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Bank of Jiujiang Co., Ltd.*
九江银行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6190)

PROPOSED NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND ITS
AUTHORIZED PERSONS TO EXERCISE FULL POWER TO HANDLE
ALL MATTERS RELATING TO THE
NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES
AND

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,
THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING AND
THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS

I. PROPOSED NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES

In order to improve the overall competitiveness of the Bank and to ensure continuous business development of the Bank, upon the approval by the China banking regulatory authorities and in compliance with the relevant requirements, the Bank plans to conduct a non-public issuance of Offshore Preference Shares of no more than 100 million shares in total, and the total amount of issuance does not exceed RMB10 billion or its equivalent to replenish the Bank's Additional Tier 1 Capital.

In accordance with the State Council Guidance Opinion and the Joint Guidance Opinion, and with reference to the Administrative Measures and provisions of relevant laws, regulations and other regulatory documents, the Bank is of the opinion that it meets the conditions for the non-public issuance of Offshore Preference Shares.

The Offshore Preference Shares will be conducted by way of a non-public placement, in accordance with the relevant rules of offering and the Offshore Preference Shares shall be issued in a single or multiple tranche(s) in accordance with the relevant procedures after being approved by relevant regulatory authorities. The listing/trading arrangements for the Offshore Preference Shares will be set out in the offering documents to be issued by the Bank. There will be no lock-up period for the Offshore Preference Shares. The Bank shall have the right to mandatorily convert all or part of the Offshore Preference Shares into H Shares on the occurrence of certain prescribed events.

The issuance of Offshore Preference Shares is subject to certain conditions including, among other things: (i) the passing of the relevant special resolutions in respect of the proposed issuance of Offshore Preference Shares, by the Shareholders at the EGM, by the Domestic Shareholders at the first Domestic Shareholders class meeting of 2019 and by the H Shareholders at the first H Shareholders class meeting of 2019; and (ii) the approval by or filing with relevant regulatory authorities regarding the proposed issuance of Offshore Preference Shares.

The Board resolved to approve the Offshore Issuance Plan on 18 January 2019 to put forward the Offshore Issuance Plan at the EGM and Class Meetings as a special resolution for Shareholders to consider and, if thought fit, to approve. The Board also resolved to delegate authority to the chairman, the president and the secretary of the Board of Directors of the Bank to individually or jointly exercise full power to be responsible to make necessary adjustments to the Offshore Issuance Plan to be proposed at the EGM and Class Meetings for consideration, according to the opinions and suggestions of China banking regulatory authorities, the Stock Exchange and other relevant regulatory authorities, before the proposal being proposed at the EGM and Class Meetings for consideration.

For details of the Offshore Issuance Plan, please refer to Appendix 1 to this announcement.

II. PROPOSED RESOLUTION AT THE SHAREHOLDERS' GENERAL MEETING OF AUTHORIZATION TO THE BOARD OF DIRECTORS AND ITS AUTHORIZED PERSONS TO EXERCISE FULL POWER TO HANDLE ALL MATTERS RELATING TO THE NON-PUBLIC ISSUANCE OF OFFSHORE PREFERENCE SHARES

In accordance with the needs of the Bank in its work relating to the non-public issuance of Offshore Preference Shares, the Board of Directors resolved to approve the Plan Regarding the Delegation of Authority on 18 January 2019 and put forward the Plan Regarding the Delegation of Authority at the EGM and Class Meetings as a special resolution for Shareholders to consider and, if thought fit, to approve. The Plan Regarding the Delegation of Authority mainly includes

proposing at the EGM and Class Meetings for the authorization to the Board of Directors and its authorized persons under the permission of laws and regulations, the Articles of Association and relevant regulatory requirements and in accordance with the framework and principles of the issuance of Offshore Preference Shares as considered and approved at Shareholders' general meeting of the Bank: (i) to individually or jointly exercise full power to handle matters relating to the issuance of Offshore Preference Shares within the period of authorization regarding the issuance of Offshore Preference Shares (such authorization period is twelve months from the consideration and approval of the Plan Regarding the Delegation of Authority at the EGM and Class Meetings, and the Board of Directors owns the right to obtain approval at the Shareholders' general meeting of the Bank to extend the authorization period or approve new authorization as appropriate); and (ii) to individually or jointly exercise full power to handle matters relating to the Offshore Preference Shares within its outstanding period.

In addition, the Board of Directors also resolved to delegate authority to the chairman, the president and the secretary of the Board of Directors of the Bank to individually or jointly exercise full power to be responsible to make necessary adjustments to the Plan Regarding the Delegation of Authority according to the opinions and suggestions of China banking regulatory authorities, the Stock Exchange and other relevant regulatory authorities, before the Plan Regarding the Delegation of Authority being proposed at the EGM and Class Meetings for consideration.

For details of the Plan Regarding the Delegation of Authority, please refer to Appendix 2 to this announcement.

III. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING AND THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS FOR THE PURPOSE OF THE ISSUANCE OF OFFSHORE PREFERENCE SHARES OF THE BANK

In connection with the proposed non-public issuance of Offshore Preference Shares of the Bank, in accordance with the State Council Guidance Opinion, the Joint Guidance Opinion, the Administrative Measures and the provisions of relevant laws, regulations and other regulatory documents and taking into account of the Offshore Issuance Plan and the actual conditions of the Bank, the Bank has proposed certain amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors, mainly including the specification in relation to matters of rights and obligations of Offshore Preference Shareholders, restrictions and restoration of voting rights, conversion and redemption of Preference Shares, profits distribution of Preference Shares and distribution of residual assets.

