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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)**

**UPDATE ANNOUNCEMENT ON THE ENGAGEMENT OF  
CONVERTIBLE NEGOTIATED DEPOSIT BUSINESS TO REPLENISH  
ADDITIONAL TIER-ONE CAPITAL AND ISSUANCE OF  
SHARES UNDER A SPECIAL MANDATE**

Reference is made to the announcements dated May 5, 2021 and May 21, 2021 and the circular dated April 30, 2021 (the “**Circular**”) and the supplemental circular dated May 6, 2021 (the “**Supplemental Circular**”) of Jiangxi Bank Co., Ltd. (the “**Bank**”) in relation to, among other things, the resolution in relation to the engagement of convertible negotiated deposit business to replenish additional tier-one capital and issuance of shares under a special mandate. The relevant proposal has been considered and passed at the 2020 Annual General Meeting (the “**AGM**”), and the 2021 First Class Meeting of Domestic Shareholders and the 2021 First Class Meeting of H Shareholders (collectively, the “**Shareholders’ Class Meetings**”) of the Bank. Except as the context otherwise requires, capitalised terms used herein shall have the same meanings as ascribed to them in the Circular and Supplemental Circular.

As disclosed in the Supplemental Circular, the Bank and Jiangxi Provincial Department of Finance will enter into the Agreement on Replenishing the “Convertible Negotiated Deposit” of Small and Medium-sized Banks’ Capital with the Special Bonds (the “**Agreement**”) within three months from the date of approval of the AGM and the Shareholders’ Class Meetings. The Board of Directors hereby announces that the Bank has entered into the Agreement with Jiangxi Provincial Department of Finance on August 20, 2021.

Jiangxi Provincial Department of Finance has confirmed that it will agree to the conversion if the conditions for conversion as stipulated in the Agreement are satisfied. Therefore, in accordance with the mandate of the resolution in relation to the replenishment of additional tier-one capital through convertible negotiated deposit approved at the AGM and the Shareholders' Class Meetings, and upon negotiation with Jiangxi Provincial Department of Finance, the "conditions for conversion" under the Agreement shall be adjusted as follows as compared with the convertible negotiated deposit plan as set out in the Supplemental Circular:

Terms before adjustment	Terms after adjustment	Reasons
<p>The Parties agree that the conversion for convertible negotiated deposit into ordinary Shares of the Bank shall satisfy the following conditions at the same time:</p> <p>① the core tier-one capital adequacy ratio of the Bank is lower than 5.125%;</p> <p>② Jiangxi Provincial Department of Finance consents to the conversion;</p> <p>③ the class and number of the converted ordinary Shares and the shareholding structure of the Bank after the conversion shall satisfy the particular requirement of the Hong Kong Stock Exchange for the minimum public float, otherwise all or part of the Shares shall be held by the independent third parties or the conversion shall be terminated.</p> <p>If the above conditions are met, Jiangxi Provincial Department of Finance will convert all or part of the convertible negotiated deposit into the Shares of the Bank, with the shareholding ratio determined based on the conversion price standards set out in the Agreement.</p>	<p>The Parties agree that the conversion for convertible negotiated deposit into ordinary Shares of the Bank shall satisfy the following conditions at the same time:</p> <p>① the core tier-one capital adequacy ratio of the Bank is lower than 5.125%;</p> <p>② the class and number of the converted ordinary Shares and the shareholding structure of the Bank after the conversion shall satisfy the particular requirement of the Hong Kong Stock Exchange for the minimum public float, otherwise all or part of the Shares shall be held by the independent third parties.</p> <p>If the above conditions are met, Jiangxi Provincial Department of Finance will convert all or part of the convertible negotiated deposit into the Shares of the Bank, with the shareholding ratio determined based on the conversion price standards set out in the Agreement.</p>	<p>Jiangxi Provincial Department of Finance has confirmed that it will agree to the conversion if the conditions for conversion as stipulated in the Agreement are satisfied.</p> <p>The removal of "or the conversion shall be terminated" is a presentation adjustment made in accordance with the requirements of the regulatory authorities, without changing the substantive requirements of the conversion conditions.</p>

The above adjustments have not made any substantial amendments to the conditions for conversion and have not exceeded the mandate scope of the resolution in relation to the replenishment of additional tier-one capital through convertible negotiated deposit approved at the AGM and the Shareholders' Class Meetings. Save for the above, other terms of the Agreement are consistent with the convertible negotiated deposit plan as set out in the Supplemental Circular.

