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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jiangxi Bank Co., Ltd.\*, you should at once hand this circular, together with the accompanying form of proxy for the EGM, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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*(A joint stock company incorporated in the People's Republic of China with limited liability)*  
(Stock Code: 1916)

**MAJOR TRANSACTION – ENTERING INTO  
CREDITOR’S RIGHTS TRANSFER AGREEMENT  
ISSUANCE OF TIER-TWO CAPITAL BONDS  
GENERAL MANDATE TO ISSUE SHARES  
ELECTION OF MR. WANG RUIQIANG AS A SHAREHOLDER  
REPRESENTATIVE SUPERVISOR OF THE SECOND SESSION  
OF THE BOARD OF SUPERVISORS  
AND  
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020**

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The Letter from the Board is set out on pages 3 to 19 of this circular.

The Bank will convene the first extraordinary general meeting (“EGM”) of 2020 at Meeting Room, 3/F, Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC at 10:00 a.m. on December 18, 2020 (Friday). The notice of the first EGM is set out on pages 31 to 33 of this circular.

Whether or not you are attending and/or voting at the EGM, you are requested to complete the form of proxy attached to this circular in accordance with the instructions printed thereon, and return it to the H Share Registrar (for H Shareholders) or to the office of the Board of the Bank (for Domestic Shareholders) in any event not less than 24 hours before the scheduled time for holding the EGM (i.e. by 10:00 a.m. on December 17, 2020 (Thursday)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending in person or voting at the EGM or any adjournment thereof should you so wish.

This circular is prepared in both Chinese and English. In case of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

\* *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.*

December 3, 2020

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall 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
“Domestic Shareholder(s)”	holder(s) of Domestic Shares
“EGM”	the first extraordinary general meeting of 2020 of the Bank to be held at Meeting Room, 3/F, Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC at 10:00 a.m. on December 18, 2020 (Friday)
“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
“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Bank
“H Shareholder(s)”	holder(s) of H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Property Exchange”	Jiangxi Provincial Property Exchange, a comprehensive property exchange institution legally established with the approval of the People’s Government of Jiangxi Province
“Latest Practicable Date”	December 1, 2020, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
“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.
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Domestic Shares and H Shares
“Shareholder(s)”	the shareholders of the Bank
“%”	per cent

\* *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.*

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LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. CHEN Xiaoming (*Chairman*)

Mr. LUO Yan

Mr. XU Jihong

*Non-executive Directors:*

Mr. QUE Yong

Mr. LI Zhanrong

Mr. LIU Sanglin

Mr. DENG Jianxin

Ms. ZHUO Liping

*Independent Non-executive Directors:*

Ms. ZHANG Rui

Ms. ZHANG Wangxia

Mr. WONG Hin Wing

Ms. WANG Yun

*Registered office in the PRC:*

Jiangxi Bank Tower

No. 699 Financial Street

Honggutan New District

Nanchang

Jiangxi Province

the PRC

*Principal place of business*

*in Hong Kong:*

40/F, Sunlight Tower

No. 248 Queen's Road East

Wanchai, Hong Kong

Dear Sir/Madam,

**MAJOR TRANSACTION – ENTERING INTO  
CREDITOR'S RIGHTS TRANSFER AGREEMENT  
ISSUANCE OF TIER-TWO CAPITAL BONDS  
GENERAL MANDATE TO ISSUE SHARES  
ELECTION OF MR. WANG RUIQIANG AS A SHAREHOLDER  
REPRESENTATIVE SUPERVISOR OF THE SECOND SESSION  
OF THE BOARD OF SUPERVISORS  
AND**

**NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2020**

**I. INTRODUCTION**

The notice convening the EGM on December 18, 2020 (Friday) of the Bank is set out on pages 31 to 33 of this circular.

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## LETTER FROM THE BOARD

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At the EGM, resolutions will be proposed to consider and approve: (1) the Creditor's Rights Transfer Agreement and the transactions contemplated thereunder; (2) the issuance of tier-two capital bonds; (3) the general mandate to issue Shares; and (4) the election of Mr. WANG Ruiqiang as a shareholder representative supervisor of the second session of the board of supervisors. The resolutions (2) and (3) are required to be approved by the Shareholders and the general meeting by way of special resolutions.

The purpose of this circular is to set out the notice of the EGM and provide you with the details of the aforesaid resolutions.

### II. MATTERS TO BE HANDLED AT THE EGM

#### 1. Entering into the Creditor's Rights Transfer Agreement

Reference is made to the announcements on the discloseable transactions of the Bank dated December 31, 2019 and September 27, 2020 (the "**Announcements**"), in relation to the entering into the creditor's rights transfer agreements by the Bank to transfer the its legally-owned loan-related creditor's rights and their ancillary interests to the transferee by way of public tender process. Save as disclosed in the Announcements, on June 30, 2020 and September 18, 2020, the Bank entered into the creditor's rights transfer agreements with the Financial Company, respectively, to transfer the loan-related creditor's rights and their ancillary interests to the Financial Company (the above collectively as the "**Previous Creditor's Rights Transfer**"), details of which are as follows:

The creditor's rights transfer agreements entered into with the Financial Company:

*Unit: RMB*

<b>Date</b>	<b>Amount of assets</b>	<b>Consideration of transfer</b>
December 17, 2019	190,186,876.87	126,097,500.00
December 31, 2019	1,115,785,976.44	829,712,191.70
December 31, 2019	391,412,787.18	237,373,000.00
June 30, 2020	109,340,320.58	109,340,320.58
September 18, 2020	106,638,728.80	40,882,500.00
<b>Total</b>	<b><u>1,913,364,689.87</u></b>	<b><u>1,343,405,512.28</u></b>

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## LETTER FROM THE BOARD

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The creditor's rights transfer agreements entered into with Ruijing:

*Unit: RMB*

<b>Date</b>	<b>Amount of assets</b>	<b>Consideration of transfer</b>
September 27, 2020	4,450,031,083.24	3,548,991,583.30
September 27, 2020	<u>500,000,000.00</u>	<u>500,000,000.00</u>
Total	<u><u>4,950,031,083.24</u></u>	<u><u>4,048,991,583.30</u></u>

The Bank currently intends to transfer its legally-owned loan-related creditor's rights and their ancillary interests in an aggregate amount of RMB3,000,000,000 to the potential transferees through public tender process and enters into the Creditor's Rights Transfer Agreement with the transferee. 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 transferee to the Previous Creditor's Rights Transfer might be 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 will be 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.

