's rights has been included in the remuneration according to the trust contract. AVIC Trust does not charge additional fees.

Date

December 31, 2019

Parties

- (1) AVIC Trust (as the Vendor); and
- (2) The Financial Company (as the Purchaser)

Jiangxi Financial Holding Group Co., Ltd. is the largest shareholder of the Financial Company in which it holds approximately 40% of the equity interests and 5.77% of the issued share capital of the Bank as at the date of this announcement. Jiangxi Financial Holding Group Co., Ltd. is wholly-owned by Asset Management Center of Administrative Institutions in Jiangxi Province. AVIC Trust is formed by Aviation Industry Corporation of China, Ltd. and Oversea-Chinese Banking Corporation Limited, etc. As at the date of this announcement, the Financial Company, AVIC Trust and their ultimate beneficial owners are, to the best knowledge, information and belief of the Bank's directors having made all reasonable enquiries, third parties independent of the Bank and its connected persons.

Transfer Subject

The transfer subject is the credit assets set forth in relevant Creditor's Rights Transfer Agreement for which AVIC Trust has the right to conduct management, application and disposal subject to trust contract, including but not limited to the principal creditor's rights and security rights enjoyed by AVIC Trust to such borrowers, mortgagors, pledgors and guarantors, as well as other statutory or agreed ancillary rights and interests derived therefrom or related thereto (including but not limited to the right of litigation claim, the right of application for litigation preservation, the right of sealing up, the right of application for enforcement, the right to declare bankruptcy claims, the right to request for breach of contract relief, etc.).

As of the base day, the principal balance and interest of loan-related creditor's rights for which AVIC Trust has the right to conduct management, application and disposal according to trust contract and which will be transferred to the Financial Company pursuant to the Creditor's Rights Transfer Agreement, and expenses for the realization of creditor's rights such as court acceptance fee, preservation expenses, announcement expenses, attorney fee and others totalled RMB391,412,787.18.

Consideration and Payment Terms

The total transfer consideration for the Financial Company to purchase loan-related creditor's rights under the Creditor's Rights Transfer Agreement is RMB237,373,000. The consideration was determined through arm's length negotiations between the parties and based on reference to the book value, the age of the creditor's rights, and the possibility of successful recovery of the creditor's rights at the base day according to the Creditor's Rights Transfer Agreement. The directors of the Bank consider that the consideration for the creditor's rights transfer is fair and reasonable.

The Financial Company shall pay 30% of the price for creditor's rights transfer within 30 working days after the signing of the Creditor's Rights Transfer Agreement, and the remaining price shall be paid to AVIC Trust's designated account before December 31, 2022. AVIC Trust undertakes to deliver effective receipts to the Financial Company within two working days after receiving the price for creditor's rights transfer.

Closing

From the date when the Financial Company's first installment of price for creditor's rights transfer is paid to the AVIC Trust, unless otherwise agreed, the Financial Company may independently exercise all the creditor's rights to the obligor in accordance with the provisions of relevant laws and regulations, and bear the costs, liabilities, risks and losses that may occur during the disposition of the loan-related creditor's rights at its own risk.

Management During the Transition Period

During the transition period (i.e. from the deadline for calculating and determining the the balance of principal and interest of principal creditor's rights under the loan-related creditor's rights to the date when the loan-related creditor's rights are transferred), AVIC Trust shall actively manage and maintain loan-related creditor's rights from the perspective of maximizing the protection of the rights and interests of the Financial Company, including but not limited to:

- (1) AVIC Trust shall receive and sign the legal documents relating to the loan-related creditor's rights for the benefit of the Financial Company, and deliver such documents as a supplementary part of the asset document to the Financial Company on the date of delivery of the relevant documents of the loan-related creditor's rights;
- (2) Unless the Financial Company agrees in writing in advance, AVIC Trust shall not waive or neglect to exercise any statutory or agreed entity rights and procedural rights relating to the loan-related creditor's rights.

Liability for Breach of Contract

If the Financial Company delays in fulfilling its obligation to pay the transfer price, it shall make up the price within 30 working days; if it cannot make up the price within 30 working days, both parties can resolve it through negotiation; if negotiation fails, one party has the right to terminate the contract.

Any breach of the Creditor's Rights Transfer Agreement by either party shall constitute a breach of agreement. Unless otherwise agreed in the Creditor's Rights Transfer Agreement, such party shall be liable for the losses arising therefrom, including but not limited to direct losses, expected loss of profits, and the litigation costs, travel costs, attorney's fees, etc. incurred by the observant party in filing a claim against the defaulting party.