According to the convertible negotiated deposit plan as set out in the Supplemental Circular and the Agreement, and based on the estimated lower conversion price of RMB2.78, please refer to Appendix I to this announcement for the different conversion circumstances under the convertible negotiated deposit.

The convertible negotiated deposit can be converted to a maximum of 1,402,877,697 H Shares of the Bank (taking up approximately 18.89% of the enlarged total share capital of the Bank), with a par value of RMB1 per Share, provided that the conditions for conversion are satisfied. Based on that and the estimated lower conversion price of RMB2.78, the theoretical dilution effect is 0.51%. The Bank has complied with the theoretical dilution effect requirement in accordance with Rule 7.27B of Listing Rules at the time of entering into the Agreement and will also ensure the compliance with the theoretical dilution effect requirement under Rule 7.27B of the Listing Rules at the time of implementing the convertible negotiated deposit.

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

Nanchang, the PRC, August 20, 2021

*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.*

## Appendix I :

As calculated by the estimated lower conversion price of RMB2.78, the conversion for the convertible negotiated deposit may have one of the following circumstances:

**(I) If the conversion conditions are triggered within 6 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB3.9 billion**

Assuming in compliance with the Minimum Public Float requirement, under the circumstance of the converted H Shares (i.e. conversion into 152,126,221 H Shares in total of the Bank) being held only by Jiangxi Provincial Department of Finance or its close associates to the maximum extent, rather than being held by independent third parties in full or in part, the equity structures of the Bank immediately after the conversion set out as follows:

	As at the Date of this Announcement		Immediately after the implementation of the conversion	
	Number of Shares	Approximate percentage of the total issued Shares of the Bank	Number of Shares	Approximate percentage of the total issued Shares of the Bank
<b>Domestic Shares</b>				
Jiangxi Provincial Communications Investment Group Co., Ltd. (江 西省交通投資集團有限責任公 司) (previously named: Jiangxi Provincial Expressway Investment Group Co., Ltd. (江西省高速公路 投資集團有限責任公司))	937,651,339	15.56%	937,651,339	15.18%
Jiangxi Financial Holding Group Co., Ltd. and its close associates	459,337,688	7.62%	459,337,688	7.44%
China National Tobacco Corporation Jiangxi Branch	263,000,000	4.37%	263,000,000	4.26%
Pingxiang Huixiang Construction Development Co., Ltd.	241,088,500	4.00%	241,088,500	3.90%
Other holder(s) of the Domestic Shares	2,777,699,374	46.11%	2,777,699,374	44.97%
<b>Total issued Domestic Shares</b>	<b>4,678,776,901</b>	<b>77.67%</b>	<b>4,678,776,901</b>	<b>75.75%</b>
<b>H Shares</b>				
Jiangxi Provincial Department of Finance or its close associates	–	–	152,126,221	2.46%
Other independent third parties shareholder(s) of H Shares	1,345,500,000	22.33%	1,345,500,000	21.78%
<b>Total issued H Shares</b>	<b>1,345,500,000</b>	<b>22.33%</b>	<b>1,497,626,221</b>	<b>24.25%</b>
<b>Total issued Shares</b>	<b>6,024,276,901</b>	<b>100%</b>	<b>6,176,403,122</b>	<b>100%</b>

