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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)

MAJOR TRANSACTION

PROPOSED ENTERING INTO CREDITOR'S RIGHTS TRANSFER AGREEMENT

The Board of Directors (the “**Board**”) of Jiangxi Bank Co., Ltd. (the “**Bank**”) is pleased to announce that, on October 30, 2020, the Board considered and approved the resolution in relation to the proposed entering into Creditor's Rights Transfer Agreement. The Bank currently intends to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of approximately RMB3,000,000,000 to the potential transferees through public tender process and enter into the Creditor's Rights Transfer Agreement with the transferees.

Reference is made to the announcement on the disclosable transactions of the Bank dated December 31, 2019 and September 27, 2020 (the “**Announcements**”), in relation to the entering into a creditor's rights transfer agreement by the Bank to transfer its legally-owned loan-related creditor's rights and their ancillary interests to the transferees by way of public tender process (collectively the “**Previous Creditor's Rights Transfer**”). On December 17, 2019, the Bank entered into a creditor's rights transfer agreement with the Financial Company, pursuant to which, the Bank agreed to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of RMB190,186,876.87 that were set forth in the relevant creditor's rights transfer agreement to the Financial Company at the consideration of RMB126,097,500.00. On December 31, 2019, the Bank entered into a creditor's rights transfer agreement with the Financial Company, pursuant to which, the Bank will transfer its legally-owned loan-related creditor's rights in an aggregate amount of RMB1,115,785,976.44 that were set forth in the relevant creditor's rights transfer agreement to the Financial Company at the consideration of RMB829,712,191.70. On the same day, AVIC Trust, the trustee under a single fund trust agreement (the “**Trust Agreement**”) entered into by the Bank in May 2014, entered into a creditor's rights transfer agreement with the Financial Company, pursuant to which, AVIC Trust agreed to transfer the loan-related creditor's rights in an aggregate amount of RMB391,412,787.18 which are legally owned by the Bank as set out in the relevant creditor's rights transfer agreement to the Financial Company at the consideration of RMB237,373,000. On September 27, 2020, the Bank entered into a creditor's rights transfer agreement and an asset management plan income rights transfer contract with Ruijing. Pursuant to the creditor's rights transfer agreement, the Bank agreed to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of RMB4,450,031,083.24 as set out in the relevant creditor's rights transfer agreement to Ruijing at the consideration of RMB3,548,991,583.30. Pursuant to the asset management plan income rights transfer contract, the Bank agreed to transfer all of its legally-owned income rights in an aggregate amount of RMB500,000,000 generated from the entrusted assets under an asset management contract to Ruijing at the consideration of RMB500,000,000.

Apart from the transactions disclosed in the Announcements, on June 30, 2020, the Bank entered into a creditor's rights transfer agreement with the Financial Company, pursuant to which, the Bank agreed to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of RMB109,340,320.58 as set out in the relevant creditor's rights transfer agreement to the Financial Company at a consideration of RMB109,340,320.58. On September 18, 2020, the Bank entered into a creditor's rights transfer agreement with the Financial Company, pursuant to which, the Bank agreed to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of RMB106,638,728.80 as set out in the relevant creditor's rights transfer agreement to the Financial Company at a consideration of RMB40,882,500.00.

The Bank currently intends to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of approximately RMB3,000,000,000 to the potential transferees through public tender process and enters into the Creditor's Rights Transfer Agreement with the transferees. Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as one transaction if they are all completed within a 12-month period or are otherwise related. As the potential transferees to the proposed creditor's rights transfer and the transferees to the Previous Creditor's Rights Transfer are the same and the nature of the transactions is the same, if the proposed creditor's rights transfer is finally determined to be conducted with the Financial Company or Ruijing, the proposed creditor's rights transfer shall be aggregated with the Previous Creditor's Rights Transfer. Accordingly, as one or more of applicable ratios of the transactions under the Creditor's Rights Transfer Agreement calculated in aggregate according to the Listing Rules are higher than 25% but less than 75%, the proposed creditor's rights transfer constitutes a major transaction of the Bank and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

