
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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 **Bank of Gansu Co., Ltd.***, you should at once pass this circular, together with the proxy form that have been dispatched to you, to the purchaser or 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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BANK OF GANSU CO., LTD.*
甘肅銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2139)

ANNUAL GENERAL MEETING FOR 2021

The annual general meeting for 2021 (the “AGM”) of Bank of Gansu Co., Ltd.* will be held at 9:00 a.m. on Friday, May 27, 2022 at the conference room at 4/F of Bank of Gansu Tower, No. 525-1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, the PRC. Notice of the AGM is set out on pages 5 to 8 of this circular. Notice of the AGM has been published on the “HKEXnews” website of the Hong Kong Stock Exchange (www.hkexnews.hk).

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM carefully and to complete the proxy form that has been dispatched to you in accordance with the instructions printed thereon. H Shareholders must return the proxy forms to the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, while Domestic Shareholders must return the proxy forms to the registered office and the principal place of business in the PRC at Bank of Gansu Tower, No. 525–1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, the PRC, by hand or by post no later than 24 hours before the time appointed for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy forms will not preclude you from attending and voting at the AGM and any adjourned meeting(s) thereof in person if you so wish.

April 20, 2022

* *Bank of Gansu 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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DEFINITIONS

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

“AGM”	the 2021 annual general meeting of the Bank to be held at 9:00 a.m. on Friday, May 27, 2022
“Articles of Association”	the Articles of Association of the Bank currently in force, as amended, modified or otherwise supplemented from time to time
“Bank”	Bank of Gansu Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange (Stock Code: 2139)
“Board” or “Board of Directors”	the board of directors of the Bank
“Board of Supervisors”	the board of supervisors of the Bank
“CBRC”	the former China Banking Regulatory Commission
“CBIRC”	China Banking and Insurance Regulatory Commission
“Company Law”	the Company Law of the PRC
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	the ordinary shares in the share capital of the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid up in Renminbi
“Group”	the Bank and its consolidated subsidiaries
“H Share(s)”	the overseas listed foreign shares with a nominal value of RMB1.00 each in the ordinary share capital of the Bank which are listed on the Stock Exchange and traded in Hong Kong in Hong Kong dollars (stock code: 2139)
“H Shareholder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS”	the International Accounting Standards, International Financial Reporting Standards, amendments and the related interpretations issued by the International Accounting Standards Board

DEFINITIONS

“Independent Director(s)” or “Independent Non-executive Director(s)”	the independent non-executive director(s) of the Bank
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“PRC” or “China”	the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“PRC GAAP”	the PRC Accounting Standards for Business Enterprises (中 國企業會計準則) promulgated by Ministry of Finance of the PRC on February 15, 2006 and its supplementary regulations, as amended, supplemented or otherwise modified from time to time
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the shares of the Bank, including Domestic Shares and H Shares
“Shareholder(s)”	the shareholder(s) of the Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the supervisor(s) of the Bank
“Latest Practicable Date”	14 April, 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“ShineWing”	ShineWing Certified Public Accountants LLP

LETTER FROM THE BOARD



BANK OF GANSU CO., LTD.*
甘肅銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2139)

Executive Directors:

Mr. LIU Qing (*Chairman*)

Non-executive Directors:

Ms. WU Changhong

Mr. SHI Guanglei

Mr. ZHAO Xingjun

Mr. ZHANG Youda

Mr. GUO Jirong

Ms. YANG Chunmei

Mr. MA Zhiqiang

Independent Non-executive Directors:

Ms. LUO Mei

Mr. WONG Sincere

Mr. DONG Ximiao

Mr. WANG Tingting

Mr. LIU Guanghua

Registered office in the PRC:

No. 525-1

Donggang West Road, Chengguan District

Lanzhou, Gansu Province, the PRC

Principal place of business in the PRC:

Bank of Gansu Tower No. 525-1

Donggang West Road, Chengguan District

Lanzhou, Gansu Province, the PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

ANNUAL GENERAL MEETING FOR 2021

Dear Sir/Madam,

1. INTRODUCTION

On behalf of the Board, I would like to invite you to attend the AGM to be held at 9:00 a.m. on Friday, May 27, 2022 at the conference room at 4/F of Bank of Gansu Tower, No. 525-1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, the PRC.

The purpose of this circular is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

2. BUSINESSES TO BE CONSIDERED AT THE AGM

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision thereon, we have provided detailed information to the Shareholders in Appendix 1 to this circular, which includes the information and explanation on the resolutions proposed to be passed at the AGM.

The resolutions to be considered at the AGM include:

- (1) To consider and approve the resolution on the work report of the Board of Directors for 2021
- (2) To consider and approve the resolution on the work report of the Board of Supervisors for 2021
- (3) To consider and approve the resolution on the financial accounts and financial audit report for 2021
- (4) To consider and approve the resolution on the profit distribution plan for 2021
- (5) To consider and approve the resolution on the financial budget plan for 2022
- (6) To consider and approve the resolution on the annual report for 2021
- (7) To consider and approve the resolution on the engagement of external auditing firms for 2022
- (8) To consider and approve the resolution on the work report of Independent Non-Executive Directors for 2021
- (9) To consider and approve the resolution on the evaluation results of the Directors, Supervisors and senior management by the Board of Supervisors for 2021
- (10) To consider and approve the resolution on the remuneration distribution and settlement results for Directors and Supervisors for 2021
- (11) To consider and approve the resolution on the report on related-party/connected transactions for 2021
- (12) To consider and approve the resolution on the amendments to the Measures for Equity Management of Bank of Gansu

LETTER FROM THE BOARD

- (13) To consider and approve the resolution on the general mandate to issue Shares
- (14) To individually consider and approve the resolution on the financial bond issuance plan

Details of the resolutions are set out in Appendix 1 to this circular.

3. THE AGM

The AGM will be held at 9 a.m. on Friday, May 27, 2022 at the conference room at 4/F of Bank of Gansu Tower, No. 525-1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, the PRC. The notice of the AGM is set out on pages 5 to 8 of this circular.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM for 2021 carefully and to complete the proxy form that has been despatched to you in accordance with the instructions printed thereon. H Shareholders must return the proxy forms to the H share registrar of the Bank, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, while Domestic Shareholders must return the proxy forms to the registered office and the principal place of business in the PRC at Bank of Gansu Tower, No. 525-1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, the PRC, by hand or by post no later than 24 hours before the time appointed for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy forms will not preclude you from attending and voting at the AGM or any adjourned meeting(s) thereof in person if you so wish.

However, taking into account the recent development of the COVID-19 pandemic, in order to facilitate the prevention and control of the pandemic and to safeguard the health and safety of the Shareholders and investors, the Bank encourages Shareholders to adopt the appropriate way to vote, such as appointing the Chairman of the AGM as a proxy to vote by poll on relevant resolutions, instead of attending the AGM in person.

4. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the AGM must be taken by poll except where the chairman of the meeting decides to allow a resolution solely in respect of a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions as set out in the notice of the AGM will be voted on by poll. The poll results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Bank at www.gsbankchina.com upon the conclusion of the AGM.

To the best knowledge of the Bank, none of the Shareholders or their respective associates is deemed to have a material interest in any of the resolutions to be proposed at the AGM, and therefore no Shareholder is required to abstain from voting on any of the resolutions.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Directors (including the Independent Non-executive Directors) consider that the resolutions set out in the notice of the AGM is in the interests of the Bank and its Shareholders as a whole. Therefore, the Board recommends you to vote in favor of the proposed resolutions mentioned above.

By Order of the Board
Bank of Gansu Co., Ltd.*
LIU Qing
Chairman

Lanzhou, Gansu
April 20, 2022

* *Bank of Gansu 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.*

NOTICE OF THE AGM



BANK OF GANSU CO., LTD.* **甘肅銀行股份有限公司***

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2139)

NOTICE OF ANNUAL GENERAL MEETING FOR 2021

Notice is hereby given that the annual general meeting (the “AGM”) of Bank of Gansu Co., Ltd. (the “Bank”) for 2021 will be held at the conference room at 4/F of Bank of Gansu Tower, No. 525-1 Donggang West Road, Chengguan District, Lanzhou, Gansu Province, the PRC at 9:00 a.m. on Friday, May 27, 2022, to consider and, if thought fit, pass the following resolutions:

Ordinary Resolutions

- (1) To consider and approve the resolution on the work report of the Board of Directors for 2021
- (2) To consider and approve the resolution on the work report of the Board of Supervisors for 2021
- (3) To consider and approve the resolution on the financial accounts and financial audit report for 2021
- (4) To consider and approve the resolution on the profit distribution plan for 2021
- (5) To consider and approve the resolution on the financial budget plan for 2022
- (6) To consider and approve the resolution on the annual report for 2021
- (7) To consider and approve the resolution on the engagement of external auditing firms for 2022
- (8) To consider and approve the resolution on the work report of Independent Non-executive Directors for 2021
- (9) To consider and approve the resolution on the evaluation results of the Directors, Supervisors and senior management by the Board of Supervisors for 2021
- (10) To consider and approve the resolution on the remuneration distribution and settlement results for Directors and Supervisors for 2021