As the Bank is a state-owned enterprise in Jiangxi Province and the loan-related creditor's rights and their ancillary interests legally owned by the Bank are regarded as state-owned assets, the proposed creditor's rights transfer is subject to transfer through public tender at the property exchange in accordance with the relevant PRC laws and regulations regarding the disposal of state-owned assets and the Administrative Measures for the Bulk Transfer of Non-performing Assets of Financial Enterprises (Cai Jin [2012] No. 6) issued by the China Banking Regulatory Commission (presently renamed as the China Banking and Insurance Regulatory Commission). In addition, as the transferor is required to complete the internal decision-making procedures (including the approval procedures of the general meeting) when submitting the transfer application pursuant to the trading rules of the Property Exchange, the Bank will not be able to seek shareholders' approval pursuant to Chapter 14 of the Listing Rules after entering into the Creditor's Rights Transfer Agreement. Therefore, the Board will seek shareholders' approval for the authorization of the creditor's rights transfer in advance at the EGM. Subject to the approval at the EGM, the Bank expects to complete the public tender process and enter into the Creditor's Rights Transfer Agreement by the end of December 2020.

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## LETTER FROM THE BOARD

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Upon approval of the proposed creditor's rights transfer at the EGM 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 creditor's rights transfer, 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 companies in Jiangxi Province, the PRC with qualification for batch acquisition of non-performing financial assets.

As at the Latest Practicable Date, the aforesaid potential transferees 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 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



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## LETTER FROM THE BOARD

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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.

In accordance with the Guideline for Loan Credit Risk Classification issued by the China Banking Regulatory Commission (presently renamed as the China Banking and Insurance Regulatory Commission), the loan-related creditor's rights proposed to be transferred are non-performing assets of the Bank. The repayment ability of the borrowers of such loans has apparent problems that they are unable to repay the principal and interest of the loans in full by relying solely on their normal operating income. Even if the guarantees are enforced, certain losses will be incurred, or even after taking all possible measures or all necessary legal procedures, the principal and interest will still be unrecoverable, or only a very small portion will be recovered. The non-performing assets to be listed and transferred by the Bank involve 55 creditor's rights accounts with a total principal of RMB3,010,000,000. Categorized by types of creditor's rights, there are 47 loan accounts with principal of RMB584,000,000; eight investment accounts with principal of RMB2,426,000,000. Categorized by types of guarantee, there are 31 guaranteed creditor's rights accounts with principal of RMB1,548,000,000; 24 mortgage/pledge creditor's rights accounts with principal of RMB1,462,000,000. Categorized by account receivable aging, there are 27 creditor's rights accounts of aging within and excluding one year with principal of RMB1,108,000,000; 20 creditor's rights accounts of aging 1 to 3 years (1 year and 3 years exclusive) with principal of RMB1,215,000,000; six creditors' rights accounts of aging 3 to 5 years (3 years and 5 years exclusive) with principal of RMB551,000,000; two creditor's rights accounts of aging over and including 5 years with principal of RMB136,000,000. The book value of the assets under the transfer subject is RMB3,010,000,000.

### **Consideration and Payment Terms**

The total transfer consideration for the transferee 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, and the final consideration shall depend on the final bidding prices.

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.

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## LETTER FROM THE BOARD

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### Basis of Determination of the Consideration

The consideration is determined after taking into account the following factors:

- (1) The initial price of the transferred assets shall be reasonably determined based on the expected value of payment of the non-performing assets, taking into account factors such as due diligence, estimated time of recovery, costs of disposal and market conditions. Based on due diligence, the Bank estimated the expected value of payment of non-performing assets on a case-by-case basis 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. At the same time, in order to ensure that the transfer price of the non-performing assets is reasonable, stringent and scientific, the Bank has engaged a law firm to issue legal opinions on the qualification, legality and time of disposal of the relevant assets upon completion of the internal due diligence of the Bank, so as to verify the internal estimation of non-performing assets in multiple dimensions. Among which, non-performing assets are mainly divided into three levels in terms of estimated time of recovery, i.e. within one year, one to two years and two to three years, based on factors such as the status of non-performing assets and the impacts of external environment. The costs of disposal of non-performing assets refer to the costs and expenses required for the disposal of non-performing assets.
- (2) The discount coefficient is determined with reference to the prevailing market conditions of the transfer of non-performing assets, in particular, the data of historical prices under the conditions of asset management companies, overall industry profitability and fast realization of assets. If the bid price offered by the potential transferee is above (inclusive) the base price of the Bank and is the highest price, such transferee will become the final transferee. For example, with reference to the discount status of the Bank's Previous Creditor's Rights Transfer, the lowest price of the Bank's Previous Creditor's Rights Transfer was at approximately 62% discount, and the average price of the Bank's Previous Creditor's Rights Transfer was at approximately 30% discount. Also, as far as the Bank is aware through public information, the price of a recent creditor's rights transfer by other banks in Jiangxi Province through public tender was at approximately 70% discount. Therefore, taking into account the prevailing macroeconomic conditions amid the pandemic and the market conditions of creditor's rights transfer in Jiangxi Province, the Bank considers that the range of consideration for the creditor's rights transfer is in line with the market level and within a reasonable range.
- (3) In order to minimize the loss of the Bank in the transfer of non-performing assets, the Bank actively communicated with six asset management companies with financial enterprise qualification for batch acquisition of non-performing assets and determined the price of the transferred assets based on the communication with potential transferees in the market.

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## LETTER FROM THE BOARD

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- (4) Taking into account the apparent problems on repayment ability of the borrowers that they are unable to repay the principal and interest of the loans in full, even if the guarantees are enforced or even after taking necessary legal procedures, certain losses will be incurred or the principal and interest will still be unrecoverable, in which case, the completion of the creditor's rights transfer will help further reduce the Bank's NPL ratio, provisions and provisions for asset impairment losses, and further optimize the Bank's relevant financial indicators and improve profitability. The funds recovered from the creditor's rights transfer will be used to repay the loans and corresponding ancillary interests of the Bank, and the difference will be written off by the Bank accordingly.

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 transferee within 60 working days after the date of transfer of loan-related creditor's rights to ensure that the transferee obtains 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 transferee 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 transferee, and deliver such instruments as a supplementary part of the asset instruments to the transferee on the date of delivery of the relevant instruments of the loan-related creditor's rights;
- (2) Unless the transferee agrees 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.

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## LETTER FROM THE BOARD

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### **Liability for Breach of Contract**

If the transferee delays the performance of its obligation to pay the purchase price, it 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 transferee 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.