According to the Administrative Measures for the Bulk Transfer of Non-performing Assets of Financial Enterprises (Cai Jin [2012] No. 6) issued by the MOF and the CBRC, "the bulk transfer of non-performing assets shall be conducted in adherence to the principles of legal compliance, open transparency, competitive selection and value maximization". At the same time, with reference to the current practice of bulk transfer of interbank non-performing assets, an invitation of offer is generally sent to all local asset management companies with qualification for batch acquisition of non-performing financial assets, to carry out transactions by organizing on-site bidding or on the exchange platform. Therefore, in order to reflect the principles of open transparency, competitive selection and value maximization, the Bank will adopt the method of public tender for this transfer.

The final transferee of the creditor's rights transfer will be determined after the public tender process is completed. Taking account of the lengthy process of convening an extraordinary general meeting, and the loan-related creditor's rights under the Creditor's Rights Transfer Agreement are non-performing assets of the Bank, the disposal of non-performing assets is beneficial to resolving the risk assets and optimizing the asset quality of the Bank. The Board considers that obtaining the approval of the Creditor's Rights Transfer Agreement from the Shareholders in advance can achieve flexibility and efficiency for the completion of the transaction and ensure the smooth implementation of the transaction, and is in the interests of the Bank and the Shareholders as a whole. Upon approval is obtained at the extraordinary general meeting, the Bank expects to complete the public tender process and the signing of the Creditor's Rights Transfer Agreement by the end of December 2020.

Upon approval of the proposed transfer of creditor's rights at the extraordinary general meeting of the Bank, the Bank will make further announcement(s) in accordance with Rule 14.36 of the Listing Rules as and when appropriate in relation to matters such as change of the terms of the Creditor's Rights Transfer Agreement or progress of the transaction. Upon completion of the proposed transfer of creditor's rights, any further creditor's rights transfer transactions of the Bank shall be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Details of the Creditor's Rights Transfer Agreement and the relevant transactions are as follows:

Date

Subject to the approval at the general meeting, the Bank expects to complete the transfer by the end of December 2020. The Bank will make an announcement in respect of the subsequent progress of the transfer as and when appropriate.

Parties

- (1) The Bank, as the Vendor; and
- (2) China Orient Asset Management Co., Ltd. Jiangxi Branch; or
China Cinda Asset Management Co., Ltd. Jiangxi Branch; or
China Great Wall Asset Management Co., Ltd. Jiangxi Branch; or
China Huarong Asset Management Co., Ltd. Jiangxi Branch; or
the Financial Company; or
Ruijing, as the potential transferees.

The aforesaid potential transferees are all the companies which are qualified for batch acquisition of non-performing financial assets in Jiangxi Province, the PRC.

As at the date of this announcement, the above-mentioned potential transferees and their 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 creditor's rights assets set forth in the Creditor's Rights Transfer Agreement, including but not limited to the principal creditor's rights and security rights entitled 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 seizure, 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 date (the deadline for calculating and determining the balance of principal, interest and default penalty of principal creditor's rights under the loan-related creditor's rights, i.e. May 31, 2020), the principal balance of the loan-related creditor's rights enjoyed by the Bank and to be transferred to the transferees pursuant to the Creditor's Rights Transfer Agreement totalled approximately RMB3,000,000,000, which will be transferred together with the interest and default penalty and other ancillary rights and interests.

CONSIDERATION AND PAYMENT TERMS

The total transfer consideration for the transferees to purchase the loan-related creditor's rights under the Creditor's Rights Transfer Agreement is approximately RMB1,500,000,000 to RMB3,000,000,000. The final consideration shall be subject to the final bid price.

The final transferee shall pay the transfer consideration in one lump sum to the designated account of the Bank within 3 working days after the signing of the contract.