NOTICE OF THE AGM

- (11) To consider and approve the resolution on the report on related-party/connected transactions for 2021
- (12) To consider and approve the resolution on the amendments to the Measures for Equity Management of Bank of Gansu

Special Resolutions

- (13) To consider and approve the resolution on the general mandate to issue Shares
- (14) To individually consider and approve the resolution on the financial bond issuance plan, including:
 - 14.1 size of the issuance
 - 14.2 issuance in tranches
 - 14.3 nature of bonds
 - 14.4 bonds types and maturity
 - 14.5 coupon rate
 - 14.6 method of issuance
 - 14.7 use of proceeds
 - 14.8 validity period of issuance
 - 14.9 authorization

By Order of the Board
Bank of Gansu Co., Ltd.*
LIU Qing
Chairman

Lanzhou, Gansu
April 20, 2022

NOTICE OF THE AGM

Notes:

1. VOTING BY POLL

Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), all Shareholders’ resolutions will be voted on by poll at the AGM (except where the chairman decides to allow a resolution which relates to a procedural or administrative matter to be voted on by a show of hands). An announcement on the voting results will be published on the HKEXnews website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.gsbankchina.com) in accordance with the Listing Rules.

2. ELIGIBILITY FOR ATTENDING THE AGM AND CLOSURE OF REGISTER OF HOLDERS OF H SHARES

In order to determine the holders of H Shares who are eligible to attend the AGM, the H share register of the Bank will be closed from Friday, May 20, 2022 to Friday, May 27, 2022 (both days inclusive), during which period no transfer of H Shares will be registered.

In order to be eligible for attending the annual general meeting of the Bank, share certificates accompanied by transfer documents must be lodged with the Bank’s 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 no later than 4:30 p.m. on Thursday, May 19, 2022. Holders of H Shares of the Bank who have been registered with Computershare Hong Kong Investor Services Limited on Friday, May 27, 2022 are entitled to attend the AGM.

A shareholder or his/her proxy should present proof of identity when attending the AGM. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the AGM by providing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.

3. PROXY

- (1) Each shareholder who has the right to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies in writing to attend and vote on his/her behalf at the AGM. A proxy needs not be a shareholder of the Bank.
- (2) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized.

Holders of H shares shall lodge the proxy form, together with the notarized power of attorney or other authority, to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 24 hours before the time specified for holding the AGM.

- (3) Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof should he/she so wish.
- (4) In the case of joint shareholders and more than one of the shareholders attending the meeting, whether in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the share register of the Bank in respect of the joint shareholding.

NOTICE OF THE AGM

4. MISCELLANEOUS

- (1) The AGM is expected to last for no more than half a working day. Shareholders and their proxies attending the meeting are responsible for their own traveling and accommodation expenses. However, taking into account the recent development of the COVID-19 pandemic, in order to facilitate the prevention and control of the pandemic and to safeguard the health and safety of the Shareholders and investors, the Bank encourages Shareholders to adopt the appropriate way to vote, such as appointing the Chairman of the AGM as a proxy to vote by poll on relevant resolutions, instead of attending the AGM in person.
- (2) For details of the resolutions submitted to the AGM for consideration and approval, please refer to the relevant content in the circular of the AGM to be dispatched by the Bank in due course.
- (3) None of the directors, supervisors, president and other senior management of the Bank has material interests in matters to be considered.
- (4) Address of Computershare Hong Kong Investor Services Limited:

Shops 1712–1716, 17 Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong
(for lodging the instruments of transfer)

17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong
(for lodging the proxy forms)

Telephone: (852) 2862 8555
Facsimile: (852) 2865 0990

- (5) Registered Office of the Bank in the PRC:

No. 525–1 Donggang West Road,
Chengguan District
Lanzhou, Gansu Province
The PRC

- (6) Principal Place of Business of the Bank in the PRC:

Bank of Gansu Tower
No. 525–1 Donggang West Road, Chengguan District
Lanzhou, Gansu Province
The PRC

Contact department: the Office of the Board
Telephone: 86 (931) 877 0491
Facsimile: 86 (931) 877 1877
Contact person: Mr. Chen Yufeng (陳宇峰)

As of the date of this notice, the Board of the Bank comprises Mr. LIU Qing as the executive Director; Ms. WU Changhong, Mr. SHI Guanglei, Mr. ZHAO Xingjun, Mr. ZHANG Youda, Mr. GUO Jirong, Ms. YANG Chunmei, Mr. MA Zhiqiang as non-executive Directors; and Ms. LUO Mei, Mr. WONG Sincere, Mr. DONG Ximiao, Mr. WANG Tingting, Mr. LIU Guanghua as independent non-executive Directors.

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ORDINARY RESOLUTIONS**1. WORK REPORT OF THE BOARD OF DIRECTORS FOR 2021**

According to the Company Law and the Articles of Association, it is the authority and duty of the Shareholders' general meeting of the Bank to consider and approve the work report of the Board. The Work Report of the Board of Directors of Bank of Gansu Co., Ltd. for 2021 was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

The full text of the above work report of the Board of Directors for 2021 is set out in Annex 1 to this circular.

2. WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2021

The work report of the Board of Supervisors for 2021 was considered and approved by the Board of Supervisors on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

The aforesaid work report of the Board of Supervisors for 2021 is set out in Annex 2 to this circular.

3. FINANCIAL ACCOUNTS AND FINANCIAL AUDIT REPORT FOR 2021

The final financial accounts for 2021 were completed by the Bank in accordance with applicable regulations. According to the Articles of Association, the Bank has engaged ShineWing Certified Public Accountant (“**ShineWing**”) to carry out 2021 financial auditing works, who has issued the 2021 Financial Audit Report of Bank of Gansu Co., Ltd. According to the auditing opinions, all material aspects of the financial report of Bank of Gansu were prepared in accordance with the requirements of the PRC Accounting Standards for Business Enterprises, which fairly reflected the financial position of Bank of Gansu as of 31 December 2021, as well as the operating results and cash flow in 2021. Based on the auditing results, as of 31 December 2021, the total assets of Bank of Gansu amounted to RMB358.505 billion, including total loans and advances of RMB198.595 billion; the total liabilities amounted to RMB326.448 billion, including the total customer deposits of RMB255.988 billion; the net profit for the year amounted to RMB573 million.

For particulars of financial information of the Group for the year ended December 31, 2021 as audited under IFRS, please refer to the financial statements in the 2021 annual report of the Bank published on April 19, 2022.

4. PROFIT DISTRIBUTION PLAN FOR 2021

According to the Bank's strategic goals and actual conditions of operation and development, the Profit Distribution Plan of Bank of Gansu Co., Ltd. for 2021 has been initially drawn up. The details of the profit distribution plan of Bank for 2021 are as follows:

- (1) To appropriate 10% of net profit for the year (being RMB56,848,200) to statutory surplus reserve.
- (2) To appropriate 10% of net profit for the year (being RMB56,848,200) to discretionary surplus reserve.
- (3) To appropriate RMB410,301,400, representing 1.5% of the risk-bearing assets, to the general risk reserve according to the Administrative Measures for the Provisioning of Reserves of Financial Institutions ([2012] No. 20) (《金融企業準備金計提管理辦法》([2012]20號)) promulgated by the Ministry of Finance of the People's Republic of China.
- (4) The Bank proposes not to distribute any dividends for 2021 after considering the capital replenishment factors to support long-term development.
- (5) The remaining retained earnings of the parent company of RMB4,155,829,200 will be carried forward to the next year.

Note: The data above are data of the parent company of Bank of Gansu.

The above profit distribution proposal for 2021 was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

5. FINANCIAL BUDGET PLAN FOR 2022

According to the strategic plan and business development needs of the Bank, the total budget for business and management expenses of the Bank in 2022 will be controlled within RMB2.29 billion, with the cost-to-income ratio being controlled within 35%.

In 2022, the Bank plans to arrange capital expenditure of approximately RMB728.68 million, mainly including:

- (1) An estimated investment of RMB473.13 million in purchasing all kinds of electronic equipment, furniture and appliances for decoration, renovation and ancillaries of business office and self-owned business office.
- (2) An estimated investment of RMB146.91 million in software.
- (3) An estimated long-term deferred amount of RMB48.22 million.

The contents of the above resolution were considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

6. ANNUAL REPORT FOR 2021

The annual report for 2021 was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution. The annual report for 2021 of the Bank was published on the HKExnews website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the website of the Bank (<http://www.gsbankchina.com>) on April 19, 2022, and dispatched to the Shareholders on April 20, 2022.