### **Public Tender Process for the Proposed Transfer of Creditor's Rights**

- (1) In order to commence the formal public tender process for the creditor's rights transfer, the Bank will, after obtaining the approval of the general meeting, submit to the Property Exchange information such as the tender agreement, the application for information disclosure, the qualification certificate of the transferor, the internal decision-making documents and the internal rules of procedure of the transferor, and the legal documents for the generation and lawful continuation of the creditor's assets for the proposed creditor's rights transfer.
- (2) After reviewing the relevant materials by the Property Exchange, an announcement setting out the transfer information shall be published publicly. In principle, the information shall be published no less than 5 working days with an accumulated period of no more than 6 months.
- (3) The potential transferees shall, within the period of publication regarding the transfer information, submit the application for the transfer to the Property Exchange and submit relevant materials, and the Property Exchange shall register each of the potential transferees.
- (4) Upon the end of the announcement period, the Property Exchange will organize the biddings for the potential transferees that have been filed for registration and determine the final transferee. The Property Exchange will issue the relevant transaction certificates to the party to the transaction and organize the party to enter into the Creditor's Rights Transfer Agreement within 5 working days.

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## LETTER FROM THE BOARD

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### 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. If non-performing loans can no longer be recovered or written off, the Bank will not be able to release the provision for loans. In recent years, faced with greater downward pressure on the economy, the credit risks of banks are further exposed. Proceeding with the transfer by the end of the year can quickly dispose of existing non-performing assets, optimize the balance sheet, and further consolidate the foundation for the high-quality development of the Bank. At the same time, as the year 2020 is the final year of the battle against financial risks, the provincial party committee and provincial government of Jiangxi Province attach great importance to the risk mitigation of financial institutions. As the only legal person bank at the provincial level in Jiangxi Province, the Bank completed the task of mitigating and resolving risks in 2020, which is conducive to winning the battle against financial risks. Since the beginning of this year, the credit risks of commercial banks have been further exposed due to the impact of the COVID-19 epidemic. The Bank has taken various measures to increase the collection and disposal of existing risk assets, so as to ensure that the relevant indicators of non-performing assets are within the scope required by the regulatory authorities before the end of the year.

The completion of the creditor's rights transfer will help further reduce the Bank's NPL ratio, as well as provisions and impairment losses on assets, strengthening the quality of credit assets. As a result, the proceeds from creditor's rights transfer will be used to relieve the existing pressure on the Bank in relation to non-performing assets and reduce the provision for loan loss. The Bank can provide more financing to enterprises and improve credit resources. Entering into the Creditor's Rights Transfer Agreement as well as completion of the transfer is an effective solution to 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 funds recovered from the creditor's rights transfer will be used to repay the loans and corresponding affiliated interests of the Bank, and the difference will be written off accordingly.

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 its 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 RMB1,500,000,000 from the disposal. Upon completion of the transaction, the Bank is expected to record an income of approximately RMB1,500,000,000 to RMB3,000,000,000 for the consideration of the transaction and the Bank's assets will decrease by approximately RMB3,000,000,000, and net assets of the Bank will decrease by

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## LETTER FROM THE BOARD

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approximately RMB0 to RMB1,500,000,000. The transaction only involves the assets items and will not have influence on liabilities. 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. (Stock Code on the Hong Kong Stock Exchange: 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.

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## LETTER FROM THE BOARD

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### *Information about China Huarong Asset Management Co., Ltd.*

China Huarong Asset Management Co., Ltd. (Stock Code on the Hong Kong Stock Exchange: 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 transferee 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.

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## LETTER FROM THE BOARD

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Pursuant to Rule 14.63(2)(d) of the Listing Rules, any Shareholder with a material interest in the Creditor's Rights Transfer Agreement and the transactions contemplated thereunder and its close associates shall abstain from voting on the resolution approving the same at the EGM. To the best of knowledge, information and belief of the directors and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

As the transferor is required to complete the internal decision-making procedures (including the approval procedures of the general meeting) when submitting the transfer application pursuant to the trading rules of the Property Exchange, the Bank will not be able to seek shareholders' approval pursuant to Chapter 14 of the Listing Rules after entering into the Creditor's Rights Transfer Agreement. Therefore, the Board will seek shareholders' approval for the authorization of the creditor's rights transfer in advance at the EGM. Subject to the approval at the EGM, the Bank expects to complete the public tender process and enter into the Creditor's Rights Transfer Agreement by the end of December 2020.

### **2. Issuance of Tier-two Capital Bonds**

In order to further improve the capital level of the Bank, enhance its risk resistance capacity and consolidate the foundation for steady development, the Bank proposed to issue tier-two capital bonds, the relevant matters of which are as follows:

- (1) Issuance size: up to RMB8 billion;
- (2) Type of instrument: tier-two capital bonds, which meet the relevant requirements of the Capital Rules for Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) and can be used to replenish the capital of commercial banks;
- (3) Term: not less than 5 years;
- (4) Issuance market: domestic bond market;
- (5) Interest rate: to be determined through public tender or book building in the national inter-bank bond market through the bonds issuance system of the People's Bank of China;
- (6) Means of loss absorption: upon the occurrence of triggering events as specified in the issuance documents, the loss shall be absorbed in the manner agreed in the issuance documents;
- (7) Use of proceeds: to replenish tier-two capital of the Bank.

In order to steadily proceed the issuance of tier-two capital bonds, it is proposed to the general meeting to authorize the Board, which shall in turn authorize the management to determine the specific terms of the issuance of tier-two capital bonds and handle all relevant



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## LETTER FROM THE BOARD

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matters in relation to the issuance of tier-two capital bonds in accordance with the above issuance plan and the regulations and approval requirements issued by relevant regulatory authorities. The above authorization shall be valid for 36 months from the date of approval at the general meeting.

### 3. General Mandate to Issue Shares

In order to meet the capital demand for sustainable development of the Bank's businesses, and in accordance with the relevant laws, regulations, other regulatory documents, the Articles of Association and capital market practices, it is proposed to the general meeting to approve the grant of a general mandate to the Board to issue Shares of the Bank.

- (1) Subject to the conditions set out in clause (2) below, the Board is authorized to approve, allot, issue, grant and/or otherwise deal with, separately or concurrently during the Relevant Period (as defined below), additional shares of the Bank (overseas listed foreign shares and/or domestic shares (including issued A Shares after the A Share Offering, the same below)), securities convertible into shares, options and warrants of securities carrying rights to subscribe for or convert into shares, or other securities carrying rights to subscribe for or convert into shares.

Notwithstanding the fulfillment of the conditions set out in clause (2) below, if the allotment of voting shares will result in a de facto change of control of the Bank, the Board of the Bank shall separately obtain the prior approval of Shareholders by way of a special resolution at a general meeting to allot such shares.

- (2) The number of overseas listed foreign shares and domestic shares to be approved, allotted, issued, granted and/or otherwise dealt with by the Board shall not exceed 20% of the respective total number of overseas listed foreign shares and domestic shares in issue as at the date of passing of this resolution at the general meeting (of which, the number of securities convertible into shares shall be the number of overseas listed foreign shares/domestic shares to be issued).