BASIS OF DETERMINATION OF THE CONSIDERATION

The consideration was:

- (1) Based on internal and external due diligence, the expected source of payment of non-performing assets is estimated from four aspects, including the source of payment of pledges, the source of payment of general creditor's rights, the source of payment of guarantees and other sources of payment. The initial price of the transferred assets shall be reasonably determined based on the expected value of payment, taking into account factors such as due diligence, estimated time of recovery, costs of disposal and market conditions;
- (2) In order to minimize the loss incurred by the Bank in the transfer, the Bank actively communicated with six asset management companies (i.e. China Orient Asset Management Co., Ltd. Jiangxi Branch, China Cinda Asset Management Co., Ltd. Jiangxi Branch, China Great Wall Asset Management Co., Ltd. Jiangxi Branch, China Huarong Asset Management Co., Ltd. Jiangxi Branch, the Financial Company and Ruijing) which are qualified for batch acquisition of non-performing financial assets, and determined the price of the transferred assets based on the communication with the transferees in the market; and
- (3) The proposed transfer price will be finalized with reference to the prevailing market conditions and development trend of the non-performing assets transfer. The final asset management company whose price quote is the highest and above the base price (inclusive) of the Bank shall be the successful transferee.

Accordingly, the directors of the Bank are of the view that the consideration for the creditor's rights transfer is fair and reasonable.

CLOSING

The Bank confirms that it will transfer all the asset instruments to the transferees within 60 working days after the date of transfer of loan-related creditor's rights to ensure that the transferees obtain all legal instruments in relation to the proposition and exercise of the loan-related creditor's rights. From the date of transfer of loan-related creditor's rights, the transferees 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 disposal of the loan-related creditor's rights at its own risk unless otherwise provided for in a contract, and in which case the contract shall prevail.

MANAGEMENT DURING THE TRANSITION PERIOD

During the transition period (i.e. the period from the base date to the date when the loan-related creditor's rights are transferred), the Bank shall actively manage and maintain loan-related creditor's rights from the perspective of maximizing the protection of the rights and interests of the transferees, including but not limited to:

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

LIABILITY FOR BREACH OF CONTRACT

If the transferees delay the performance of their obligation to pay the purchase price, they shall pay the Bank default penalty for the delayed payment calculated at 0.05% per day of the amount of the delayed payment. The Bank has the right to terminate the Creditor's Rights Transfer Agreement if it is overdue for more than 30 working days. At the same time, the transferees shall bear the liability for breach of contract at 10% of the purchase price as agreed under the Creditor's Rights Transfer Agreement.

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 non-defaulting party in filing a claim against the defaulting party.

REASONS AND BENEFITS OF ENTERING INTO THE CREDITOR'S RIGHTS TRANSFER AGREEMENT

The loan-related creditor's rights under the Creditor's Rights Transfer Agreement belong to the Bank's non-performing assets, which involve a relatively large amount and multiple stakeholders and creditors. The entering into the Creditor's Rights Transfer Agreement 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 Agreement is beneficial to the Bank and its Shareholders.

The directors of the Bank (including independent non-executive directors) are of the view that, the Creditor's Rights Transfer Agreement is entered into in the ordinary and usual course of business of the Bank on normal commercial terms, and the terms thereof are fair and reasonable, and in the interest of the Bank and the Shareholders as a whole.

Based on the difference between the consideration for the non-performing assets and the book value of the principal amount of the non-performing assets of the Bank as at the base date of the Creditor's Rights Transfer Agreement, the Bank expects to record a loss of approximately RMB0 to 1,500,000,000 (unaudited) from the disposal.

The directors of the Bank consider that the transactions under the Creditor's Rights Transfer Agreement will not have a material impact on the Bank's earnings, assets and liabilities.

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 China Orient Asset Management Co., Ltd.

China Orient Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability, which is principally engaged in asset management, insurance, banking, securities, trust, credit rating and overseas business. The ultimate beneficial owner of China Orient Asset Management Co., Ltd. is the MOF, who is a third party independent of the Bank and its connected persons.

Information about China Cinda Asset Management Co., Ltd.

China Cinda Asset Management Co., Ltd. (Hong Kong Stock Exchange Stock Code: 1359) is a joint stock company incorporated in the PRC with limited liability, which is principally engaged in non-performing asset operation, provision of customized financial solutions and differentiated asset management services to clients through a diversified business platform. The ultimate beneficial owner of China Cinda Asset Management Co., Ltd. is the MOF, who is a third party independent of the Bank and its connected persons.