III. REASONS AND BENEFITS OF ENTERING INTO THE CREDITOR'S RIGHTS TRANSFER AGREEMENTS

The loan-related creditor's rights under the Creditor's Rights Transfer Agreements belong to the Bank's non-performing assets, which involve a relatively large amount and multiple stakeholders and creditors. The conclusion of the Creditor's Rights Transfer Agreements and the proceeds from transfer of creditor's rights will be used to relieve the existing pressure on the Bank in relation to non-performing assets and activate the Bank's credit stock, which is also an effective solution to revitalize credit resources and make full use of market-based methods to dispose of non-performing assets, and can further consolidate the foundation of the Bank's high-quality development. After comprehensive consideration, the Bank considers that entering into the Creditor's Rights Transfer Agreements is beneficial to the Bank and its shareholders.

The Bank has entered into creditor's rights transfer agreement with the Financial Company as at December 17, 2019, and transferred the loan-related creditor's rights totaled RMB190,186,876.87 at a consideration of RMB126,097,500. The main terms of the previous creditor's rights transfer agreement are roughly the same as the terms of this Creditor's Rights Transfer Agreement. Taking the previous transfer of creditor's rights into consideration, based on the difference between the consideration for the non-performing assets and the carrying amount of the principal of the non-performing assets as at the base day for the Creditor's Rights Transfer Agreement, the Bank is expected to record loss of RMB359 million (unaudited) as a result of disposal.

IV. GENERAL INFORMATION

Information about the Bank

The Bank is a company incorporated in the PRC with limited liability and is the only legal person bank at the provincial level in Jiangxi Province. The Bank's shares are listed on the main board of the Hong Kong Stock Exchange. It is mainly engaged in the RMB business deposit-taking, short-term lending, medium-term lending and long-term lending, domestic clearing, foreign exchange business, bill discounting, financial bond issuance, and other businesses.

Information about the Financial Company

The Financial Company is a joint stock company incorporated in the PRC with limited liability. Its main business scope includes the batch acquisition, management and disposition of non-performing assets of financial enterprises in Jiangxi province, the acquisition, management and disposition, debt recovery and debt-to-equity swap of non-performing assets of financial enterprises, quasi-financial enterprises and other enterprises, and holding the equities of the enterprises on a transitional basis, listing recommendation as well as bond and stock issuance and underwriting for companies within the scope of asset management, external investment and financial investment and financing.

Information about AVIC Trust

AVIC Trust is a joint stock company incorporated in the PRC with limited liability. It is a non-bank financial institution approved by the CBIRC and it is mainly engaged in various trust businesses, investment fund businesses, securities underwriting businesses, and other businesses approved by the CBIRC.

V. LISTING RULES IMPLICATIONS

Since the Bank entered into the creditor's rights transfer agreement with the Financial Company on December 17, 2019, and transferred the loan-related creditor's rights totaled RMB190,186,876.87 at a consideration of RMB126,097,500. In terms of transaction classification, this Creditor's Rights Transfer Agreement and the previous one were both signed with the Financial Company within 12 months, the transaction amounts under the creditor's rights transfer agreement signed on December 17, 2019 and Creditor's Rights Transfer Agreement signed at this time should be aggregated for the purpose of calculating the relevant applicable ratios according to the Rules 14.22 and 14.23 of the Listing Rules. As one or more applicable ratios of the transactions under the Creditor's Rights Transfer Agreements after aggregation according to the Listing Rules are higher than 5% but less than 25%, the Creditor's Rights Transfer Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules, but are exempt from compliance with the Shareholders' approval requirements.

VI. DIRECTORS' CONFIRMATION

In the opinion of the directors (including independent non-executive directors) of the Bank, the Creditor's Rights Transfer Agreements are concluded on normal commercial terms in its ordinary and usual course of business, the terms of which are fair and reasonable and in the interests of the Bank and its shareholders as a whole.

VII. DEFINITIONS

“AVIC Trust”	AVIC Trust Company Limited, a joint stock company incorporated in the PRC with limited liability
“Creditor’s Rights Transfer Agreement(s)”	the Creditor’s Rights Transfer Agreement between the Bank and the Financial Company on December 31, 2019 and/or the Creditor’s Rights Transfer Agreement between AVIC Trust and the Financial Company
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Financial Company”	Jiangxi Financial Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“China” or “PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By Order of the Board
Jiangxi Bank Co., Ltd.
CHEN Xiaoming
Chairman

Nanchang, the PRC, December 31, 2019

As of the date of this announcement, the board of directors of the Bank comprises Mr. CHEN Xiaoming, Mr. LUO Yan and Mr. XU Jihong as executive directors; Mr. QUE Yong, Mr. LI Zhanrong, Mr. LIU Sanglin and Mr. DENG Jianxin as non-executive directors; and Ms. ZHANG Rui, Ms. ZHANG Wangxia, Mr. WONG Hin Wing and Ms. WANG Yun as independent non-executive directors.

* *Jiangxi Bank Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking/deposit-taking business in Hong Kong.*