The Board shall exercise its power under the general mandate of this resolution in accordance with relevant applicable laws, regulations and regulatory documents (including but not limited to the regulatory requirements of the places where the Shares of the Bank are listed) and with the approval of the CBRC and/or other relevant PRC government authorities.

- (3) For the purpose of this resolution, "Relevant Period" means the period from the date of passing of this resolution at the EGM until whichever is the earliest of:
  - (i) The conclusion of the first annual general meeting following the date of passing of this resolution at the EGM;

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## LETTER FROM THE BOARD

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- (ii) The expiration of the 12-month period following the date of passing of this resolution at the EGM;
  - (iii) The date on which the authority granted to the Board under this resolution is revoked or varied by the passing of a special resolution at any general meeting.
- (4) The Board is authorized to determine the specific issuance plan, including but not limited to: (i) the class and number of Shares to be issued; (ii) the pricing mechanism and/or the issue price (including the price range); (iii) the commencement and closing dates of the issuance; (iv) the use of proceeds; (v) the making or granting of proposals, agreements and share options which may require the exercise of such powers; (vi) other contents to be included in the specific issuance plan as required by relevant laws and regulations and other regulatory documents, relevant regulatory authorities and the stock exchange of the listing place.
- (5) The Board is authorized to implement the issuance plan and deal with matters relating to the increase in the registered capital of the Bank to reflect the shares authorized to be issued by the Bank pursuant to this resolution, to make amendments to the Articles of Association relating to the issuance of shares and registered capital as it thinks fit and necessary, and to take any other actions and complete any formalities required to implement the issuance plan and to realize the increase in the registered capital of the Bank.

It will be proposed at the general meeting to authorize the Board and, subject to the above authorization being granted to the Board, the persons authorized by the Board to deal with matters relating to the issuance of Shares under the general mandate. The above specific details of the authorization given to the authorized persons by the Board will be separately determined upon the exercise of the general mandate by the Board under this resolution.

#### **4. Election of Mr. WANG Ruiqiang as a Shareholder Representative Supervisor of the Second Session of the Board of Supervisors**

Reference is made to the announcement of the Bank dated October 30, 2020 in relation to the proposed appointment of supervisor.

Pursuant to the provisions of laws, regulations and the articles of association of the Bank, Mr. WANG Ruiqiang was nominated as a candidate of shareholder representative supervisor of the second session of the board of supervisors of the Bank at the meeting of the board of supervisors of the Bank held on October 30, 2020. The proposed appointment of Mr. WANG Ruiqiang as a shareholder representative supervisor of the second session of the board of supervisors of the Bank will be submitted to the general meeting for its Shareholders' approval. According to the articles of association of the Bank, the term of office of the board of supervisors is three years. The term of office of Mr. WANG Ruiqiang will commence upon approval of shareholders until the expiry of term of the second session of the board of supervisors.

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Details of Mr. WANG Ruiqiang's biography are set out below:

Mr. WANG Ruiqiang (王銳強), aged 66, has been serving as a director and the vice chairman of the board of directors of AMTD Group Company Limited (尚乘集團有限公司) since 2015. He was a partner of PricewaterhouseCoopers from 1990 to 2012. He was an assessor for the Hong Kong Inland Revenue Department from 1977 to 1990. Mr. WANG Ruiqiang obtained a high diploma in accountancy from the Hong Kong Polytechnic in October 1977. He obtained a bachelor's degree of laws from The University of London in 1989.

As at the date of this circular, save as disclosed above, Mr. WANG Ruiqiang has confirmed that: (i) he has no relationship with any director, supervisor, senior management, substantial shareholder or controlling shareholder of the Bank or its subsidiaries; (ii) he holds no other position in the Bank or any of its subsidiaries, nor has he served as a director or supervisor in any other public companies listed in Hong Kong or overseas in the past three years; (iii) he does not, or is not deemed to, have any interest in any shares, underlying shares or bonds of the Bank or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance); and (iv) there are no other matters in relation to his appointment required to be brought to the attention of the shareholders of the Bank or The Stock Exchange of Hong Kong Limited, and no other matters fall to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Mr. WANG Ruiqiang will not receive any remuneration in respect of his position as a supervisor of the Bank. Mr. WANG Ruiqiang does not hold any other position in the Bank or its subsidiaries or receive any other remuneration.

### III. EGM

The Bank proposed to convene the EGM at Meeting Room, 3/F, Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC at 10:00 a.m. on December 18, 2020 (Friday) to consider and, if thought fit, approve the matters set out in the notice of EGM. The form of proxy has been despatched in accordance with the Listing Rules and the Articles of Association on December 3, 2020 (Thursday). The notice of EGM is set out on this circular.

Whether or not you intend to attend and/or vote at the EGM, you are requested to complete and return the form of proxy attached to this circular in accordance with the instructions printed thereon.

Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjournment thereof.

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## LETTER FROM THE BOARD

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### **IV. METHODS OF VOTING AT THE EGM**

Pursuant to the requirements of Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the EGM shall be taken by the way of poll.

Please be advised that pursuant to Article 72 of the Articles of Association, if Shareholders fail to repay the loans granted by the Bank when due, or when the number of Shares of the Bank pledged by them reaches or exceeds 50% of the total Shares held in the Bank, the voting rights of such Shareholders at the general meetings and the voting rights of the directors appointed by such Shareholders at meetings of the Board shall be correspondingly terminated until the relevant circumstances come to an end. As at the Latest Practicable Date, to the best knowledge of the Bank, certain Shareholders have pledged 50% or more of their equity interests in the Bank, and as a result, the voting rights of such Shareholders at the Shareholders' general meeting will be subject to restrictions pursuant to the Articles of Association, resulting in a total of 589,854,258 Shares being subject to restrictions.

### **V. CLOSURE OF REGISTER OF SHAREHOLDERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE EGM**

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the Bank's register of members will be closed from November 18, 2020 (Wednesday) to December 18, 2020 (Friday), both days inclusive, during which period no transfer of Shares will be effected. The Shareholders listed on the Bank's register of Shareholders on December 18, 2020 (Friday) shall be entitled to attend and vote at the EGM.

In order to be eligible for attending and voting at the EGM, all transfer documents together with relevant share certificates and other appropriate documents shall be delivered to the H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or to the office of the Board of the Bank at No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC (for Domestic Shareholders) no less than 4:30 p.m. on November 17, 2020 (Tuesday) for the purpose of registration.

### **VI. RECOMMENDATION**

The Board (including the independent non-executive directors) considers that each of the resolutions to be proposed at the EGM is in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favor of all resolutions to be proposed at the EGM.