The Board resolved on 18 January 2019: (i) to consider and approve the proposed amendments to the abovementioned Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors; and (ii) to put forward such proposals at the EGM as a special resolution for Shareholders to consider and, if thought

fit, to approve. For details of the abovementioned matters relating to the delegation of authority, please refer to the authorization for the amendments to relevant provisions in the Articles of Association, Rules of Procedures for the Shareholders' General Meeting and Rules of Procedures for the Board of Directors relating to the issuance of Offshore Preference Shares as well as the approval, filings and registration in respect of the amendments to the Articles of Association as set out in Appendix 2 to this announcement.

In addition, the Board of Directors also resolved to delegate the authority to the chairman, the president and the secretary of the Board of Directors of the Bank to individually or jointly exercise full power to be responsible to make necessary adjustments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors that are proposed to be amended for the purpose of the issuance of Offshore Preference Shares of the Bank, according to the opinions and suggestions of China banking regulatory authorities, the Stock Exchange and other relevant regulatory authorities, before the proposals being proposed at the date of EGM for consideration. The effective period for such authorization is twelve months from the date of consideration and approval of the proposals by the Board of Directors, whereby the amendments shall comply with the relevant PRC laws and regulations as well as relevant regulatory and review authorities.

The new amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purpose of the issuance of Offshore Preference Shares of the Bank are subject to the consideration and approval by the Shareholders' general meeting of the Bank, and are subject to the approval of the China banking regulatory authorities, and will take effect upon the completion date of issuance of the first tranche of Offshore Preference Shares of the Bank. Before that, the then effective Articles of Association will be valid upon the approval of China banking regulatory authorities from time to time, and the then effective Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors of the Bank will be amended by the Bank from time to time, and shall be subject to the consideration and approval by the Shareholders' general meeting. Proposed amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purposes other than the non-public issuance of Offshore Preference Shares of the Bank, as set out by the Bank in Part IV to this announcement, will also be amended accordingly in the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors after the non-public issuance of Offshore Preference Shares of the Bank becomes applicable and effective.

Details of the proposed amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purpose of the non-public issuance of Offshore Preference Shares of the Bank will be set out in a circular to be dispatched to the Shareholders in due course.

IV. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURES FOR THE SHAREHOLDERS' GENERAL MEETING AND THE RULES OF PROCEDURES FOR THE BOARD OF DIRECTORS FOR THE PURPOSES OTHER THAN THE ISSUANCE OF OFFSHORE PREFERENCE SHARES OF THE BANK

In order to further enhance the corporate governance of the Bank, the Bank intends to make certain amendments to the existing effective Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors in accordance with provisions of relevant laws, regulations, regulatory documents and provisions of relevant regulatory requirements, and taking into account of the actual circumstances of the Bank, mainly including the matters of the amendments to the registered capital, equity structure, repurchase of Shares, rights and obligations of Shareholders and the special committees of the Board.

The Board resolved on 18 January 2019: (i) to consider and approve the proposed amendments to the abovementioned Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors; (ii) to propose at the EGM to delegate authority to the Board of Directors and its authorized persons, to individually or jointly exercise full power to be responsible to make necessary adjustments to the proposed amended provisions of the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purposes other than the issuance of Offshore Preference Shares of the Bank, according to the opinions and suggestions of China banking regulatory authorities, the Stock Exchange and other relevant regulatory authorities, and taking into account of the actual circumstances of the Bank (such authorization period is twelve months from the date of consideration and approval of the proposals at the EGM whereby the amendments shall comply with the relevant PRC laws and regulations as well as provisions of relevant regulatory and review authorities); and (iii) to put forward the proposals at the EGM as a special resolution for Shareholders to consider and, if thought fit, to approve.

In addition, the Board of Directors also resolved to delegate authority to the chairman, the president and the secretary of the Board of Directors of the Bank to individually or jointly exercise full power to be responsible to make necessary adjustments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purposes other than the issuance of Offshore Preference Shares of the Bank, according to the opinions and suggestions of China banking regulatory authorities, the Stock Exchange and other relevant regulatory authorities, before the proposals being proposed at the EGM for consideration. The effective period for such authorization is twelve months from the date of consideration and approval of the proposals by the Board of Directors, whereby the amendments shall comply with the relevant PRC laws and regulations as well as relevant regulatory and review authorities.

The new amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purposes other than the issuance of Offshore Preference Shares of the Bank shall be subject to the consideration and approval by the Shareholders' general meeting of the Bank, and shall be effective upon the date of approval by the China banking regulatory authorities. Before that, the existing effective Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors apply.

Details of the proposed amendments to the existing effective Articles of Association and the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors for the purposes other than the issuance of Offshore Preference Shares of the Bank will be set out in a circular to be dispatched to the Shareholders in due course.

V. DISPATCH OF CIRCULAR

The Bank will commence the EGM and Class Meetings to consider and, if thought fit, approve the matters including the Offshore Issuance Plan, the Plan Regarding the Delegation of Authority and proposed amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors. A circular containing (among other things) proposed non-public issuance of Offshore Preference Shares, proposed authorization to the Board of Directors and its authorized persons to exercise full power to handle all matters relating to the issuance of Offshore Preference Shares and proposed amendments to the Articles of Association, the Rules of Procedures for the Shareholders' General Meeting and the Rules of Procedures for the Board of Directors will be dispatched to the H Shareholders in due course.

The Shareholders and potential investors should be aware that the proposed non-public issuance of Offshore Preference Shares is subject to certain conditions being satisfied, and, consequently, the proposed non-public issuance of Offshore Preference Shares may or may not proceed. Accordingly, they are advised to exercise caution when dealing in the securities of the Bank.