*Notes:*

1. Jiangxi Provincial Communications Investment Group Co., Ltd. (江西省交通投資集團有限責任公司) (previously named: Jiangxi Provincial Expressway Investment Group Co., Ltd. (江西省高速公路投資集團有限責任公司)) is a state-owned corporate shareholder. Regarding Jiangxi Provincial Communications Investment Group Co., Ltd. (江西省交通投資集團有限責任公司) (previously named: Jiangxi Provincial Expressway Investment Group Co., Ltd. (江西省高速公路投資集團有限責任公司)), its controlling shareholder and de facto controller are both Department of Transportation of Jiangxi Province.
2. Jiangxi Financial Holding Group Co., Ltd. is a state-owned corporate shareholder. The controlling shareholder of Jiangxi Financial Holding Group Co., Ltd. is Asset Management Center of Administrative Institutions in Jiangxi Province, which is wholly owned by Jiangxi Provincial Department of Finance. Jiangxi Financial Holding Group Co., Ltd. holds 347,546,956 Domestic Shares of the Bank, Jiangxi Provincial Department of Finance holds 45,000,000 Domestic Shares of the Bank, Jiangxi Fiscal Investment Management Co., Ltd. (a close associate of Jiangxi Provincial Department of Finance) holds 12,969,590 Domestic Shares of the Bank, and Jiangxi Province Administrative Assets Group Company Limited (江西省行政事業資產集團有限公司) (a close associate of Jiangxi Provincial Department of Finance) holds 53,821,142 Domestic Shares of the Bank.
3. 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. Regarding China National Tobacco Corporation Jiangxi Branch, its controlling shareholder and de facto controller both are China National Tobacco Corporation.
4. Pingxiang Huixiang Construction Development Co., Ltd. is a state-owned corporate shareholder. Regarding Pingxiang Huixiang Construction Development Co., Ltd., its controlling shareholder is Pingxiang Huifeng Investment Co., Ltd., its de facto controller is Administration Commission of Pingxiang Economic & Technological Development Zone.
5. As at the Date of this Announcement, the total share capital of the Bank is 6,024,276,901 shares, including 4,678,776,901 Domestic Shares and 1,345,500,000 H Shares. To the best knowledge of the Bank and the Directors after reasonable inquiries, all the H Shares issued by the Bank are held by the public.
6. If there is any discrepancy between the arithmetic results and the calculation results of figures listed, it is due to rounding.

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 1,402,877,697 H Shares of the Bank), which are held by Jiangxi Provincial Department of Finance and its close associates to the maximum extent (i.e., 152,126,221 H Shares), and by other designated independent third parties for the remaining H Share converted (i.e., 1,250,751,477 H Shares), the equity structures of the Bank immediately after the conversion to Shares are set out as follows:

	As at the Date of this Announcement		Immediately after the implementation of the conversion	
	Number of Shares	Approximate percentage of the total issued Shares of the Bank	Number of Shares	Approximate percentage of the total issued Shares of the Bank
<b>Domestic Shares</b>				
Jiangxi Provincial Communications Investment Group Co., Ltd. (江 西省交通投資集團有限責任公 司) (previously named: Jiangxi Provincial Expressway Investment Group Co., Ltd. (江西省高速公路 投資集團有限責任公司))	937,651,339	15.56%	937,651,339	12.62%
Jiangxi Financial Holding Group Co., Ltd. and its close associates	459,337,688	7.62%	459,337,688	6.18%
China National Tobacco Corporation Jiangxi Branch	263,000,000	4.37%	263,000,000	3.54%
Pingxiang Huixiang Construction Development Co., Ltd.	241,088,500	4.00%	241,088,500	3.25%
Other holder(s) of the Domestic Shares	2,777,699,374	46.11%	2,777,699,374	37.40%
<b>Total issued Domestic Shares</b>	<u>4,678,776,901</u>	<u>77.67%</u>	<u>4,678,776,901</u>	<u>63.00%</u>
<b>H Shares</b>				
Jiangxi Provincial Department of Finance or its close associates	–	–	152,126,221	2.05%
Other independent third parties shareholder(s) of H Shares	1,345,500,000	22.33%	2,596,251,477	34.96%
<b>Total issued H Shares</b>	<u>1,345,500,000</u>	<u>22.33%</u>	<u>2,748,377,698</u>	<u>37.00%</u>
<b>Total issued Shares</b>	<u>6,024,276,901</u>	<u>1.00%</u>	<u>7,427,154,599</u>	<u>1.00%</u>

**(II) If the conversion conditions are triggered within 6-7 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB3.1 billion**

Assuming in compliance with the Minimum Public Float requirement, under the circumstance of the converted H Shares (i.e., conversion into 152,126,221 H Shares in total of the Bank) being held only by Jiangxi Provincial Department of Finance or its close associates to the maximum extent, rather than being held by independent third parties in full or in part, immediately after the conversion, the total share capital of the Bank is 6,176,403,122 shares, including 4,678,776,901 Domestic Shares and 1,497,626,221 H Shares. Then the public float of the Bank is 24.25%, which meets the Minimum Public Float requirement.