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## LETTER FROM THE BOARD

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### VII. OTHER INFORMATION

You are kindly requested to pay attention to other information as set out in Appendices I to II to this circular.

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

Nanchang, China  
December 3, 2020

\* *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.*

## 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the six months ended June 30, 2020 are disclosed in the 2020 interim report (pages 102 to 218) published on the website of Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0924/2020092400540.pdf>) and the website of the Bank ([http://en.jx-bank.com/upload/file/20200924/20200924165014\\_47992.pdf](http://en.jx-bank.com/upload/file/20200924/20200924165014_47992.pdf)).

Details of the financial information of the Group for the year ended December 31, 2019 are disclosed in the 2019 annual report (pages 197 to 362) published on the website of Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0409/2020040900473.pdf>) and the website of the Bank ([http://en.jx-bank.com/upload/file/20200409/20200409174823\\_75154.pdf](http://en.jx-bank.com/upload/file/20200409/20200409174823_75154.pdf)).

Details of the financial information of the Group for the year ended December 31, 2018 are disclosed in the 2018 annual report (pages 186 to 362) published on the website of Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0412/ltn20190412358.pdf>) and the website of the Bank ([http://www.jx-bank.com/nccbank/zh\\_CN/upload/File/Annual%20Report%202018.pdf](http://www.jx-bank.com/nccbank/zh_CN/upload/File/Annual%20Report%202018.pdf)).

Details of the financial information of the Group for the year ended December 31, 2017 are disclosed in the prospectus (pages I-1 to I-109) published on the website of Stock Exchange (<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0613/ltn20180613017.pdf>) and the website of the Bank ([http://en.jx-bank.com/upload/pdf/Prospectus\\_en.pdf](http://en.jx-bank.com/upload/pdf/Prospectus_en.pdf)).

## 2. INDEBTEDNESS STATEMENT

As of October 31, 2020 (being the date for the purpose of this indebtedness statement), the Bank has the following indebtedness:

- certificates of interbank deposit in an aggregate principal amount of RMB40,380.0 million;
- tier-two capital debts in an aggregate principal amount of total of RMB6,000.0 million;
- other debt securities in an aggregate principal amount of total of RMB3,000.0 million;
- deposits from customers, borrowing from the central bank, deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements that arose from the normal course of the Group's banking business;
- loan commitments, acceptances, letters of credit and letters of guarantee issued, other commitments and contingencies that arose from the normal course of banking business carried out by the Group; and
- lease liabilities in an amount of RMB1,168.9 million.

Except as disclosed above, the Group did not have, as of October 31, 2020, any outstanding mortgages, charges, debentures, other debt capital (issued or agreed to be issued), bank overdrafts, loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities.

The Bank's directors have confirmed that there has not been any material change in the indebtedness or contingent liabilities of the Group's Bank since October 31, 2020.

### **3. WORKING CAPITAL**

The Group is principally engaged in the provision of commercial and retail banking services. The business model does not involve the need for sufficient funds to purchase or the conversion of goods into revenue through sales. Therefore, the concept of working capital is not a key indicator of the Group's solvency. In assessing the Group's financial position by the Group's shareholders, working capital information is not applicable to the Group's shareholders, but certain other financial indicators such as capital adequacy ratio and liquidity ratio are more relevant in measuring the financial position of a bank.

#### **Capital Adequacy Ratio and Liquidity Ratio**

As a city commercial bank established in the PRC, the Bank is required to comply with the CBIRC's regulations on regulatory capital and maintain a minimum capital requirement.

##### ***(A) Capital Adequacy Ratio***

Capital adequacy ratio is the ratio of net capital of a bank to its risk-weighted assets. Capital adequacy ratio reflects the extent to which a commercial bank is able to bear losses from its own capital before any losses incurred to depositors and creditors. Taking into account the provision from capital reserve, the minimum standards for capital adequacy ratios of all tiers are as follows: the core tier-one capital adequacy ratio shall not be lower than 7.5%, the tier-one capital adequacy ratio shall not be lower than 8.5% and the capital adequacy ratio shall not be lower than 10.5%.

The following table sets forth the Group's capital adequacy ratios as at June 30, 2020 and as at December 31, 2017, 2018 and 2019:

	December 31, 2017	December 31, 2018	December 31, 2019	June 30, 2020
Core tier-one capital adequacy ratio <sup>1</sup>	9.38%	10.78%	9.96%	10.02%
Tier-one capital adequacy ratio <sup>2</sup>	9.40%	10.79%	9.97%	10.03%
Capital adequacy ratio <sup>3</sup>	12.90%	13.60%	12.63%	12.69%

*Notes:*

1. Percentage of net core tier-one capital to risk-weighted assets (risk-weighted assets include credit risk-weighted assets, market risk-weighted assets and operational risk-weighted assets);
2. Percentage of net tier-one capital to risk-weighted assets;
3. Percentage of net total capital to risk-weighted assets.

The Group has complied with all applicable regulatory capital adequacy requirements as at June 30, 2020 and for the years ended December 31, 2017, 2018 and 2019.

### **(B) Liquidity Ratio**

Liquidity ratio of a bank is the ratio of current assets to current liabilities of a commercial bank due within one month, and is one of the major regulatory indicators to measure the short-term liquidity of a commercial bank. According to the Law of the People's Republic of China on Commercial Banks, the liquidity ratio of commercial banks shall not be lower than 25%.

The average monthly liquidity-related ratios of the Bank as at June 30, 2020 and for the years ended December 31, 2017 to 2019 were as follows:

	December 31, 2017	December 31, 2018	December 31, 2019	June 30, 2020
Average liquidity ratio	47.94%	57.93%	58.74%	67.88%
Average liquidity coverage ratio	247.22%	206.46%	205.12%	298.37%

The Group has complied with all applicable regulatory liquidity ratio requirements as at June 30, 2020 and for the years ended December 31, 2017, 2018 and 2019.



#### 4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

2020 is the end of China's 13th five-year plan to finish building a moderately prosperous society in all respects. Despite the complexity of the external environment and the temporary impact of the COVID-19 epidemic since early 2020 in China, the Chinese economy has great resilience, potential and room for maneuver. The basic trend of "steady and long-term improvement" remains unchanged. Under the policy framework of "stable macro policies, flexible micro policies and supportive social policies", a proactive fiscal policy and a prudent monetary policy will, together with the favorable consumption, investment, employment, industry and regional policies, promote the "double upgrading" of industry and consumption and keep the Chinese economy operating within a reasonable range. In 2020, Jiangxi Province will fully implement the strategy of becoming a strong industrial province and vigorously implement the high-quality leapfrog development of "2+6+N" industry. It will carry out the campaign to speed up the pace of project construction, focusing on the implementation of 2,933 provincial large and medium-sized projects, with a total investment of approximately RMB2.57 trillion and an annual investment of approximately RMB770 billion.