VI. DEFINITIONS

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

“Additional Tier 1 Capital”	has the meaning given to it in the Rules Governing Capital Management of Commercial Banks (Provisional) (《商業銀行資本管理辦法(試行)》) issued by the CBIRC on 7 June 2012, which became effective on 1 January 2013
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“Administrative Measures”	the Trial Administrative Measures on Preference Shares (《優先股試點管理辦法》) issued by the CSRC on 21 March 2014
“Articles of Association”	the articles of association of the Bank, which may be amended, supplemented or otherwise amended from time to time
“Bank”	Bank of Jiujiang Co., Ltd.* (九江銀行股份有限公司*), a joint stock company incorporated on 17 November 2000 in Jiangxi Province, PRC with limited liability in accordance with PRC laws and regulations and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
“Board” or “Board of Directors”	the board of directors of the Bank
“CBIRC”	China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), and if the context requires, includes its predecessor China Banking Regulatory Commission (中國銀行業監督管理委員會)
“Class Meetings”	the first Domestic Shareholders class meeting of 2019 of the Bank and the first H Shareholders class meeting of 2019 of the Bank to be held immediately after the conclusion of EGM on Thursday, 7 March 2019 at the Conference Room on 4th Floor, Bank of Jiujiang Mansion, No. 619 Changhong Avenue, Lianxi District, Jiujiang, Jiangxi Province, PRC
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Domestic Share(s)”	the Ordinary Share(s) issued by the Bank in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB
“Domestic Shareholder(s)”	the holder(s) of the Domestic Shares
“EGM”	the first extraordinary general meeting of 2019 of the Bank to be held at 10:00 a.m. on Thursday, 7 March 2019 at the Conference Room on 4th Floor, Bank of Jiujiang Mansion, No. 619 Changhong Avenue, Lianxi District, Jiujiang, Jiangxi Province, PRC
“H Share(s)”	overseas listed foreign Ordinary Share(s) of par value at RMB1.00 each in the share capital of the Bank, which are listed on the Stock Exchange and traded in Hong Kong dollars

“H Shareholder(s)”	the holder(s) of the H Shares
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Joint Guidance Opinion”	the Guidance Opinion on Issuance of Preference Shares by Commercial Banks for Replenishing Tier 1 Capital (《關於商業銀行發行優先股補充一級資本的指導意見》) jointly issued by the CBIRC and the CSRC on 3 April 2014
“Offshore Issuance Plan”	Plan for Non-public Issuance of Offshore Preference Shares by Bank of Jiujiang Co., Ltd., the details of which are set out in Appendix 1 to this announcement
“Offshore Preference Shares” or “Preference Shares”	the preference shares of an aggregate number of no more than 100 million shares, with a total issuance amount of not exceeding RMB10 billion or its equivalent, proposed to be issued by the Bank in the offshore market pursuant to the Offshore Issuance Plan as set out in Appendix 1 to this announcement
“Offshore Preference Shareholder(s)”	the holder(s) of the Offshore Preference Shares
“Ordinary Share(s)” or “Share(s)”	the ordinary share(s) of par value at RMB1.00 each in the share capital of the Bank, including the Domestic Share(s) and the H Share(s)
“Plan Regarding the Delegation of Authority”	Delegation of Authority to the Non-public Issuance of Offshore Preference Shares of Bank of Jiujiang Co., Ltd., the details of which are set out in Appendix 2 to this announcement
“PRC” or “China”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and the region of Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Rules of Procedures for the Board of Directors”	the Rules of Procedures for the Board of Directors of the Bank
“Rules of Procedures for the Shareholders’ General Meeting”	the Rules of Procedures for the Shareholders’ General Meeting of the Bank
“Shareholder(s)”	the holder(s) of the Ordinary Shares

“State Council”	the State Council of the People's Republic of China (中華人民共和國國務院)
“State Council Guidance Opinion”	the Guidance Opinion of the State Council on the Launch of Preference Shares Pilot Scheme (《國務院關於開展優先股試點的指導意見》) issued by the State Council on 30 November 2013
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Bank of Jiujiang Co., Ltd.*
Liu Xianting
Chairman

Jiangxi, the People's Republic of China
18 January 2019

As at the date of this announcement, the Board comprises Mr. Liu Xianting, Mr. Pan Ming and Ms. Cai Liping as executive directors; Mr. Zeng Huasheng, Mr. Zhang Jianyong, Mr. Li Jianbao and Mr. Yi Zhiqiang as non-executive directors; Mr. Chua Alvin Cheng-Hock, Ms. Gao Yuhui, Mr. Quan Ze and Mr. Yang Tao as independent non-executive directors.

* *Bank of Jiujiang 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 and/or deposit-taking business in Hong Kong.*

APPENDIX 1:
PLAN FOR NON-PUBLIC ISSUANCE OF OFFSHORE
PREFERENCE SHARES BY BANK OF JIUJIANG CO., LTD.

The Offshore Issuance Plan is in Chinese with no official English translation. The English translation is for reference only. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

The plan for the issuance of Offshore Preference Shares is as follows:

1. TYPE OF PREFERENCE SHARES TO BE ISSUED

The type of Offshore Preference Shares will be preference shares that comply with the requirements of laws, regulations and regulatory documents of the PRC and overseas, including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. NUMBER OF PREFERENCE SHARES TO BE ISSUED AND ISSUE SIZE

Upon the approval of the China banking regulatory authorities and in accordance with the relevant requirements, the aggregate number of Offshore Preference Shares to be issued will not exceed 100 million shares, with a total issuance amount not exceeding RMB10 billion or its equivalent. The actual issue size is to be determined by the Board within the abovementioned limit, in accordance with the authorization granted at general meeting(s).