7. ENGAGEMENT OF EXTERNAL AUDITING FIRMS FOR 2022

In order to maintain the continuity and completeness of audit work of the Bank, the Board proposed to re-appoint ShineWing Certified Public Accountants LLP as the auditor for the 2022 annual financial report and interim financial report of the Bank for a term of one year (from the date on which this resolution is passed at the AGM to the date on which the 2022 annual general meeting of the Bank is convened) to provide audit services for the 2022 annual financial report and interim financial report and other related consulting services. According to the quotation from ShineWing Certified Public Accountants, audit fees for the 2022 interim financial report and the 2022 annual financial report shall be approximately RMB5.5 million in total; and other relevant consultation fees for 2022 shall be determined based on the market principles.

The Resolution on the Engagement of External Auditing Firms for 2022 of Bank of Gansu Co., Ltd. was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

8. WORK REPORT OF INDEPENDENT NON-EXECUTIVE DIRECTORS FOR 2021

The work report of Independent Non-executive Directors for 2021 was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

Particulars of the aforesaid work report of Independent Non-executive Directors for 2021 are set out in Annex 3 to this circular.

9. EVALUATION RESULTS OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT BY THE BOARD OF SUPERVISORS FOR 2021

The report of the Board of Supervisors on the evaluation of duty performance by the Board of Directors, the Board of Supervisors, the senior management and their members in 2021 was considered and approved by the Board of Supervisors on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

Particulars of the aforesaid report of the Board of Supervisors on the evaluation of duty performance by the Board of Directors, the Board of Supervisors, the senior management and their members in 2021 are set out in Annex 4 to this circular.

10. RESOLUTION ON THE REMUNERATION DISTRIBUTION AND SETTLEMENT RESULTS FOR DIRECTORS AND SUPERVISORS FOR 2021

The resolution on the remuneration distribution and settlement results for directors and supervisors for 2021 was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

The aforesaid resolution on the remuneration distribution and settlement results for directors and supervisors for 2021 is set out in Annex 5 to this circular.

11. REPORT ON RELATED-PARTY/CONNECTED TRANSACTIONS FOR 2021

The report on related-party/connected transactions for 2021 was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

The aforesaid report on related-party/connected transactions for 2021 is set out in Annex 6 to this circular.

12. AMENDMENTS TO MEASURES FOR EQUITY MANAGEMENT OF BANK OF GANSU

In order to strengthen equity management of the Bank, regulate the acts of Shareholders of the Bank, and protect the lawful interests of the Bank, the depositors and the Shareholders, and ensure the stable operation and healthy development of the Bank, after taking into account the actual conditions of equity management, the Bank revised the Measures for Equity Management of Bank of Gansu Co., Ltd., and made corresponding amendments to the general provisions, shareholders' responsibilities, equity pledge, shareholder evaluation and the Bank's responsibilities and supplementary provisions pursuant to relevant requirements under such laws, regulations, rules and normative documents as the Company Law of the PRC (《中國公司法》), the Commercial Banking Law of the PRC (《中華人民共和國商業銀行法》), the Provisional Measures for Administration of Equities of Commercial Banks (《商業銀行股權管理暫行辦法》), the Notice of the CBRC on Enhancing the Management of Pledge of Equity Interests in Commercial Banks (《中國銀監會關於加強商業銀行股權質押管理的通知》), the Guiding Opinions of the People's Bank of China, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission on Enhancing Regulations over Investment in Financial Organisations Made by Non-financial Enterprises (《中國人民銀行、中國銀行保險監督管理委員會、中國證券監督管理委員會關於加強非金融企業投資金融機構監管的指導意見》), the Measures for the Management of Related Party Transactions of Banking and Insurance Institutions (《銀行保險機構關聯交易管理辦法》), the Notice of the Office of China Banking Regulatory Commission on Standardising Matters on Reporting to Shareholders of Commercial Banks (《中國銀監會辦公廳關於規範商業銀行股東報告事項的通知》), the Corporate Governance Guidelines for Banking and Insurance Institutions (《銀行保險機構公司治理準則》), the Notice of the CBIRC on Issuing Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial) (《中國銀保監會關於印發銀行保險機構大股東行為監管辦法(試行)的通知》), and the Notice of the General Office of the CBIRC on Further Strengthening the Management of Commitments of Shareholders in Banking and Insurance Institutions (《中國銀保監會辦公廳關於進一步加強銀行保險機構股東承諾管理有關事項的通知》).

The resolution on the amendments to the Measures for Equity Management of Bank of Gansu was considered and approved by the Board on March 30, 2022, and is hereby submitted to the AGM for consideration and approval as an ordinary resolution.

The aforesaid Comparison Table for the Amendments to the Measures for Equity Management of Bank of Gansu is set out in Annex 7 to this circular.

Special Resolutions

13. GENERAL MANDATE TO ISSUE SHARES

The Resolution on the General Mandate to Issue Shares of Bank of Gansu Co., Ltd. was considered and approved by the Board on March 30, 2022 and is hereby submitted to the AGM for consideration and approval as a special resolution.

The particulars of aforesaid resolution are set out in Annex 8 to this circular.

14. ISSUANCE PLAN OF FINANCIAL BONDS

The Bank held 2017 annual general meeting on 1 June 2018, at which it considered and approved the Resolution on the Issuance Plan of 2018 Financial Bonds of Bank of Gansu Co., Ltd. The validity period of this resolution was 24 months from the date on which this resolution on the issuance of non-capital financial bonds was passed at the annual general meeting, and the resolution expired on 1 June 2020. In order to continue to promote the issuance of financial bonds in the early stage, further improve management capabilities of the Bank's asset and liability and expand financing channels to better support local economic development, the Bank proposed to issue financial bonds in an aggregate amount of no more than RMB10 billion (inclusive) and restart relevant procedures according to relevant laws and regulations such as Measures for the Administration of the Issuance of Financial Bonds in the National Interbank Bond Market (《全國銀行間債券市場金融債券發行管理辦法》), Operating Procedures for the Administration of the Issuance of Financial Bonds in the National Interbank Bond Market (《全國銀行間債券市場金融債券發行管理操作規程》) and Measures of the CBIRC for the Implementation of Administrative Licensing Matters Concerning Chinese-funded Commercial Banks (《中國銀保監會中資商業銀行行政許可事項實施辦法》), as well as the Articles of Associations. Particulars of the plan for issuance are as follows:

(1) Size of Issuance

The aggregate issuance size of the bonds will be no more than RMB10 billion (inclusive) and will be in compliance with the requirements of regulatory authorities and the relevant laws and regulations regarding the maximum amount of financial bonds to be issued, with the final issuance size subject to the amount approved by regulatory authorities.

(2) Issuance in Tranches

The financial bonds are to be issued in a lump sum, by batches or in installments, depending on the market conditions.

(3) Nature of Bonds

The repayment ranking of the principal and interest will be the same as the general liabilities of commercial banks, and will be senior to long-term subordinated debts of commercial banks, tier-two capital instruments, hybrid capital bonds, other tier-one capital instruments and unsecured commercial bank financial bonds of equity capital.

(4) Bonds Types and Maturity

Bond types include, but are not limited to, non-capital financial bonds such as ordinary financial bonds or special financial bonds for small and micro enterprises, special financial bonds for “agriculture, farmer and rural area” and green financial bonds. Each tranche of bonds will have a term of no longer than 10 years. Within or prior to the proposed scale of issuance, the specific proportion, maturity and scale of various types of bonds will be finally determined according to the actual demand of the Bank, the market conditions or the investors’ subscription conditions.

(5) Coupon Rate

The coupon rate of each bond may adopt a fixed rate or a float rate or its pro rata combination. The actual interest rate will be determined according to the domestic market conditions upon the issuance of the financial bonds and pursuant to relevant regulations on the administration of the interest rate of financial bonds.

(6) Method of Issuance

The financial bonds will be publicly issued to all members of the national interbank bond market.

(7) Use of Proceeds

Different types of non-capital financial bonds have different special uses:

- Proceeds raised from issuance of ordinary financial bonds will be used to optimize the Bank’s balance sheet structure pursuant to the applicable laws and as approved by regulatory authorities;
- Proceeds raised from issuance of special financial bonds for small and micro enterprises will be used for loans to be granted to small and micro enterprises to support their development;
- Proceeds raised from issuance of special financial bonds for “agriculture, farmer and rural area” will be used for loans related to “agriculture, farmer and rural area”, so as to support the development of “agriculture, farmer and rural area”;
- Proceeds raised from issuance of green financial bonds will be used for loans to be granted for green industry projects, so as to make a contribution to the development of green finance and the sustainable development of green economy such as environmental protection, energy conservation and comprehensive utilization of resources.

(8) Validity Period of Issuance

The validity period of issuance will be 24 months from the date of approval of the issuance of the non-capital financial bonds by the People's Bank of China and other relevant regulatory authorities (if any).