In 2020, against the backdrop of the above external challenges and the impact of the pandemic, the Bank will strictly comply with the regulatory requirements, focus on rectification and risk control, improve quality and efficiency, promote development, and achieve steady improvement of operating efficiency and asset quality; speed up the response to major policies of the central government and Jiangxi, increase support for the real economy, focus on distinctive industries and accelerate product innovation; continue to optimize institutions and mechanisms, actively introduce scientific and technological means, and strengthen overall risk management; and strengthen infrastructure construction such as talent team building, compliance culture and financial management to generate high-quality growth drivers. In the first half of the year, the Bank's asset size, proportion of deposits and loans increased steadily, and the asset and debt structure continued to be optimized. The Bank focused on risk mitigation and increased the disposal of non-performing assets, making progress in the collection and recovery of non-performing assets.

Looking ahead to the second half of the year, supported by a more proactive fiscal policy and a more prudent and flexible monetary policy, China's economy will continue its basic trend of "stable and long-term improvement". The Bank will continue to improve the efficiency of disposing non-performing assets, promote the public tender and transfer of non-performing assets and accelerate the collection and recovery process. The Bank will grasp the policy opportunities to cultivate featured financial products, vigorously develop the "industry value chain" and "blockchain", continue to promote technological innovation and improve internal control and compliance construction, with a view to promoting the improvement of the Bank's financial services, and the balanced and sustainable growth of its core businesses.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for purpose of giving information with regard to the Bank. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

## 2. INTERESTS OF DIRECTORS

- (1) As at the Latest Practicable Date, none of the directors, supervisors and chief executives of the Bank had any interests or short positions in the Shares, underlying Shares or debentures of the Bank or any of its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Bank and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which those directors, supervisors and chief executives or their respective associates were taken or deemed to have under such provisions of the SFO); or to be entered in the register required to be kept by the Bank pursuant to Section 352 of the SFO; or to be notified to the Bank and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers under the Listing Rules.
- (2) As at the Latest Practicable Date, none of the directors had any direct or indirect interests in any assets which have been acquired, disposal of by or leased to the Bank or any of its subsidiaries, or are proposed to be acquired, disposal of by or leased to the Bank or any of its subsidiaries since December 31, 2019 (being the date to which the latest published audited consolidated accounts of the Bank were made up).
- (3) As at the Latest Practicable Date, none of the directors was materially interested in any contracts or arrangements entered in by the Bank and any of its subsidiaries, which is subsisting and significant in relation to the business of the Group.
- (4) As at the Latest Practicable Date, the following directors were directors or employees of another companies, which had interests or short positions in the Shares and underlying Shares required to be disclosed pursuant the Divisions 2 and 3 of Part XV of the SFO:

<b>Name</b>	<b>Position in the entity disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO</b>
LI Zhanrong	Assistant to the general manager and a member of the party committee of Jiangxi Provincial Expressway Investment Group Co., Ltd. (江西省高速公路投資集團有限責任公司)
LIU Sanglin	Assistant to the general manager and the head of human resources department of Jiangxi Financial Holding Co., Ltd. (江西省金融控股集團有限公司)

### 3. COMPETING INTERESTS

As at the Latest Practicable Date, to the best knowledge of the directors, none of them and their respective associates had any interests in a business which competes or is likely to compete with the business of the Group.

### 4. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, to the best knowledge of any directors, the following persons (other directors or chief executives of the Bank and any members of the Group) had interest or short positions in Shares or underlying Shares required to be disclosed pursuant to the provisions of Section 2 and 3 of Part XV of the SFO (including the interests and short positions which were taken or deemed to have under such provisions of the SFO), or directly or indirectly interested in 5% or more of the nominal value of any class of Shares carrying ancillary rights to vote in all circumstances at general meetings of any members of the Group:

Name of Shareholder	Class of Shares	Nature of interests	Number and nature of Shares <sup>1</sup>	(Unit: Share)	
				Approximate % of the total issued share capital of the class of the Bank <sup>2</sup>	Approximate % of the total issued share capital of the Bank <sup>2</sup>
Jiangxi Provincial Expressway Investment Group Co., Ltd. <sup>3</sup>	Domestic Shares	Beneficial owner	937,651,339 (L)	20.04%	15.56%
Jiangxi Financial Holding Group Co., Ltd. <sup>4</sup>	Domestic Shares	Beneficial owner	347,546,956 (L)	7.43%	5.77%
China National Tobacco Corporation Jiangxi Branch <sup>5</sup>	Domestic Shares	Beneficial owner Interest of controlled corporation	180,000,000 (L) 83,000,000 (L)	3.85% 1.77%	2.99% 1.38%
Nanchang Municipal Bureau of Finance <sup>6</sup>	Domestic Shares	Beneficial owner	253,411,300 (L)	5.42%	4.21%

Name of Shareholder	Class of Shares	Nature of interests	Number and nature of Shares <sup>1</sup>	(Unit: Share)	
				Approximate % of the total issued share capital of the class of the Bank <sup>2</sup>	Approximate % of the total issued share capital of the Bank <sup>2</sup>
Pingxiang Huixiang Construction Development Co., Ltd. <sup>7</sup>	Domestic Shares	Beneficial owner	241,088,500 (L)	5.15%	4.00%
Yango Investment Limited	H Shares	Beneficial owner	219,092,000 (L)	16.28%	3.64%
L.R. Capital Financial Holdings Limited <sup>8</sup>	H Shares	Interest of controlled corporation	122,841,500 (L)	9.13%	2.04%
AMTD Group Company Limited <sup>8</sup>	H Shares	Interest of controlled corporation	122,841,500 (L)	9.13%	2.04%
AMTD Asia Limited <sup>8</sup>	H Shares	Beneficial owner	122,841,500 (L)	9.13%	2.04%
Huaxun International Group Limited	H Shares	Beneficial owner	122,776,000 (L)	9.12%	2.04%
Road Shine Developments Limited <sup>9</sup>	H Shares	Beneficial owner	115,213,000 (L)	8.56%	1.91%
CITIC Guoan Group <sup>9</sup>	H Shares	Interest of controlled corporation	115,213,000 (L)	8.56%	1.91%
Yichun Development Investment Group Co., Ltd. (宜春發展投資集團有限公司) <sup>10</sup>	H Shares	Beneficial owner	94,840,500 (L)	7.04%	1.57%