3. PAR VALUE, ISSUE CURRENCY AND PRICE

The par value of the Offshore Preference Shares will be RMB100 each and the Preference Shares are to be subscribed for in foreign currency. The Offshore Preference Shares will be issued at or above the par value. The actual currency and issue price will be determined by the Board prior to the issuance with reference to market conditions and in accordance with relevant laws, regulations and market practice and the authorization granted at general meeting(s).

4. MATURITY

The Offshore Preference Shares will not have any maturity date.

5. METHOD OF ISSUANCE AND TARGET SUBSCRIBERS

The Offshore Preference Shares will be issued by way of non-public issuance in accordance with relevant rules of offering and, upon approval by relevant regulatory authorities, in single or multiple tranche(s) in accordance with the relevant procedures. If the Offshore Preference

Shares are to be issued in multiple tranches, no separate approval from the Offshore Preference Shareholders shall be required for any additional issuance.

Each tranche of Offshore Preference Shares will be issued to no more than 200 qualified investors who satisfy relevant regulatory requirements and other rules and regulations. All investors shall subscribe for the Offshore Preference Shares in cash.

6. LOCK-UP PERIOD

There will be no lock-up period for the Offshore Preference Shares.

7. TERMS OF DIVIDEND DISTRIBUTION

(1) Principles for determining the dividend rate

The dividend rate for the Offshore Preference Shares (such dividend rate will be calculated by reference to the issue price of the Offshore Preference Shares, similarly construed hereinafter) may be adjusted at different intervals. The dividend rate at the time of issuance shall be determined by the Board by way of market pricing, in accordance with the authorization granted at general meeting(s) together with other factors including relevant laws and regulations, market conditions at the time of issuance, the demand of investors and the actual circumstances of the Bank. In any reset period for dividend rate, dividends on the Offshore Preference Shares will be paid at the same prescribed dividend rate and will reset at specified intervals thereafter.

The dividend rate consists of the benchmark rate and the fixed spread. The fixed spread will be determined by deducting the benchmark rate at the time of pricing for the issuance of Offshore Preference Shares from the dividend rate at the time of pricing for the issuance of Offshore Preference Shares and will remain unchanged once determined. On each dividend reset date, the new dividend rate for the next dividend period will be determined, and will equal to the sum of the benchmark rate as at dividend reset date and the fixed spread as determined at the time of pricing for issuance.

The dividend rate will not be higher than the mean of the weighted average return on equity¹ of the Bank for the two most recent financial years prior to the issuance of the relevant Offshore Preference Shares.

¹ As determined in accordance with the Rules for Preparation of Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings Per Share (as amended in 2010), and calculated based on the return attributable to the ordinary Shareholders.

(2) Conditions to distribution of dividends

1. If the Bank has distributable after-tax profit² after making up for previous years' losses and contributing to the statutory reserve and general reserve, the Bank may pay dividends to the Offshore Preference Shareholders in accordance with relevant laws, regulations, regulatory documents and the Articles of Association effective at the time of dividend distribution, provided that the capital adequacy ratio of the Bank meets regulatory requirements. The Offshore Preference Shareholders shall rank in priority to the ordinary Shareholders in terms of dividend distribution. Distribution of dividends will not be affected by the rating of the Bank and will not be adjusted as a result of any change to such rating.
2. In order to meet the regulatory requirements for the eligibility criteria for Additional Tier 1 Capital instruments, the Bank shall have the right to cancel dividend payments on the Offshore Preference Shares in whole or in part and this will not constitute an event of default. The Bank, at its discretion, may use any dividend so cancelled to repay other debts that are due. The cancellation of any dividends on the Offshore Preference Shares will only constitute a restriction on the payment of dividends on the ordinary Shares and will not constitute any other restrictions on the Bank. Any declaration and payment of all of the dividends on the Offshore Preference Shares by the Bank will be determined by the Board in accordance with the authorization granted at general meeting(s). Any cancellation of all or part of the dividends on the Offshore Preference Shares shall be subject to the review and approval at general meeting(s). Any cancellation by the Bank of any dividends on the Offshore Preference Shares shall be notified to the Offshore Preference Shareholders at least ten working days prior to the dividend payment date.
3. If the Bank cancels all or part of the distribution of dividends on the Offshore Preference Shares, the Bank shall not distribute any dividends to the ordinary Shareholders from the day following the date of the general meeting where the resolution is approved until the resumption of payment of dividends in full³.

² Distributable after-tax profit is the undistributed profit as shown in the financial statements of the parent company prepared in accordance with Chinese Accounting Standards or International Financial Reporting Standards, whichever amount is lower.

³ Resumption of payment of dividends in full means that the Bank resumes payment of dividends in full to the Offshore Preference Shareholders. However, as the Offshore Preference Shares have adopted a non-cumulative dividend approach, the Bank will not pay any dividends which have been cancelled in previous years.

(3) Method of dividend payment

Dividends on the Offshore Preference Shares shall be paid in cash. The principal amount for calculating the dividend amount on the Offshore Preference Shares shall be the aggregate value of the Offshore Preference Shares under the relevant tranche then in issue and outstanding (namely, the product of the issue price of the Offshore Preference Shares under the relevant tranche times the number of Offshore Preference Shares under the relevant tranche then in issue and outstanding, similarly construed hereinafter). Dividends on the Offshore Preference Shares shall be paid annually, and will accrue from the due date for payment for the issuance of the relevant tranche of the Offshore Preference Shares.