(9) Authorization

To effectively coordinate the specific matters relating to and during the issuance of financial bonds, the Board will propose at the AGM that the Board shall be authorized to deal with all matters at its sole discretion in relation to the issuance of the financial bonds in accordance with the provisions of relevant laws and regulations and opinions and recommendations from regulatory authorities and in compliance with the principle of acting in the best interest of the Bank, and subject to the authorization granted to the Board at the AGM, be permitted to delegate the authorization to the Chairman, and permit the Chairman to delegate authorization to management or the personnel designated by the management of, including but not limited to, the timing of issuance, specific amount of issuance, whether to issue on a one-off, multiple issuance, multi tranches issuance or multiple-category issuance basis and, if on multiple issuance, multi-tranche issuance or multiple-category issuance basis, the specific terms of each issuance, each tranche and each category thereof, the way in which the interest rate is determined, interest rate level, pricing method, issuance arrangements, use of proceeds, applying for bond listing and circulation, arrangement of principal and interest payments, and all other matters relating to the issuance and listing of the financial bonds. Except for matters required re-voting at a general meeting of the Bank pursuant to relevant laws, regulations and the Articles of Association, the Board shall be authorized to make corresponding adjustments to the issuance plan of the above financial bonds or to matters relating to the issuance and listing of the financial bonds according to the opinions of regulatory authorities and changes in policies or market conditions. In addition to being approved by the Bank's shareholders at the general meeting, the issuance of the financial bonds also requires approvals from the CBIRC, the People's Bank of China other relevant regulatory authorities (if any).

The issuance plan of financial bonds was considered and approved by the Board on August 27, 2021 and is hereby submitted to the AGM for consideration and approval as a special resolution.

Dear Shareholders,

In 2021, in the face of the impact of the COVID-19 pandemic and complicated and severe economic and financial situation at home and abroad, the Board conscientiously implemented the spirit of the 19th National Congress of the Communist Party of China and the plenary sessions of the 19th Central Committee of the Communist Party of China, adhered to the general principle of seeking improvement in stability by focusing on high quality development. Besides, we made coordinated efforts to various tasks such as strengthening Party building, reinforcing weak links, cementing foundation, adjusting structure, preventing against risks, improving efficiency, and promoting development. With firm confidence and overcoming difficulties, we continued to improve the Bank's corporate governance system, steadily promoted strategic transformation, and strengthened risk compliance management. We have achieved a sound situation of steady progress and improvement, with remarkable results in risk mitigation. Asset quality is generally controllable, and business structure has been gradually optimized, thus realizing the stable development of the Bank.

I. MAIN OPERATING RESULTS IN 2021

As at the end of 2021, the Bank's total assets amounted to RMB358.505 billion, with an increase of 4.7%; the balance of all loans amounted to RMB198.595 billion, with an increase of 9.2%; the total liabilities amounted to RMB326.448 billion, with an increase of 5%; the customer deposit balance amounted to RMB255.988 billion, with an increase of 2.5%; the owner's equity amounted to RMB32.056 billion, with an increase of 1.88%. The scale index maintained a steady growth. The net profit amounted to RMB573 million, the rate of return on assets was 0.16% and the rate of return on capital amounted to 1.81%; the ratio of non-performing loans amounted to 2.04% and the provisional coverage ratio amounted to 132.04%; the capital adequacy ratio amounted to 12.44% and the core tier 1 capital adequacy ratio amounted to 11.95%. The annual business targets and tasks have been well accomplished. The Bank ranked 300th among "Top 1000 World Banks 2021" by The Banker (a British magazine) and 50th among Chinese banks; and ranked 49th among the 2021 Top 100 Banks in China's Banking Industry by the China Banking Association. It has been awarded the "Mobile Smart Innovation Award", "Top 10 Credit Card Financial Innovation Award", "Best Smart Service Award for Mobile Banking", "Best Brand Value Award" and other awards, and also won the Provincial Governor Financial Award granted by the People's Government of Gansu Province for the eighth time.

II. MAIN WORK OF THE BOARD OF DIRECTORS IN 2021**(I) Strengthening strategic guidance and further deepening transformation and development**

In 2021, the Board of Directors will make strategic management the top priority of its work. Firstly, guided by the “14th Five-Year” plan, we have formulated the “Five Year Development Strategy of Bank of Gansu (2021–2025)”, adhering to the strategic positioning of “based in Gansu and serving Gansu” and promoting the high-quality development of the Bank with the core values of “stability, innovation, cooperation and integrity”. Secondly, we paid close attention to the implementation of the development strategy, formulated implementation plans and measures for management of strategy, and fully promoted the strategic vision of “building itself into a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region” and implementation of various strategic goals. Thirdly, we scientifically formulated yearly business plans, regularly listened to business analysis, adjusted business strategies in a timely manner, and accelerated business transformation and development. The construction of “online second bank” has achieved remarkable results. The first 5G smart bank in the province has been put into use to promote business upgrading with innovation, further deepening retail, outlet and digitalization transformation.

(II) Improving corporate governance and effectively increasing the quality and efficiency of governance

In 2021, the Board of Directors adhered to the principle of leading high-quality development through Party building, integrated the comprehensive leadership of the Party into corporate governance, and promoted the governance bodies such as the Board of Directors, the Board of Supervisors and the senior management to better play their roles. First of all, we strengthened system construction and revised the Articles of Association, the working rules of the Strategy and Development Committee, and the measures for evaluation by the Board of Directors on the performance of Directors and senior executives, to further improve the corporate governance system. Second, the “shareholders’ general meeting, the Board of Directors, the Board of Supervisors and the senior management” operated in a standardized manner, cooperated with one another, and had an effective system of checks and balances. During the year, 2 shareholders’ general meetings were convened to consider 22 resolutions; 11 Board meetings were convened to consider 71 resolutions; 18 meetings of special committees under the Board were convened to consider 51 resolutions. The matters under consideration covered the Bank’s business development, profit distribution, strategic planning, system revision, related party transactions, internal control and compliance and other aspects. Third, the election of Directors of a new session of the Board was successfully completed. The new session of the Board of Directors consists of 13 Directors, including 5

independent Directors, and 1 additional employee Director to fully protect the interests of employees. The qualifications of all new Directors have been approved. All Directors are diligent and conscientious, providing opinions and suggestions to the Board of Directors with their professional expertise and rich working experience in economics, finance, law and financial and others, to effectively promote the business development of the Bank.

(III) Deepening risk control and strengthening risk management capabilities

In 2021, the Board of Directors persistently reinforced comprehensive risk management, making significant progress in risk mitigation and effectively enhancing risk management capabilities. First, we kept the bottom line firmly in mind, made all-out efforts to prevent and defuse financial risks, earnestly fulfilled our primary responsibilities, further increased risk mitigation in key areas, strengthened liquidation and disposal in accordance with the law, to make orderly progress in risk mitigation. Non-performing assets have been effectively disposed of, major indicators have been restored, and business development has remained stable. Second, we fully performed the function of comprehensive risk management, formulated the Planning on Comprehensive Risk Management System of Bank of Gansu, for the construction of “stable and prudent” risk preference and strategy system of risk management, the optimization of risk limit management mechanism, and the improvement on authorization management of differentiated credit business. In addition, the assessment of risk management lines has been refined and the management and control system for asset quality has been perfected. Third, we regularly listened to the risk management reports of the Bank, reasonably formulated yearly risk management strategies, guidelines of credit policy and risk limits, and constantly and closely monitored the implementation of risk limit indicators.

(IV) Strengthening the internal control mechanism and adhering to legal and compliant operation

In 2021, the Board of Directors constantly consolidated the foundation of the internal control and compliance management and continuously optimized the internal control mechanism. First, the Plan for Internal Control and Compliance System of Bank of Gansu was formulated to comprehensively push forward the construction of three lines of defense for internal control and compliance through improving the internal control and compliance governance structure of the Bank. Guided by the cultivation of a sound internal control and compliance culture and supported by talents and system construction, we continued to improve various systems and mechanisms to effectively increase the level of internal control and compliance management. Second, we carried out the self-assessment on risks of money laundering pertaining to institutions, and comprehensively built the Bank’s risk self-assessment system, forming an evaluation index system for the effectiveness of management and control measures covering four dimensions of region, customer, product business, and channel,

to ensure the effective identification and control of risk management loopholes of money laundering. Third, we improved the daily management of internal control and compliance, carried out the work of “reviewing the rules and regulations”. We have reviewed 154 policies and systems, and formulated and amended 39 policies and systems related to anti-money laundering during the year, which strengthened the supporting and guaranteeing functions of the systems and policies. To further consolidate the foundation of legal management and compliance management, we have formulated the Implementation Plan of Establishing and Improving the Internal Accountability System. Fourth, we strengthened credit information management, adhered to the equal emphasis on both data quality management and information security control, built a strict and effective security prevention and control system on credit checking information, to effectively improve the management and service level of the Bank’s credit checking.