Name of Shareholder	Class of Shares	Nature of interests	Number and nature of Shares <sup>1</sup>	(Unit: Share)	
				Approximate % of the total issued share capital of the class of the Bank <sup>2</sup>	Approximate % of the total issued share capital of the Bank <sup>2</sup>
Representative of Guotai Asset Management Co., Ltd. (國泰基金管理有限公司): Guotai-Global Investments Asset Management Plan No. 10/Guotai Asset Management Co Ltd-CHINA GUANGFA BANK CO. LTD-GT FUND-QDII1-10 Principal: Yichun Development Investment Group Co., Ltd. (宜春發展投資集團有限公司) <sup>10</sup>	H Shares	Trustee	94,840,500 (L)	7.04%	1.57%
Mingyuan Group Investment Limited <sup>11</sup>	H Shares	Beneficial owner	81,308,000 (L)	6.04%	1.35%
SHUM Tin Ching <sup>11</sup>	H Shares	Interest of controlled corporation	81,308,000 (L)	6.04%	1.35%
WANG Xinmei <sup>11</sup>	H Shares	Interest held jointly with another person	81,308,000 (L)	6.04%	1.35%
Zhenro Hong Kong Limited <sup>12</sup>	H Shares	Beneficial owner	77,604,500 (L)	5.77%	1.29%
Zhenro International Limited <sup>12</sup>	H Shares	Interest of controlled corporation	77,604,500 (L)	5.77%	1.29%

Name of Shareholder	Class of Shares	Nature of interests	Number and nature of Shares <sup>1</sup>	(Unit: Share)	
				Approximate % of the total issued share capital of the class of the Bank <sup>2</sup>	Approximate % of the total issued share capital of the Bank <sup>2</sup>
Zhenro Properties Group Limited <sup>12</sup>	H Shares	Interest of controlled corporation	77,604,500 (L)	5.77%	1.29%
RoYue Limited <sup>12</sup>	H Shares	Interest of controlled corporation	77,604,500 (L)	5.77%	1.29%
OU Zongrong <sup>12</sup>	H Shares	Interest of controlled corporation	77,604,500 (L)	5.77%	1.29%
LIN Shuying <sup>12</sup>	H Shares	Interest held jointly with another person	77,604,500 (L)	5.77%	1.29%
Hua An Fund Management Co., Ltd. <sup>13</sup>	H Shares	Others	121,500,000 (L)	9.03%	2.02%

## Notes:

- (L) represents long position, and (S) represents short position.
- As at the Latest Practicable Date, the total issued share capital of the Bank was 6,024,276,901 shares, including 4,678,776,901 Domestic Shares and 1,345,500,000 H Shares.
- Jiangxi Provincial Expressway Investment Group Co., Ltd. is a state-owned corporate shareholder, whose legal representative is WANG Jiangjun. Regarding Jiangxi Provincial Expressway Investment Group Co., Ltd., its controlling shareholder and de facto controller are both Department of Transportation of Jiangxi Province (江西省交通運輸廳) and its ultimate beneficiary is Jiangxi Provincial Expressway Investment Group Co., Ltd.
- Jiangxi Financial Holding Group Co., Ltd. is a state-owned corporate shareholder, whose legal representative is QI Wei. Regarding Jiangxi Financial Holding Group Co., Ltd., its controlling shareholder and de facto controller both are Asset Management Center of Administrative Institutions in Jiangxi Province (江西省行政事業單位資產管理中心) and its ultimate beneficiary is Jiangxi Financial Holding Group Co., Ltd.
- China National Tobacco Corporation Jiangxi Branch holds 263,000,000 shares of the Bank jointly with its wholly-owned subsidiary Jiangxi Jinfeng Investment Management Co., Ltd. It is a state-owned corporate shareholder and its legal representative is JIANG Kai. Regarding China National Tobacco Corporation Jiangxi Branch, its controlling shareholder and de facto controller both are China National Tobacco Corporation (中國煙草總公司) and its ultimate beneficiary is China National Tobacco Corporation Jiangxi Branch.

6. *Nanchang Municipal Bureau of Finance (南昌市財政局) is a state-owned shareholder, whose responsible person is WAN Yuyuan. Its ultimate beneficiary is Nanchang Municipal Bureau of Finance.*
7. *Pingxiang Huixiang Construction Development Co., Ltd. is a state-owned corporate shareholder, whose legal representative is LUO Haiping. Regarding Pingxiang Huixiang Construction Development Co., Ltd., its controlling shareholder is Pingxiang Huifeng Investment Co., Ltd. (萍鄉市滙豐投資有限公司), its de facto controller is Administration Commission of Pingxiang Economic & Technological Development Zone (萍鄉經濟技術開發區管理委員會) and its ultimate beneficiary is Pingxiang Huixiang Construction Development Co., Ltd.*
8. *AMTD Asia Limited directly holds 122,841,500 shares of the Bank, and 100% of its interests is indirectly held by AMTD Group Company Limited through AMTD Asia (Holdings) Limited. L.R. Capital Financial Holdings Limited directly holds 71.03% of the interests of AMTD Group Company Limited. Therefore, according to the SFO, both AMTD Group Company Limited and L.R. Capital Financial Holdings Limited are deemed to be interested in the H Shares of the Bank held by AMTD Asia Limited.*
9. *CITIC Guoan Group indirectly holds 115,213,000 H Shares held by Road Shine Developments Limited through Guoan (HK) Holdings Limited, its controlled corporation. Therefore, according to the SFO, CITIC Guoan Group and Guoan (HK) Holdings Limited are deemed to be interested in the Bank's H Shares held by Road Shine Developments Limited.*
10. *Yichun Development Investment Group Co., Ltd. is wholly-owned by Yi Chun Stated-owned Assets Supervision and Administration Commission (宜春市國有資產監督管理委員會). Yichun Development Investment Group Co., Ltd. holds 94,840,500 shares of the Bank through the trustee Guotai Asset Management Co., Ltd.*
11. *Mingyuan Group Investment Limited holds 81,308,000 shares of the Bank. Mingyuan Group Investment Limited is wholly-owned by SHUM Tin Ching and WANG Xinmei. Therefore, according to the SFO, SHUM Tin Ching and WANG Xinmei (the spouse of SHUM Tin Ching) are deemed to be interested in the Bank's H Shares held by Mingyuan Group Investment Limited.*
12. *OU Zongrong and LIN Shuying indirectly hold 77,604,500 H Shares of the Bank held by Zhenro Hong Kong Limited through their controlled corporations RoYue Limited, Zhenro Properties Group Limited and Zhenro International Limited. Therefore, according to the SFO, OU Zongrong, LIN Shuying (the spouse of OU Zongrong), RoYue Limited, Zhenro Properties Group Limited and Zhenro International Limited are deemed to be interested in the Bank's H Shares held by Zhenro Hong Kong Limited.*
13. *Hua An Fund Management Co., Ltd. is the manager of four QDII single asset management plans.*

Save as disclosed above, as at Latest Practicable Date, to the best knowledge of the directors, no other person had an interest or short position in the Shares or underlying Shares of the Bank required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, and as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## 5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable within one year without payment of compensation, other than statutory compensation).