(4) Dividend accumulation

The dividends on the Offshore Preference Shares will be non-cumulative, namely, in the event of any cancellation by the Bank of all or part of the dividends on the Offshore Preference Shares, any amount of dividends not paid to the Offshore Preference Shareholders in full in the current period will not be accumulated to the following dividend periods.

(5) Distribution of remaining profits

After receiving the dividends at the prescribed dividend rate, the Offshore Preference Shareholders shall not be entitled to any distribution of remaining profits of the Bank together with the ordinary Shareholders.

8. TERMS OF MANDATORY CONVERSION

Upon the occurrence of the mandatory conversion triggering events, all or part of the Offshore Preference Shares then in issue and outstanding will be converted into H Shares under the following circumstances.

(1) Mandatory conversion triggering events

1. Upon the occurrence of an Additional Tier 1 Capital instrument triggering event, namely, the core tier 1 capital adequacy ratio of the Bank falling to 5.125% or below, the Bank shall have the right to convert, without the approval of the Offshore Preference Shareholders, all or part of the Offshore Preference Shares then in issue and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares in order to restore the core tier 1 capital adequacy ratio of the Bank to above 5.125%. In case of partial conversion, the Offshore Preference Shares shall be converted ratably and on the same conditions. Upon conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances.

2. Upon the occurrence of a tier 2 capital instrument triggering event, the Bank shall have the right to convert, without the approval of the Offshore Preference Shareholders, all of the Offshore Preference Shares then in issue and outstanding into H Shares based on the aggregate value of such Offshore Preference Shares. Upon the conversion of the Offshore Preference Shares into H Shares, such H Shares will not be converted back to preference shares under any circumstances. A tier 2 capital instrument triggering event means the earlier of the following events: (1) the China banking regulatory authorities having concluded that without a conversion or write-off of the Bank's capital, the Bank would become non-viable, and (2) the relevant authorities having concluded that without a public sector injection of capital or equivalent support, the Bank would become non-viable.

Upon the occurrence of the above mandatory conversion triggering events, the Bank shall report to the China banking regulatory authorities for review and determination and shall fulfil its relevant information disclosure obligations such as making provisional reports or announcements in accordance with relevant regulatory requirements.

(2) Mandatory conversion period

The mandatory conversion period of the Offshore Preference Shares commences on the first trading day immediately following the completion date of the issuance of the relevant tranche of Offshore Preference Shares and ends on the date of redemption or conversion of all the Offshore Preference Shares.

(3) Mandatory conversion price and method of adjustments of the mandatory conversion price

The initial mandatory conversion price for the Offshore Preference Shares is the higher of:

1. the average trading price of the H Shares of the Bank (i.e. HK\$10.42) for the 20 trading days preceding the date of the announcement of the Board resolution on consideration and approval of the plan for the issuance of Offshore Preference Shares; and
2. the amount of net assets per share attributable to shareholders of the Bank which was externally disclosed in the "2018 Interim Report" of the Bank on 14 September 2018 and denominated in Hong Kong dollars, which has been converted with reference to the central parity rate of RMB exchange rate to Hong Kong dollars used by the interbank foreign exchange market as published by the China Foreign Exchange Trade System on the trading day preceding the date of the announcement of the Board resolution on consideration and approval of the plan for the issuance of Offshore Preference Shares and rounded up to the nearest two decimal places (which is HK\$10.55).

The average trading price of the H Shares of the Bank for the 20 trading days preceding the date of the announcement of the Board resolution on the plan for the issuance of Offshore Preference Shares = total trading amount of the H Shares of the Bank for such 20 preceding trading days/total trading volume of the H Shares of the Bank for such 20 trading days. According to the above formula for calculation, the initial mandatory conversion price of the Offshore Preference Share will be the amount of net assets per share attributable to shareholders of the Bank which was disclosed in the “2018 Interim Report” of the Bank (which is HK\$10.55).

In the event that the Bank, among other things, distributes bonus shares with respect to H Shares, makes capitalization issues with respect to H Shares, issues new H Shares below the market price of the H Shares (excluding any increase in the share capital as a result of conversion of certain financial instruments issued by the Bank that are convertible into Ordinary Shares) or makes any rights issues with respect to H Shares, after the date on which the Board approves the plan for the issuance of Offshore Preference Shares, the Bank will adjust the mandatory conversion price to reflect the above events on a cumulative basis and in the order of the occurrence of such events. The distribution of cash dividends to the ordinary Shareholders by the Bank will not result in any adjustment to the mandatory conversion price. The mandatory conversion price will be adjusted based on the following:

Bonus share issuance or capitalization issue: $P1 = P0 \times N / (N + n)$;

At a price lower than the market price of the H Shares or by way of issuing new shares or rights issue: $P1 = P0 \times (N + k) / (N + n)$; $k = n \times A / M$;

Where, “P0” denotes the effective mandatory conversion price before adjustment; “P1” denotes the effective mandatory conversion price after adjustment; “N” denotes the aggregate number of H Shares before such bonus shares issuance, capitalisation issue of H Shares, issuance of new H Shares below the market price of the H Shares or rights issue; “n” denotes the number of new H Shares issued as a result of such bonus shares, capitalisation issue, issuance of new H Shares below the market price of the H Shares or rights issue; “A” denotes the price for such issuance of new H Shares below the market price of the H Shares or rights issue; and “M” denotes the closing price of H Shares on the trading day preceding the date of announcement of such issuance of new H Shares below the market price of the H Shares or rights issue (namely, announcement containing the effective and irrevocable terms of such issuance or rights issue).