(V) Serving the real economy and actively fulfilling social responsibilities

In 2021, the opening year of the “14th Five Year” plan, the Bank thoroughly implemented the major decisions and arrangements of the CPC Central Committee, the State Council, the Provincial Party Committee and the Provincial Government, taking serving the local economic development of Gansu as its own responsibility and focusing on the main responsibilities and principal businesses. First, with the aim of supporting the overall situation of COVID-19 pandemic prevention and control and serving the “stability on the six fronts (namely, employment, financial sector, foreign trade, foreign and domestic investments, and market expectations)” and “security in the six areas (namely, employment, basic living needs, operations of market entities, food and energy security, stable industrial and supply chains, and the normal functioning of primary-level governments)”, we helped enterprises in trouble, persistently cut fees and offered incentives, strengthened protection of market entities, stabilized employment and financial services to various entities, to help enterprises resume work and production. Second, we accelerated integration into rural revitalization. We established a financial service system for rural revitalization; the head office and branches set up a rural revitalization finance department, issued opinions on the implementation of financial services of rural revitalization, entered into a strategic cooperation agreement with the Provincial Rural Revitalisation Bureau, and implemented the “hundred-billion project” of agriculture related loans. Third, we actively supported the construction of major projects and continuously improved the quality and efficiency of inclusive finance and green financial services. We have provided loans to ten provincial-level major projects, top ten ecological industries projects, and provided the province’s first green loan pledged with carbon emission rights and pollution discharge rights. Fourth, we paid attention to the protection of the rights and interests of consumers, improved the organizational structure and institutional system for rights and interests protection of consumers, continued to optimize complaint management and improve the mechanism for protecting the rights and interests of consumers.

(VI) Strengthening information disclosure and maintaining a sound market image

The Board of Directors, in strict accordance with domestic and foreign regulatory requirements, earnestly fulfilled the obligations of information disclosure, normatively and efficiently did a good job in information disclosure, and unceasingly raised the transparency of operation and management, to disclose the information on corporate governance and operation and management in a timely, accurate and comprehensive manner. 43 annual reports, performance reports, social responsibility reports, related party transactions, announcements and interim announcements of various regulated matters for the year have been disclosed in aggregate. Being investors' demands-oriented, we continued to regulate inside information and insider management, which effectively protected investors' rights to know and safeguarded the legitimate rights and interests of shareholders.

III. WORK ARRANGEMENTS OF THE BOARD OF DIRECTORS FOR 2022

- (I) **Strengthening strategic management and promoting high-quality development.** In 2022, the Board of Directors will fully evaluate the changes in the internal and external environment, scientifically make decisions, unswervingly promote the implementation of strategic planning, adhere to the idea of “distinctive businesses to grow, traditional businesses to transform, new businesses to create profits” to strive to build six major business segments. Bearing in mind the mission of serving the real economy, we will integrate into the overall development of the province and unblock service channels of financial support. The new development concept and high-quality development requirements will be put into all work to promote the high-quality development of Bank of Gansu in the process of accelerating regional economic and social development.
- (II) **Optimizing corporate governance and improving operating mechanism.** We will persistently deepen the organic integration of Party leadership and corporate governance, combining inspection and regulatory examination to give feedback on problems. We will stick to standardizing the responsibility boundaries and performance of “shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management”, strengthen the supervision of shareholders' behavior and management of related party transactions, and strictly disclose relevant information. We will positively carry out corporate governance assessment and self-inspection, further improving the corporate governance framework of each person/entity performing its own duties and coordinating operations, and laying a solid foundation for high-quality development of the Bank.

- (III) **Strengthening risk management and improving the level of internal control.** By earnestly performing risk management functions, enhancing the forward-looking and proactive risk management and firmly holding the bottom line of risk, we will keep promoting the construction of a comprehensive risk management system. Furthermore, we will regularly assess the status of comprehensive risk management, reinforce the guiding role of risk preference and risk limit on the business of the Bank, completely enhance the efficiency and level of risk management to ensure the safe and sound operation. Planning on internal control and compliance system should be thoroughly carried out to improve various management mechanisms for internal control and compliance. With the concept of “internal control promotes development, compliance creates value”, we will regularly conduct education and training on compliance culture to increase employees’ awareness of compliance.
- (IV) **Accelerating reform and transformation and enhancing development vitality.** We will strive to create a new pattern of business development, and take the development plan as the guide to promote comprehensive transformation. We will strengthen the concept of light capital, focus on structural adjustment, improve service capabilities, enrich product systems, and strengthen financial and technology innovation while further promoting the construction of the “five systems”. The full-channel management and digital transformation with a new financial model will be carried out to facilitate the construction of an “online second bank” in order to open up new prospects for high-quality development.

In 2022, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Board of Directors will fully implement the national macroeconomic and financial policies and regulatory requirements, perform the strategic deployment of the Provincial Party Committee and the Provincial Government. Besides, based in Gansu and serving Gansu, the Board of Directors will carefully analyze the situation, seize development opportunities, maintain strategic focus, actively respond to challenges, continuously contribute to the development of the real economy, and improve the corporate governance mechanism. With the support of shareholders and the supervision of the Board of Supervisors, we will write a new chapter in reform and development and move forward bravely towards the goal of becoming “a listed urban commercial bank with high-quality development and a comprehensive financial service provider of the first choice in the region”!

In 2021, following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Board of Supervisors of the Bank thoroughly studied and implemented the spirits of the Plenary Sessions of the 19th Central Committee of the Communist Party of China. Pursuant to the Company Law, Corporate Governance Guidelines for Banking and Insurance Institutions, Work Guidelines for the Board of Supervisors of Commercial Banks and the Articles of Association of the Bank, with the objective of safeguarding the interests of shareholders and employees, the Bank earnestly implemented the general requirements of the “21 characters” of the Party Committee of the Head Office, always adhered to the problem orientation, focused on the two major themes of risk mitigation and development, continuously improved the work methods, conscientiously carried out various supervision activities, and continuously improved the effectiveness of supervision, which played an active role in further improving the Bank’s corporate governance, promoting structural adjustment, strengthening risk management and control, and enhancing high-quality development.

I. IMPLEMENTATION OF MAIN WORK

During the reporting period, the Board of Supervisors, the supervisory committee and the nomination committee held 21 meetings in total, at which 63 supervision matters and informative reports were considered, covering inspection and supervision plans and reports, evaluation on duty performance of directors and supervisors, and financial budgets and final accounts and other aspects. Supervisors participated in 2 general meetings, and attended 3 Board meetings, 11 bank meetings, 4 meetings of the president’s office and 2 rectification joint meetings to supervise the legality and compliance of resolutions and meeting procedures.

For the supervision of internal control, risk management, financial activities, performance of duties and other aspects, the Board of Supervisors mainly carried out supervision in the following aspects:

(I) Strengthening process attention and improving the scope of supervision

During the reporting period, the Board of Supervisors continuously strengthened pre- and in-process supervision, and timely prompted the Board of Directors and senior management to deploy and rectify the problems found in the supervision process. By participating in and attending various meetings, the Supervisors had a comprehensive understanding of the operation and management, and timely put forward supervisory opinions, suggestions or reminders to the Board of Directors and the management when they found problems, and reinforced the supervision for decision-making process of major issues and the daily performance of duties by the Board of Directors, senior management and its members. That improved the normative behavior between the Board of Supervisors and the Board of Directors, senior management. The Board of Supervisors has successively developed special reports of daily supervision, issued business contact letters, supervision reminder letters and supervision opinions on 2021 Interim Report (Draft), the Comprehensive Risk Report for the First Half of 2021, the Five-Year Development Strategy of Bank of Gansu (2021–2025), the

Financial Bond Issuance Plan for 2021 and the Supplementary Estimated Amount of Related Party Transactions for 2021 and issues involving the establishment of the Bank's internal control and compliance system, accountability and rectification mechanism and others. Furthermore, the Board of Supervisors urged the above problems to be rectified, effectively pushing the Bank to further standardize and improve relevant management systems and mechanisms, timely plug loopholes and reduce risks.

(II) Strengthening business inspection and increasing the depth of supervision

During the reporting period, the Board of Supervisors carried out comprehensive supervision and inspection on business of Pingliang, Baiyin, Qingyang, Wuwei and Dingxi branches and Jinchang, Chengguan and Anning sub-branches, mainly focusing on the pre-loan, in-loan and post-loan management of credit business. Through the inspection, we put forward problems on 7 aspects and corresponding rectification suggestions, and suggestions for the duty performance of the Board of Directors, senior management and their members. The problems revealed by the Board of Supervisors involved pre-loan investigation, the implementation of credit conditions and post-loan management.

(III) Strengthening grass-roots research and improving the accuracy of supervision

In 2021, the Supervisors conducted grass-roots research and supervision on a regular and ad hoc basis, and successively conducted investigations on branches in Jiuquan, Zhangye and Jiayuguan, as well as the Human Resources Department, Corporate Business Department, Information Technology Department, Legal and Compliance Department, Audit Department and other institutions of the Head Office to understand business management, key products, risk management, internal control and business promotion and other aspects, to timely communicate on and coordinate the problems found in investigation, and put forward supervision opinions and suggestions. A total of 19 opinions and suggestions were put forward upon investigation during the year, and those problems were supervised and rectified one by one.