Information about China Great Wall Asset Management Co., Ltd.

China Great Wall Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability, which is principally engaged in comprehensive financial services including non-performing asset operation, asset management, banking, securities, insurance, trust, leasing and investment. The ultimate beneficial owner of China Great Wall Asset Management Co., Ltd. is the MOF, who is a third party independent of the Bank and its connected persons.

Information about China Huarong Asset Management Co., Ltd.

China Huarong Asset Management Co., Ltd. (Hong Kong Stock Exchange Stock Code: 2799) is a joint stock company incorporated in the PRC with limited liability, which is principally engaged in financial services such as non-performing asset operation, asset management, banking, securities, trust, financial leasing, investment, futures and consumer finance. The ultimate beneficial owner of China Huarong Asset Management Co., Ltd. is the MOF, who is a third party independent of the Bank and its connected persons.

Information about the Financial Company

Jiangxi Financial Asset Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability. Its principal businesses include batch acquisition, management and disposal of non-performing assets of financial enterprises in Jiangxi province, acquisition, management and disposal of non-performing assets of financial enterprises, quasi-financial enterprises and other enterprises, debt recovery, creditor's rights transfer and phase by phase shareholding in enterprises, listing sponsor and underwriting of bonds and shares issuance of companies within the scope of asset management, external investment and financial investment and financing, etc. The ultimate beneficial owner of Jiangxi Financial Asset Management Co., Ltd. is the Asset Management Center of Administrative Institutions in Jiangxi Province, who is a third party independent of the Bank and its connected persons.

Information about Ruijing

Jiangxi Ruijing Financial Assets Management Co., Ltd. is a joint stock company incorporated in the PRC with limited liability. Its principal businesses include the batch acquisition, management and disposal of non-performing assets of financial enterprises, quasi-financial enterprises and other enterprises in Jiangxi province. The ultimate beneficial owner of Ruijing is Mr. Shen Guojun, who is a third party independent of the Bank and its connected persons.

Listing Rules Implications

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as one transaction if they are all completed within a 12-month period or are otherwise related. As the potential transferees to the proposed creditor's rights transfer and the transferees to the Previous Creditor's Rights Transfer are the same and the nature of the transactions is the same, if the proposed creditor's rights transfer is finally determined to be conducted with the Financial Company or Ruijing, the proposed creditor's rights transfer shall be aggregated with the Previous Creditor's Rights Transfer. Accordingly, as one or more of applicable ratios of the transactions under the Creditor's Rights Transfer Agreement calculated in aggregate according to the Listing Rules are higher than 25% but less than 75%, the proposed creditor's rights transfer constitutes a major transaction of the Bank and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Circular

The Company will convene a general meeting for the Shareholders to consider and, if thought fit, approve the proposed creditor's rights transfer. A circular containing, among other things, (i) details of the proposed creditor's rights transfer, and (ii) a notice of the general meeting to be convened to approve the proposed creditor's rights transfer, will be published and dispatched to the Shareholders in due course. For the purpose of the circular, as additional time is required for the Bank to prepare and finalize the relevant information in the circular, the circular is expected to be dispatched to the Shareholders in accordance with the Listing Rules on or before December 3, 2020.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“AVIC Trust”	AVIC Trust Co., Ltd.
“Bank”	Jiangxi Bank Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Board”	the board of directors of the Bank
“Creditor's Rights Transfer Agreement”	the creditor's rights transfer agreement to be entered between the Bank and the potential transferees
“Domestic Share(s)”	ordinary shares in the Bank's share capital, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in full in RMB
“Financial Company”	Jiangxi Financial Asset Management Co., Ltd.
“Group”	the Bank and its subsidiaries

“H Share(s)”	overseas listed shares in the Bank’s share capital, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“MOF”	the Ministry of Finance of the People’s Republic of China
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Ruijing”	Jiangxi Ruijing Financial Assets Management Co., Ltd.
“Share(s)”	Domestic Shares and H Shares
“%”	per cent

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

Nanchang, the PRC, October 30, 2020

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, Mr. DENG Jianxin and Ms. ZHUO Liping 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*