In the event that the rights and interests of the Offshore Preference Shareholders may be affected by any redemption of the Ordinary Shares, merger or division of the Bank or any other circumstance which causes changes in the Bank’s share class, number of shares and/or Shareholders’ equity, the Bank shall have the right to adjust the mandatory conversion price based on the actual circumstances and in accordance with the principles of fairness, justice and equity as well as full protection of the rights and interests of the Offshore

Preference Shareholders and the ordinary Shareholders. The adjustment mechanism for the mandatory conversion price in those circumstances will be determined in accordance with relevant regulations.

(4) Principles for determining the ratio and number for mandatory conversion

Upon the occurrence of a triggering event, the Board will, in accordance with the approval of the China banking regulatory authorities and the authorization granted at general meeting(s), confirm the aggregate amount of the Offshore Preference Shares for mandatory conversion and implement mandatory conversion of the Offshore Preference Shares then in issue and outstanding in whole or in part, and the formula for determining the number of shares to be converted shall be: $Q = V/P \times \text{conversion exchange rate}$. Any fractional share will be dealt with by the Bank in accordance with relevant regulatory requirements. Where it is not specified in the regulatory requirements, any fractional share will be rounded down to the nearest integral number. Where: “Q” denotes the number of H Shares that shall be converted from the Offshore Preference Shares held by each Offshore Preference Shareholder; “V” denotes the number of the Offshore Preference Shares held by each Offshore Preference Shareholder that is subject to mandatory conversion multiplied by its issue price; “P” denotes the effective mandatory conversion price for the Offshore Preference Shares; and the “conversion exchange rate” refers to the cross rate between Hong Kong dollars and the currency in which the relevant tranche of the Offshore Preference Shares is denominated based on the RMB central parity rate published by the China Foreign Exchange Trading System on the trading day preceding the date of the announcement of the Board resolution in respect of the plan for the issuance of Offshore Preference Shares.

Upon the occurrence of a triggering event, the Offshore Preference Shares then in issue and outstanding will be converted into corresponding number of H Shares based on the above formula in whole or in part on a ratable basis.

(5) Entitlement to dividends on Ordinary Shares in the year of mandatory conversion

The H Shares to be issued by the Bank as a result of the mandatory conversion of the Offshore Preference Shares will rank equally in all respects with the existing issued H Shares, and all ordinary Shareholders whose names appear on the register of members on the record date for dividend entitlement for any distribution of dividend for Ordinary Shares (including the H Shareholders as a result of the mandatory conversion of the Offshore Preference Shares) shall be entitled to receive the dividend for the current dividend period for Ordinary Shares and enjoy the same rights.

9. TERMS OF CONDITIONAL REDEMPTION

(1) Redemption right

The Bank shall have the right to redeem the Offshore Preference Shares subject to obtaining the approval of the China banking regulatory authorities. The Offshore Preference Shareholders do not have the right to require the Bank to redeem the Offshore Preference Shares and should not expect that the Offshore Preference Shares will be redeemed. The Offshore Preference Shares will not contain any term allowing investors to put back the Offshore Preference Shares and the Offshore Preference Shareholders shall not have any right to require the Bank to repurchase the Offshore Preference Shares held by them.

(2) Redemption conditions and period

From the fifth year (inclusive) following the date of issuance of Offshore Preference Shares, upon the approval of the China banking regulatory authorities and in compliance with relevant requirements, the Bank shall have the right to redeem all or part of the Offshore Preference Shares. The specific commencement date of the redemption period shall be conclusively determined by the Board (as authorized at general meeting(s)) in accordance with market conditions. The redemption period ends on the conversion or redemption of all the Offshore Preference Shares.

The exercise by the Bank of its right to redeem the Offshore Preference Shares shall be subject to the fulfilment of the following conditions:

1. the Bank shall use capital instruments of the same or superior quality to replace the Offshore Preference Shares to be redeemed and such replacement shall only be made at a time at which the Bank has a sustainable income generating capability; or
2. the capital position of the Bank immediately after the exercise of the redemption right will remain significantly higher than the regulatory capital requirements prescribed by the China banking regulatory authorities.

(3) Redemption price and basis for determining the redemption price

The redemption price of the Offshore Preference Shares will be an amount equal to the issue price plus the amount of dividend declared but unpaid for the then current dividend period.

10. RESTRICTIONS ON VOTING RIGHTS AND TERMS OF RESTORATION OF VOTING RIGHTS

(1) Restrictions on voting rights

Under normal circumstances, the Offshore Preference Shareholders are not entitled to convene or attend any general meetings of the Bank nor do the Offshore Preference Shares carry any voting rights. If any of the following matters occurs, the Offshore Preference Shareholders will be entitled to attend general meetings and vote as a separate class with ordinary Shareholders. Under such circumstance, each Offshore Preference Share will be entitled to one vote, but the Offshore Preference Shares held by the Bank do not entitle the Bank to vote:

1. amendments to the Articles of Association that relate to preference shares;
2. reduction of the registered capital of the Bank by more than 10% on a single or aggregate basis;
3. merger, division, dissolution or change of corporate form of the Bank;
4. issuance of preference shares by the Bank; and
5. other events specified in the laws, administrative rules, departmental regulations and the Articles of Association.

Resolutions relating to the above matters shall be approved by more than two thirds of the votes held by the ordinary Shareholders present at the meeting (including the holders of preference shares with restored voting rights) and by more than two thirds of the votes held by the holders of preference shares present at the meeting (excluding holders of preference shares with restored voting rights).