(IV) Strengthening rectification and follow-up and improving efficiency of supervision

During the reporting period, the Board of Supervisors successively followed up and supervised the evaluation on internal control in 2020, newly issued loans, and the issues found in inspections by the China Banking and Insurance Regulatory Commission and the Audit Office. We contacted and coordinated with relevant departments and agencies such as the Audit Department of Head Office, Legal and Compliance Department, Zhangye branch, Jiuquan branch and Jiayuguan branch, to verify the rectification measures and their implementation one by one, and issue a supervision report. In addition, the Board of Supervisors put forward 6 opinions and suggestions on rectification and management and control of risk asset, which clarified the focus of rectification in the future. By revealing problems and supervising rectification, the Board of Supervisors effectively promoted the Bank to strengthen internal control, improve systems, and increase efficiency and quality of management.

(V) Intensifying the performance evaluation and improving the supervision ability

During the reporting period, the Board of Supervisors continuously carried out performance evaluation. In particular, the Board of Supervisors “looked back” on the performance evaluation of the Bank in accordance with the relevant provisions and requirements of Measures on Assessment of the Performance of Duties of Directors and Supervisors of Banking and Insurance Institutions (Trial), and comprehensively evaluated the performance of the Board of Directors, the Board of Supervisors and the senior management in 2020. Also, the Board of Supervisors conducted individual performance evaluations on directors, supervisors and senior management in accordance with qualitative and quantitative indicators through self-evaluation, mutual evaluation, evaluation by the Board of Directors, and evaluation by the Board of Supervisors. The personal performance files of directors, supervisors and members of senior management have been established and standardized, which improved the ability and standard of supervision.

(VI) Making active preparations to complete the re-election of the Board of Supervisors

In order to continuously improve the ability and level of supervision, personnel with majors in accounting, securities and finance were selected as external supervisors of the third session of the Board of Supervisors of the Bank, which strengthened the professionalism and practicality of the Board of Supervisors and provided a guarantee for the Board of Supervisors to better carry out its work.

In 2021, the Board of Supervisors continued to strengthen its self-construction and improve its ability to perform duties. In view of the insufficient attention paid by individual departments and institutions to the supervision and rectification opinions of the Board of Supervisors, the Board of Supervisors issued a Notice on Further Strengthening the Provision of Supervision Information to the Board of Supervisors, which clarified the focus of supervision and emphasized the requirements of supervision. In accordance with the provisions and requirements of the Corporate Governance Standards for Banking and Insurance Institutions and the Measures for Assessment of the Performance of Duties of Directors and Supervisors of Banking and Insurance Institutions (Trial), the Board of Supervisors improved the performance evaluation measures and Articles of Association of the Bank. Supervisors were organized to attend the seminar of “Interpretation of Measures for Assessment of the Performance of Duties of Board of Supervisors of Banking and Insurance Institutions and Enhancement on the Ability of Supervisors to Perform their Duties”, so as to keep abreast of the requirements of relevant regulations and regulatory policies. Supervisors and related personnel were organized to conduct study and exchange with Bank of Qingdao and Bank of Weihai, strengthening communication with peers, and learning from the practices and advanced experience of the board of supervisors of peers. We constantly improved the work and effectively increased the effectiveness of supervision through learning.

II. INDEPENDENT OPINIONS ON RELEVANT MATTERS

(I) Compliance operation

During the reporting period, the business activities conducted by the Bank were in compliance with the requirements of the Company Law, the Commercial Bank Law and the Articles of the Association of the Bank, and decision-making procedures were lawful and valid. Neither violation of laws, regulations or the Articles of Association of the Bank nor harm to the interests of the Bank and Shareholders during performance of duties by the Directors or senior management of the Bank was identified.

(II) Truthfulness of the financial report

During the reporting period, Shinewing Certified Public Accountants LLP has audited the financial reports and issued a standard unqualified audit report thereon. The financial reports fairly reflected the financial position and operating results of the Bank.

(III) Related party transactions

During the reporting period, the Bank further standardized the management of related party transactions. The Board of Supervisors didn't find any related party transactions that were against the spirit of fairness or detrimental to the interests of the Bank and shareholders.

(IV) Internal Control

During the reporting period, the Bank continued to strengthen and improve its internal control and formulated the Plan for Internal Control and Compliance System. The Board of Supervisors did not find any significant defects in the Bank's internal control system and its implementation.

(V) Implementation of resolutions of general meeting by the Board of Directors

During the reporting period, the Board of Supervisors had no objections to the reports and resolutions submitted by the Board of Directors to the general meetings for consideration, and were of the view that the Board of Directors seriously carried out the resolutions approved at the general meetings.

(VI) Performance of social responsibilities

During the reporting period, the Bank conscientiously fulfilled its social responsibilities, and the Board of Supervisors had no objections to the 2021 Corporate Social Responsibility Report.

III. EXISTING PROBLEMS AND DEFICIENCIES

In 2021, certain results have been achieved in the work of the Board of Supervisors and it has played a positive role in promoting the business development of Bank of Gansu. However, there are still certain deficiencies in many aspects, and there is still a considerable gap from the regulatory requirements, mainly in the following aspects. Firstly, the means and methods of supervision by the Board of Supervisors need to be further improved. Secondly, the supervision and evaluation methods on duty performance of directors and senior managers by the Board of Supervisors need to be further perfected. Thirdly, the policy level, financial knowledge and supervision ability of the members of the Board of Supervisors need to be further increased.

IV. WORK PRINCIPLE FOR 2022

In 2022, according to the requirements of the Company Law, the relevant laws and regulations, and the Articles of Association of the Bank, the Board of Supervisors will closely focus on the Bank's work center, take the opportunity of the full implementation of five-year development plan, actively explore the ways to perform its duties and earnestly fulfill its supervision duties, so as to effectively safeguard the legitimate rights and interests of shareholders and the Bank, promote the continuous improvement of the corporate governance mechanism, and jointly accelerate the high-quality development of the Bank with the Board of Directors and the senior management, and create a new situation in the work.

(I) Carrying out the strategy supervision to promote the effective implementation of strategy planning

According to the requirements of the Company Law, the Corporate Governance Guidelines for Banking and Insurance Institutions and the Articles of Association of the Bank, the Board of Supervisors will collect and analyze relevant information regularly, supervise and inspect the execution and completion of the development strategy plan and annual business plan, and urge the implementation of the Bank's development strategy plan. Supervisors will be organized to carry out research on strategy topics and regularly evaluate the effect of strategy implementation to form special supervision and evaluation reports and timely prompt the Board of Directors and the senior management to correct errors, so as to effectively promote the implementation of the strategy plan.

(II) Carrying out the supervision on duty performance to promote the effective performance of duties by the Board of Directors, senior management and their members

We will constantly improve the methods of performance evaluation for the Board of Directors, the Board of Supervisors, senior management and their members to clarify the contents, standards and methods of evaluation. Moreover, we will supervise and evaluate the corporate governance improvement, development strategy, business philosophy and capital management of the Board of Directors and its members, evaluate the supervision of duty performance of the Board of Supervisors, supervise and evaluate the implementation of the resolutions of the general meeting, the Board of Directors and the Board of Supervisors, and the performance of operation and management duties by the senior management and its members within the scope of authority, and report the evaluation results to the general meeting in a timely manner, so as to facilitate the Board of Directors and senior management and their members to effectively perform their duties.

(III) Carrying out the financial supervision to promote the effective implementation of cost management in the Bank

Focusing on supervising the important financial decisions of the Board of Directors and the senior management and their implementation, we will put forward audit opinions on the authenticity, accuracy and completeness of the Bank's periodic reports, and express opinions on the compliance and reasonableness of annual financial budgets, final accounts, and profit distribution, to urge and correct the effective implementation of important financial decisions of the Board of Directors and senior management and their implementation so as to promote the effective implementation of cost management throughout the Bank.

(IV) Carrying out the supervision of internal control to promote the effective operation of the Bank in accordance with laws and regulations

We will supervise the Bank's internal control environment and internal control measures, especially the management system, operating procedures, key risk links and relevant management information systems and other internal control of new businesses and new products. The Board of Directors and the senior management will be promptly reminded to make rectification, track and monitor the rectification process of the problems found in the inspection and self-assessment of internal control of the Bank.

(V) Carrying out the risk supervision to ensure the effective implementation of comprehensive risk system

We will carry out the supervision work for the establishment and improvement of a comprehensive risk management and governance structure, the risk control mechanism, risk preference, transmission mechanism, policies and procedures of the Board of Directors and senior management, and communicate regularly with the Board of Directors and senior management on assessment of the risk level, risk management and risk tolerance of the Bank. The focus is on the supervision opinions of the supervisory authorities, regular risk management reports within the Bank, major problems found in internal and external audit inspections and the implementation of rectification. In addition, regarding the compliance with risk supervision indicators of the Bank, we shall promptly remind the Board of Directors and senior management of risks and put forward rectification requirements.