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 1,115,107,913 H Shares of the Bank), which are held by Jiangxi Provincial Department of Finance and its close associates to the maximum extent (i.e., 152,126,221 H Shares), and by other designated independent third parties for the remaining H Share converted (i.e., 962,981,692 H Shares). Immediately after the conversion, the total share capital of the Bank is 7,139,384,814 shares, including 4,678,776,901 Domestic Shares and 2,460,607,913 H Shares. Then the public float of the Bank is 34.47%, which meets the Minimum Public Float requirement.

**(III) If the conversion conditions are triggered within 7-8 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB2.3 billion**

Assuming in compliance with the Minimum Public Float requirement, under the circumstance of the converted H Shares (i.e., conversion into 152,126,221 H Shares in total of the Bank) being held only by Jiangxi Provincial Department of Finance or its close associates to the maximum extent, rather than being held by independent third parties in full or in part, immediately after the conversion, the total share capital of the Bank is 6,176,403,122 shares, including 4,678,776,901 Domestic Shares and 1,497,626,221 H Shares, the public float of the Bank is 24.25%, which meets the Minimum Public Float requirement.

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 827,338,129 H Shares of the Bank), which are held by Jiangxi Provincial Department of Finance and its close associates to the maximum extent (i.e., 152,126,221 H Shares), and by other designated independent third parties for the remaining H Share converted (i.e., 675,211,908 H Shares). Immediately after the conversion, the total share capital of the Bank is 6,851,615,030 shares, including 4,678,776,901 Domestic Shares and 2,172,838,129 H Shares. Then the public float of the Bank is 31.71%, which meets the Minimum Public Float requirement.



**(IV) If the conversion conditions are triggered within 8-9 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB1.5 billion**

Assuming in compliance with the Minimum Public Float requirement, under the circumstance of the converted H Shares (i.e., conversion into 152,126,221 H Shares in total of the Bank) being held only by Jiangxi Provincial Department of Finance or its close associates to the maximum extent, rather than being held by independent third parties in full or in part, immediately after the conversion, the total share capital of the Bank is 6,176,403,122 shares, including 4,678,776,901 Domestic Shares and 1,497,626,221 H Shares, the public float of the Bank is 24.25%, which meets the Minimum Public Float requirement.

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 539,568,345 H Shares of the Bank), which are held by Jiangxi Provincial Department of Finance and its close associates to the maximum extent (i.e., 152,126,221 H Shares), and by other designated independent third parties for the remaining H Share converted (i.e., 387,442,124 H Shares). Immediately after the conversion, the total share capital of the Bank is 6,563,845,246 shares, including 4,678,776,901 Domestic Shares and 1,885,068,345 H Shares. Then the public float of the Bank is 28.72%, which meets the Minimum Public Float requirement.

**(V) If the conversion conditions are triggered within 9-10 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB0.7 billion**

Assuming in compliance with the Minimum Public Float requirement, under the circumstance of the converted H Shares (i.e., conversion into 152,126,221 H Shares in total of the Bank) being held only by Jiangxi Provincial Department of Finance or its close associates to the maximum extent, rather than being held by independent third parties in full or in part, immediately after the conversion, the total share capital of the Bank is 6,176,403,122 shares, including 4,678,776,901 Domestic Shares and 1,497,626,221 H Shares, the public float of the Bank is 24.25%, which meets the Minimum Public Float requirement.

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 251,798,561 H Shares of the Bank), which are held by Jiangxi Provincial Department of Finance and its close associates to the maximum extent (i.e., 152,126,221 H Shares), and by other designated independent third parties for the remaining H Share converted (i.e., 99,672,340 H Shares). Immediately after the conversion, the total share capital of the Bank is 6,276,075,462 shares, including 4,678,776,901 Domestic Shares and 1,597,298,561 H Shares. Then the public float of the Bank is 25.45%, which meets the Minimum Public Float requirement.