(2) Terms of restoration of voting rights

Following the issuance of Offshore Preference Shares by the Bank and so long as such Offshore Preference Shares remain outstanding, if the Bank fails to pay the prescribed dividend to the Offshore Preference Shareholders for three financial years in aggregate or two consecutive financial years, the Offshore Preference Shareholders will have the right to attend and vote at general meetings with the ordinary Shareholders from the day immediately after the date of the general meeting on which it was resolved that the Bank will not pay the prescribed dividend of the Offshore Preference Shares for the current dividend period, and each Offshore Preference Shareholder will be entitled to the voting rights as provided in the Articles of Association. The formula for calculating the voting

rights of a holder of the Offshore Preference Shares with restored voting rights is as follows: $Q = V/P \times \text{conversion exchange rate}$, with any fractional restored voting right rounded down to the nearest whole number.

Where: “Q” denotes the H Shares voting rights restored from the Offshore Preference Shares held by each Offshore Preference Shareholder; “V” denotes the aggregate value of the Offshore Preference Shares with restored voting rights held by each Offshore Preference Shareholder; “P” denotes the conversion price, where the initial conversion price is equal to the initial mandatory conversion price of the Offshore Preference Shares; and the “conversion exchange rate” refers to the cross rate between Hong Kong dollar and the currency in which the relevant tranche of the Offshore Preference Shares is denominated based on the RMB central parity rate published by the China Foreign Exchange Trading System on the trading date preceding the date of the announcement of the Board resolution on the plan for the issuance of Offshore Preference Shares.

After the date of the announcement of the Board resolution on the plan for the issuance of Offshore Preference Shares, in the event of any distribution of bonus shares, capitalization conversion with respect to H Shares, issuance of new H Shares below the market price of the H Shares of the Bank (excluding any increase of share capital due to conversion of financial instruments convertible to Ordinary Shares issued by the Bank) or rights issue with respect to H Shares, the Bank will make an adjustment to the conversion price, “P”, to reflect each of such events on a cumulative basis in the order of the occurrence of the events above. The detailed adjustment method shall be consistent with the adjustment method applicable to the mandatory conversion price as specified in “8. Terms of mandatory conversion” above.

(3) Cancellation of restoration of voting rights

After restoration of the voting rights of the Offshore Preference Shares, such restored voting rights shall be cancelled from the date of full payment of the dividend on the Offshore Preference Shares by the Bank for the then current dividend period. After the cancellation of the restored voting rights, if the Bank fails to make any scheduled dividend payment, then “(2) Terms of restoration of voting rights” above shall apply again.

11. ORDER OF DISTRIBUTION ON LIQUIDATION AND METHODS FOR LIQUIDATION

When the Bank is undergoing liquidation, the residual assets of the Bank, after settling the Bank’s debts, will be distributed to Shareholders on a pro rata basis according to the class of Shares in accordance with the Articles of Association.

The Offshore Preference Shareholders shall rank pari passu with the holders of other preference shares that may be issued by the Bank in the future, and in priority to the claim of the ordinary Shareholders in distribution of the remaining property of the Bank. The Offshore Preference Shareholders will be entitled to an amount on liquidation equal to the aggregate value of the

Offshore Preference Shares then in issue and outstanding plus any declared but unpaid dividends for the then current period. If there are insufficient remaining assets, the distribution will be made ratably according to the aggregate value of the Preference Shares held by each Preference Shareholder as a proportion of the aggregate value of all preference shares.

The remaining assets of the Bank after settlement in accordance with the provisions aforesaid shall be distributed to the ordinary Shareholders of the Bank in proportion to the shareholding of the Ordinary Shares held by them.

12. SECURITY ARRANGEMENTS

The Offshore Preference Shares will not have any security arrangements.

13. RATING ARRANGEMENTS

The specific rating arrangement for the Offshore Preference Shares (if necessary) shall be determined according to relevant laws and regulations and offshore issuance market conditions.

14. USE OF PROCEEDS

The proceeds from the issuance of Offshore Preference Shares, after deduction of the expenses relating to the issuance, will be used to replenish the Bank's Additional Tier 1 Capital.

15. LISTING/TRADING ARRANGEMENTS

The listing/trading arrangements for the Offshore Preference Shares will be set out in the offering documents.

16. VALIDITY PERIOD OF THE RESOLUTION ON THE ISSUANCE

The plan for the issuance of Offshore Preference Shares will be valid for thirty-six months from the date on which the resolution is approved at a general meeting.

APPENDIX 2:
THE DELEGATION OF AUTHORITY TO THE NON-PUBLIC
ISSUANCE OF OFFSHORE PREFERENCE SHARES OF BANK OF
JIUJIANG CO., LTD.

The Plan Regarding the Delegation of Authority is in Chinese with no official English translation. The English translation is for reference only. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

1. MATTERS AUTHORIZED IN CONNECTION WITH THE ISSUANCE OF OFFSHORE PREFERENCE SHARES

To ensure the successful implementation of the issuance of Offshore Preference Shares, proposal is to be sought by the Board of Directors at general meeting(s), Domestic Shareholders class meeting(s) and H Shareholders class meeting(s) in relation to the delegation of authority to the Board and its authorized persons, to individually or jointly exercise full power to deal with the matters relating to the issuance of Offshore Preference Shares under the premises of the framework and principles of the laws and regulations and the relevant regulatory requirements as well as approved by the Articles of Association and within considered and approved at general meeting(s) for the issuance of Offshore Preference Shares, and within the period of the authorization for the issuance of Offshore Preference Shares, including but not limited to:

- (1) to formulate and implement the final plan of the issuance of Offshore Preference Shares, including but not limited to:
 1. to determine the specific number of tranche(s) and the respective issue number and issue size of each tranche of Offshore Preference Shares within the total issue number and total issue size;
 2. to determine the method for determining the dividend rate and the specific dividend rate and adjusted dividend rate period of Offshore Preference Shares;
 3. to determine, with reference to market conditions prior to the issuance, whether Offshore Preference Shares will be issued at or above par value, the issue price of Offshore Preference Shares, the subscription currency, the specific commencement date of the redemption period, the redemption conditions and the issuance method of Offshore Preference Shares;
 4. to determine, pursuant to approval from regulatory authorities and with reference to market conditions, the timing of issuance of Offshore Preference Shares (including suspension, termination, etc.), arrangements in relation to issuance in multiple tranches, transfer arrangement, target investors and number of Offshore Preference Shares to be issued to each of them; and

5. to determine other matters in relation to the Offshore Issuance Plan (including but not limited to rating arrangements, designated account for the proceeds, tax arrangements in relation to dividend payment and listing of Offshore Preference Shares) and to make necessary adjustments (including adjustments such as suspension and termination, similarly construed hereinafter) to the Offshore Issuance Plan according to the latest regulatory requirements or opinions of regulatory authorities, except those matters that require a separate vote at a general meeting in accordance with the relevant laws and regulations and the Articles of Association.
- (2) if there are any new regulations by the state, new policies by relevant regulatory authorities on preference shares or any changes to market conditions occurring prior to the issuance of Offshore Preference Shares, the Offshore Issuance Plan shall be adjusted accordingly to reflect such changes, except for amendments that require a separate vote at a general meeting in accordance with the relevant laws, regulations and the Articles of Association;
- (3) to produce, amend, sign, execute, and submit the application materials relating to the issuance/listing of Offshore Preference Shares and documents relating to the issuance/listing, etc. according to the requirements of relevant regulatory authorities (including the Stock Exchange), to handle related matters, such as approval, registration, filing, authorization and consent by relevant regulatory authorities, and to conduct all acts relating to the issuance and listing and transfer of Offshore Preference Shares that are deemed necessary, proper or appropriate by such authorized person(s);
- (4) to draft, amend, sign, execute, submit and publish all contracts, agreements and documents (including but not limited to agreements entered into with intermediaries in respect of the issuance of Offshore Preference Shares such as subscription agreements, agreements relating to the proceeds, subscription agreements entered into with investors, announcements, circulars and other disclosure documents) in relation to the issuance of Offshore Preference Shares;
- (5) to make appropriate amendments, adjustments and supplements to the issuance plan of Offshore Preference Shares and its terms in accordance with the opinions of the Stock Exchange, China banking regulatory authorities and the CSRC and other relevant regulatory authorities, and taking into account of the actual circumstances of the Bank, to the extent permitted by laws and regulations;

- (6) according to the opinions of the relevant regulatory authorities and/or the result of the issuance of Offshore Preference Shares and taking into account of the actual circumstances of the Bank, to amend provisions in the Articles of Association, Rules of Procedures for the Shareholders' General Meeting, Rules of Procedures for the Board of Directors and other corporate governance documents (if required) relating to the issuance of Offshore Preference Shares, to deal with approval procedures and filings in respect of the amendments to the Articles of Association and filing of registration of changes with the administrative bodies for industry and commerce and other relevant governmental departments as well as other matters; and
- (7) to deal with other matters relating to the issuance of Offshore Preference Shares.

The authorization for the issuance of Offshore Preference Shares shall remain valid during the twelve months following the passing of the Plan Regarding the Delegation of Authority at the Shareholders' general meeting(s), Domestic Shareholders class meeting(s) and H Shareholders class meeting(s). Such authorization will lapse if the issuance of Offshore Preference Shares is not completed by the time of expiration of the validity period of such authorization by the Bank, but the Board has the right to seek approval at a general meeting to extend the authorization period or approve new authorization.

2. MATTERS AUTHORIZED IN CONNECTION WITH OFFSHORE PREFERENCE SHARES WHICH REMAIN OUTSTANDING

Proposal is to be sought by the Board of Directors at general meeting(s), Domestic Shareholders class meeting(s) and H Shareholders class meeting(s) of the Bank for the delegation of authority to the Board and its authorized persons, so long as such Offshore Preference Shares remain outstanding, to individually or jointly exercise full power to deal with matters under the premise of relevant laws and regulations, the Articles of Association, relevant regulatory requirements and the framework and principles as considered and approved at general meeting(s) in relation to the following matters:

- (1) to deal with all matters relating to the conversion of Offshore Preference Shares during the conversion period upon occurrence of any triggering event for mandatory conversion of Offshore Preference Shares, including but not limited to, determining the timing of conversion, conversion ratio, procedures for conversion implementation, issuing corresponding H Shares, changing registered capital, amending relevant provisions in the Articles of Association, dealing with regulatory approvals and filing procedures, registering the changes in registered capital of the Bank with the administrative bodies for industry and commerce and registering the changes with other relevant government authorities as well as other matters;

- (2) to decide on matters relating to the redemption of Offshore Preference Shares during the redemption period with reference to factors such as market conditions, and to deal with all matters relating to redemption as approved by regulatory authorities such as the China banking regulatory authorities; and
- (3) to determine and deal with matters in relation to dividend payment to the Offshore Preference Shareholders in accordance with the issuance terms. However, cancellation of dividends on the Offshore Preference Shares in whole or in part shall still be subject to approval at general meeting(s).