(VI) Carrying out the daily supervision to promote high-quality and stable operation of the Bank

Adhering to the general principle of the Bank's work on risk reduction and development, we shall constantly improve and innovate working methods. By carrying out daily supervision such as meetings, inspections, investigations, and interviews, and using various supervision tools such as inspections, inquiries, and reminders, we will perform all supervision responsibilities and play a great role in supervision. Efforts will be made to improve the standardization of supervision work and efficiency of supervision, to strictly fulfill supervision duties in accordance with the prescribed procedures, adequately guarantee the expertise, seriousness and authority of supervision work, and promote the high-quality and stable operation of the Bank.

In 2021, the independent Directors of Bank of Gansu Co., Ltd. (the “Bank”) faithfully and diligently performed their duties, duly attended the meetings of the Board of Directors and its special committees, actively fulfilled their responsibilities and independently made their decisions in accordance with the Company Law, the Securities Law, the Governance Standards of Banking and Insurance Institutions, the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other domestic and overseas laws and regulations as well as the Articles of Association of Bank of Gansu Co., Ltd. (the “Articles of Association”), effectively protecting the interests of the Bank and all its shareholders. The performance of duties is reported as follows:

I. BASIC INFORMATION ON THE INDEPENDENT DIRECTORS

The Bank has completed the re-election of the Board of Directors on 24 December 2021. Ms. Tang Xiuli, a director of the second session of the Board of Directors, has resigned as an independent director of the Bank. There are five independent Directors in the new session of the Board of Directors, including Ms. Luo Mei, Mr. Wong Sincere, Mr. Dong Ximiao, Mr. Wang Tingting and Mr. Liu Guanghua. Mr. Wang Tingting and Mr. Liu Guanghua are newly elected as independent Directors of the Board of Directors, and they have taken office upon approval of their qualifications by the regulatory authorities on 4 March 2022. The number of independent Directors of the Bank accounts for more than one third of all Directors, which is in compliance with relevant laws and regulations and the provisions of the Articles of Association. The Chairmen of three special committees under the Board of Directors of the Bank, i.e. the Audit Committee, the Related Party Transaction and Risk Control Committee, and the Nomination and Remuneration Committee, are all independent Directors. Except for the annual remuneration obtained, the Bank’s independent Directors do not have any business or financial interests in the Bank or its subsidiaries, nor do they hold any management positions in the Bank. The Bank has received the annual confirmation letters on independence from all independent Directors, confirming their independence. The Bank has complied with relevant regulatory requirements in terms of the independence of its independent Directors.

II. OVERVIEW ON PERFORMANCE OF DUTIES DURING THE YEAR

In 2021, independent Directors of the Bank actively attended the shareholders' general meetings, the meetings of the Board of Directors and its special committees. They reviewed the resolutions of the Board of Directors and its special committees. In 2021, the Bank convened 2 shareholders' general meetings and 11 Board meetings. The attendance of the independent Directors is as follows:

Independent directors	Shareholders'	Board meeting	
	general meeting	Attendance	Attendance
	Attendance	Attendance	Attendance
	in person	in person	by proxy
Ms. Luo Mei	0/2	10/11	1/11
Mr. Wong Sincere	0/2	10/11	1/11
Mr. Dong Ximiao	1/2	11/11	0/11
Ms. Tang Xiuli	1/2	10/10	0/10

In 2021, the attendance of independent Directors at the meetings of the special committees of the Board of Directors is as follows:

Independent Director	Strategy and		Audit committee		Remuneration and		Related party		Consumer rights protection	
	development committee				nomination committee		transaction and risk		committee	
	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance	Attendance
	in person	by proxy	in person	by proxy	in person	by proxy	in person	by proxy	in person	by proxy
Ms. Luo Mei	-	-	3/3	0/3	3/3	0/3	-	-	-	-
Mr. Wong Sincere	-	-	3/3	0/3	-	-	7/7	0/7	-	-
Mr. Dong Ximiao	-	-	3/3	0/3	3/3	0/3	7/7	0/7	-	-
Ms. Tang Xiuli	-	-	3/3	0/3	4/4	0/4	7/7	0/7	2/2	0/2

Notes:

- (1) The number of "attendance in person" includes attendance in person and by such means as telephone, video and telecommunication.
- (2) During the reporting period, the independent Directors of the Bank who were unable to attend the meetings of the Board of Directors and its special committees in person have entrusted other Directors to attend the meetings and exercise the voting rights on their behalves.

The independent Directors of the Bank came from renowned universities or organizations in the Chinese Mainland and Hong Kong with extensive professional background in the fields of economics, finance, law and accounting. In 2021, the independent Directors of the Bank actively attended the Board meetings and its special committee meetings, debriefed reports on operation and management; paid attention to the development and the implementation of development strategies of the Bank through timely communication with the management; actively conducted investigation and study, and acquired a knowledge of the operation and management of the Bank through site visits; made forward-looking reflection on the business plan of the Bank; and played an important role in the decision-making of the Board by providing constructive suggestions on development strategies, risk management, business structure, etc. During the reporting period, the Bank's independent Directors did not raise any objection to the relevant matters reviewed by the Board of Directors.

To constantly update their professional knowledge and improve duty performance capabilities, independent Directors kept abreast of the changes in the regulatory policies, paid continuous attention to opinions of the regulators, diligently attended trainings on corporate governance, risk management and internal control and compliance, etc. The work of independent Directors was fully supported and coordinated by the management. The independent Directors actively attended business trainings on the Board and Guidance for Directors by the Hong Kong Stock Exchange, the Compliance Management of Anti-Money Laundering of the People's Bank of China and Corporate Governance System of Bank of Gansu, which further enhanced their ability to perform their duties.

III. MAJOR CONCERNS IN PERFORMANCE OF DUTIES DURING THE YEAR

(I) Related party transactions

During the reporting period, independent Directors of the Bank paid close attention to the development of domestic and overseas regulations and standards, strengthened the review and supervision of related party transaction management, improved the related-party transaction management system, promoted the level of technology application in related party transaction management, and procured that the related-party transactions were conducted in compliance with laws, regulations and business principles.

(II) Nomination and remuneration of senior management members

In 2021, the Board of Directors of the Bank considered and approved the Proposal on the Remuneration Distribution and Settlement Plan for Directors and Supervisors for 2020, the Proposal on the Remuneration Distribution and Settlement Plan for Senior Management for 2020, the Proposal on Adjusting the Directors of Bank of Gansu, the Proposal on Re-election of the Board of Directors and other proposals. Independent Directors all agreed on the matters about the nomination and remuneration of the senior management members of the Bank.

(III) Results forecast and preliminary results estimate

During the reporting period, there was no results forecast or preliminary results estimate required to be disclosed by the Bank.

(IV) Engagement or change of accounting firms

During the reporting period, in accordance with relevant requirements on the annual report work, independent Directors maintained adequate communication with external auditors and conscientiously performed relevant responsibilities and duties. Independent Directors concluded that the auditors engaged by the Bank strictly followed the professional conduct standards of independence, objectiveness and fairness in the audit, and satisfactorily completed all tasks. Therefore, independent Directors agreed on further engagement of ShineWing Certified Public Accountants LLP and SHINEWING (HK) CPA Limited as the Bank's accounting firms in 2021.

(V) Cash dividends and other returns to investors

The Bank has sound decision-making procedures and mechanism regarding profit distribution. The Bank attaches great importance to the return to shareholders. During the process of drafting the profit distribution plan, the Board of Directors extensively collected the opinions and requests from shareholders, protected the legitimate rights and interests of minority shareholders, and submitted the profit distribution plan to the general meeting for approval. The independent Directors discharged their duties and played their roles diligently in the decision-making process of the profit distribution plan. After considering the capital replenishment factors to support long-term development, the Bank proposed not to distribute the dividend for 2020, with the remaining retained earnings of the parent company of RMB4.11 billion to be carried forward to the following year.

(VI) Implementation of information disclosure

Bank duly and fully disclosed regular reports such as the 2020 annual report, 2021 half-year report, as well as interim announcements in accordance with the laws and regulations and the Articles of Association. Independent Directors actively performed their duties in the preparation and disclosure of the annual report and fully communicated and discussed with external auditors on annual audit work of the Bank.

(VII) Protection of the legitimate rights and interests of depositors and minority shareholders

The independent Directors of the Bank actively performed their duties by conducting a preliminary review of and in-depth investigation into the resolutions subject to consideration and approval of the Board of Directors. They also exercised their voting rights in connection therewith in an independent, prudent and objective manner. With regard to related party transactions, they conducted a rigorous examination of the transactions between the Bank and its substantial shareholders, so as to effectively protect the legitimate rights and interests of the depositors and minority shareholders of the Bank.

(VIII) Operation of the Board of Directors and its special committees

The special committees established under the Board comprise the strategy and development committee, audit committee, related party transaction and risk management committee, nomination and remuneration committee and consumer rights protection committee.