## 6. MATERIAL CONTRACTS

No contracts (other than those entered into in the ordinary business course), which are, or may be, material, have been entered into by the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date.

**7. MATERIAL LEGAL LITIGATION**

As at the Latest Practicable Date, so far as the directors are aware, the Bank was not engaged in any legal litigation or arbitration of material importance and there is no legal litigation or claim of material importance known to the directors pending or threatened by or against the Bank.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the Company's principal place of business in Hong Kong at 40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wan Chai, Hong Kong during normal business hours on any weekday, excluding public holidays, from the date of this circular up to and including the date of the EGM:

- (1) the Articles of Association of the Bank;
- (2) the 2020 interim report, the 2019 annual report, 2018 annual report and the prospectus of the Bank; and
- (3) this circular.

**9. GENERAL INFORMATION**

- (1) As at the Latest Practicable Date, the directors were not aware of any material adverse change in the financial or trading position of the Group since December 31, 2019, being the date to which the latest published audited financial statements of the Group were made up.
- (2) The address of the registered office of the Bank is Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC.
- (3) The address of the share registrar of the Bank, Computershare Hong Kong Investor Services Limited, is Shops 1712-1716, Hopewell Centre, No. 183 Queen's Road East, Hong Kong.
- (4) The company secretaries of the Bank are Mr. Xu Jihong and Dr. Ngai Wai Fung. Dr. Ngai Wai Fung is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants and a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.





**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)**

### NOTICE OF THE FIRST EGM OF 2020

**NOTICE IS HEREBY GIVEN** that the first extraordinary general meeting of 2020 (“**EGM**”) of Jiangxi Bank Co., Ltd.\* (the “**Bank**”) will be held at 10:00 a.m. on December 18, 2020 (Friday) at Meeting Room, 3/F, Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC, to consider, and if thought fit, pass the following resolutions:

#### ORDINARY RESOLUTIONS

1. To consider and approve the Creditor’s Rights Transfer Agreement and the transactions contemplated thereunder
2. To consider and approve the election of Mr. WANG Ruiqiang as a shareholder representative supervisor of the second session of the board of supervisors of the Bank

#### SPECIAL RESOLUTIONS

3. To consider and approve the issuance of tier-two capital bonds
4. To consider and approve the general mandate to issue shares

By Order of the Board of Directors

**Jiangxi Bank Co., Ltd.\***

**CHEN Xiaoming**

*Chairman*

Nanchang, the PRC, December 3, 2020

*As of the date of this notice, 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 Chapter 155 of the Laws of Hong Kong (the Banking Ordinance), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

*Notes:*

1. Pursuant to the Listing Rules, all resolutions proposed at the meeting will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman decides to permit the vote by a show of hands). The voting results will be published on both the websites of Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Bank ([www.jx-bank.com](http://www.jx-bank.com)) in accordance with the Listing Rules.
2. **CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE EGM**

In order to determine the list of Shareholders who are entitled to attend and vote at the EGM, the Bank's register of members will be closed from November 18, 2020 (Wednesday) to December 18, 2020 (Friday), both days inclusive, during which period no transfer of the shares of the Bank will be effected. The Shareholders included in the Bank's register of Shareholders on December 18, 2020 (Friday) shall be entitled to attend and vote at the EGM. In order to be eligible for attending and voting at the EGM, all transfer documents together with relevant share certificates and other appropriate documents shall be sent for registration to the Board office of the Bank at Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC (for holders of Domestic Shares) or to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) before 4:30 p.m. on November 17, 2020 (Tuesday).

3. **PROXY**

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more persons (if the Shareholder holds two or more issued Shares of the Bank with a nominal value of RMB1.00 each), whether such person is a Shareholder of the Bank or not, as his/her/its proxy or proxies to attend and vote on his/her/its behalf at the EGM.

The proxy concerned must be appointed with a power of attorney. The power of attorney concerned must be signed by the principal or the representative duly authorized in writing by the principal. If the principal is a legal person, the power of attorney shall be affixed with the seal of the legal person or signed by its director or a representative duly authorized in writing. If the power of attorney of the proxy is signed by the authorized person of the principal under a power of attorney or other authorization documents given by the appointer, such power of attorney or other authorization documents shall be notarized, and served at the same time as the power of attorney. The power of attorney of the Shareholders' proxy shall be served to the H Share Registrar, namely, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or to the Board office of the Bank at Jiangxi Bank Tower, No. 699 Financial Street, Honggutan New District, Nanchang, Jiangxi Province, the PRC (for holders of Domestic Shares) not less than 24 hours before the scheduled time for holding of the EGM (i.e. by 9:30 a.m. on December 17, 2020 (Thursday)) or any adjournment thereof (as the case may be).

After the completion and return of the power of attorney, you can attend and vote in person at the EGM or any adjournment thereof should you so wish. In this case, the power of attorney will be deemed to have been revoked.

In case of registered joint holders of any shares, one of the registered joint holders can vote on such shares in person or by proxy as if he/she is the only holder entitled to vote. If more than one registered joint holders attend the EGM in person or by proxy, only the vote of the person whose name appears first in the register of members relating to the shares (in person or by proxy) will be accepted as the only vote of the joint holders.

**4. MISCELLANEOUS**

- (i) The Shareholders or their proxies shall present their identity documents when attending the EGM (or any adjournment thereof). If the legal representative of corporate Shareholders or any other persons officially authorized by the corporate Shareholders is present at the EGM (or any adjournment thereof), such legal representative or other persons shall present their identity documents and the certifying documents for appointment as a legal representative or valid authorization documents (as the case may be).
- (ii) The EGM is expected to last for no more than half a day. Shareholders and representatives attending the meeting shall be responsible for their own traveling and accommodation expenses.
- (iii) Address and contact of Computershare Hong Kong Investor Services Limited:

17M Floor  
Hopewell Centre, 183 Queen's Road East  
Wanchai  
Hong Kong

Tel: (852) 2862 8555  
Fax: (852) 2865 0990

Address and contact of the Board office of the Bank:

Jiangxi Bank Tower  
No. 699 Financial Street, Honggutan New District  
Nanchang, Jiangxi Province  
the PRC

Tel: (86) 791 86791008/(86) 791 86791009  
Fax: (86) 791 86771100

- 5. The details about the aforesaid resolutions proposed for the consideration and approval of the EGM are set out in the circular of the EGM of the Bank dated December 3, 2020. Unless otherwise indicated, the capitalized terms used in this notice shall have the same meaning as those defined in the circular of the EGM of the Bank dated December 3, 2020.