In 2021, the Board of Directors convened a total of 11 meetings, at which the matters such as re-election, major personnel appointment and dismissal, development strategies, business plans, annual reports, financial budgets, financial accounts, profit distribution proposals, the amendment to Articles of Association, information disclosure and major related party transactions of the Bank were considered and approved in strict compliance with the requirements of the Company Law, the Listing Rules and the Articles of Association.

In 2021, the strategy and development committee convened a total of 2 meetings, at which resolutions in relation to the five-year development strategy, the issuance of financial bonds, the 2020 environmental, social and governance (ESG) report, the report of progressing digital transformation and other resolutions were considered and approved.

In 2021, the audit committee convened a total of 3 meetings, and held 2 separate meetings with external auditors. The committee supervised the preparation of and audited the 2020 annual report, 2021 half-year report and relevant results announcements, paid attention to the implementation of the new financial instrument standards and strengthened the supervision and assessment of the auditing work of external auditors. The audit committee reviewed the annual financial reports of the Bank in accordance with the rules of procedure for the audit committee under the Board of Directors of the Bank and strengthened communication with external auditors in a timely manner. The audited annual financial report was reviewed and voted on by the audit committee before it was submitted to the Board of Directors for consideration and approval.

In 2021, the related party transaction and risk management committee convened a total of 7 meetings. The committee kept a close eye on the impact of domestic and international economic and financial situations on the Bank, strengthened comprehensive risk management, paid attention to the anti-money laundering and non-performing asset transfer work and gave advice and recommendations regarding comprehensive enhancement of risk management capability. Pursuant to the domestic and overseas regulatory provisions, the committee sorted and reviewed the related party transactions within the definition of rules of the CBRC and the Hong Kong Stock Exchange and actively communicated with the management personnel and provided them with independent audit opinions.

In 2021, the nomination and remuneration committee convened a total of 4 meetings. In terms of nomination, the committee considered and approved the proposal for the nomination of candidates for the re-election of the Board of Directors and ensured the candidates were eligible for these positions, observed laws, administrative regulations, rules and the Articles of Association and were able to perform their duties in a diligent manner. The nomination and remuneration committee was of the opinion that the composition of the Board of Directors of the Bank during the reporting period was in conformity with the requirements of the board diversity policy of the Bank. In terms of remuneration and performance appraisal, such proposals as the remuneration distribution and settlement plan for Directors and Supervisors for 2020, remuneration distribution and settlement plan for the senior management for 2020, etc. were considered and approved; and advice and recommendations regarding boosting Board diversity, optimizing performance appraisal of the senior management, improving remuneration incentive rules and strengthening talent development and cultivation were provided.

In 2021, the consumer rights protection committee convened a total of 2 meetings, at which the work report of consumer rights protection committee of Bank of Gansu for 2020 and the first half of 2021 was considered and approved. The committee continuously intensified its efforts in financial consumer rights protection, strengthened external communication and coordination, constantly improved the system and mechanism for financial consumer rights protection, and actively developed a good atmosphere for financial consumer rights protection, resulting in significant improvement and enhancement of the quality and efficiency in consumer rights protection.

IV. OVERALL EVALUATION AND SUGGESTIONS

In 2021, independent Directors performed their duties in an honest, diligent and independent manner in accordance with relevant provisions of relevant laws and regulations and the Articles of Association. This effectively enhanced the level of scientific decision-making of the Board of Directors and its special committees, improved corporate governance and protected the legitimate rights and interests of the Bank and all of its shareholders. In 2022, independent Directors will continue to improve their duty performance ability, fulfill their duties diligently, and propose suggestions in an independent and objective manner, so as to effectively protect the legitimate rights and interests of shareholders.

In order to standardize and supervise the performance of duties by the Board of Directors, senior management and their members, ensure the self-discipline of the Board of Supervisors and supervisors, and give full play to the supervision function of the Board of Supervisors, the Board of Supervisors of the Bank organized and carried out the evaluation and supervision of the performance by the Board of Directors, the Board of Supervisors, the senior management and their members in 2021, in accordance with the Guidelines on the Board of Supervisors of Commercial Banks and the Measures on Assessment of the Performance of Duties of Directors and Supervisors of Banking and Insurance Institutions (Trial), the Articles of Association of Bank of Gansu Co., Ltd. and the regulations and regulatory requirements of the Board of Supervisors of the Bank on duties performance evaluation of directors, supervisors, senior management and their members. Based on the daily work records of directors and supervisors, the on-site evaluation by the principals of all branches and departments of the head office, and the evaluation of the Board of Supervisors, the performance evaluation results are comprehensively summarized. The evaluation results are now reported as follows:

I. EVALUATION ON THE DUTY PERFORMANCE OF THE BOARD OF DIRECTORS AND ITS MEMBERS

In 2021, in the face of the challenges brought by the changing macroeconomic situation and the impact of the pandemic, the Board of Directors of the Bank earnestly performed their duties by actively taking actions to overcome difficulties, making scientific arrangements, and giving full play to the decision-making and supervision functions with focus on the two main lines of development and risk reduction. According to the internal and external economic and financial development conditions in conjunction with the Bank's operation and development objectives, operation and risk profile, risk tolerance capacity, the Board of Directors formulated five-year development strategy plan, comprehensive risk management and internal control and compliance policy system, capital planning and other plans, and comprehensively implemented the plan of "One Plan and Two Systems" throughout the Bank. Besides, the Board of Directors regularly listened to the reports of the senior management on the operation status, asset quality and risk management of the Bank, analyzed and evaluated the main risks and risk management to supervise the key points, monitored the senior management to effectively perform their management responsibilities to prevent and resolve risks. Under the leadership of the Party Committee of the Head Office, the Board continued to improve corporate governance, deepen reform, clarify development orientation, promote structural transformation, strengthen risk management and control, optimize asset quality, and improve operation efficiency, earnestly implemented the opinions of internal and external inspection and supervision, and actively promoted problem rectification. The implementation of authorization management and target assessment to the senior management effectively promoted the resolutions of the Board of Directors, realizing the various operational and management objectives. Each special committee of the Board of Directors operated regularly in accordance with the Articles of Association and relevant rules of procedure. At the end of the year, the re-election of the Board of Directors was completed with the professional structure of the directors meeting the regulatory requirements.

During the year, all Directors have strictly abided by the laws, regulations and the Articles of Association of the Bank, performed their duties conscientiously and diligently from the perspective of safeguarding the interests of shareholders and the overall interests of the Bank, and have well fulfilled the rights and obligations conferred by the Articles of Association. Directors are able to attend the meetings of the Board of Directors and its special committees in accordance with regulations, and the attendance at the meetings of the Board of Directors exceeds two-thirds of the total number of meetings. All Directors paid attention to and comprehend the Bank's corporate governance, development strategy, business investment, risk management, internal control and compliance, financial management, operation and key issues of the Bank at ongoing basis. During the performance of their duties, Directors are capable of using their professional expertise and working experience and seriously studying and judging to make independent, professional and objective judgments, and putting forward opinions and suggestions on the business reports, financial reports, risk management-related reports and various topics submitted for consideration and approval by the Bank.

After evaluation, no directors were found to have leaked the Bank's secrets, or sought for improper interests for himself/herself or others by taking advantage of his/her position, or harmed the interests of the Bank and the shareholders, and otherwise violated laws, regulations and the Articles of Association. The Board of Supervisors is view of that all directors are competent.

II. EVALUATION ON THE DUTY PERFORMANCE OF THE BOARD OF SUPERVISORS AND ITS MEMBERS

In 2021, with the aim of safeguarding the legitimate rights and interests of the Bank's shareholders and other stakeholders, the Board of Supervisors of the Bank constantly strengthened its own construction by improving its overall operational level and performance capability, conscientiously exercised the authority to supervise, and actively explored innovative supervision methods. The Board of Supervisors conscientiously performed supervision duties by means of meeting supervision, special supervision, inspection supervision, etc., and adopted the method of combination of research supervision and special supervision, daily supervision and key supervision to organize supervisory activities such as on-site inspection, auditing investigation, audit and evaluation. Based on the whole domain of stable development of Bank of Gansu, the Board of Supervisors took initiative to strengthen the consciousness of supervision and risk prevention. By attending important meetings such as the meetings of the Board of Directors and bank business meetings, the Board of Supervisors had a comprehensive understanding of the business situation, and gave full play to its supervisory role in the formulation of development strategies, business decision-making, appointment and removal of important personnel, standardizing business behavior, risk prevention and control, and strengthening internal audit and supervision, actively put forward opinions and suggestions to promote the high-quality development of the Bank. The grassroots research was attached importance to learn about the current situation and existing problems of

grassroots operations, and put forward opinions and suggestions to the Board of Directors and senior management in timely manner, so as to improve the pertinence and effectiveness of supervision. The Board of Supervisors established the performance files and information collection channels of Directors and senior management, and a supervisory mechanism that integrated different sections, and also it regularly organized and convened the meetings of the Board of Supervisors and its special committees. The special supervision was carried out over the business decision-making and implementation, risk management, internal control, credit management, rectification of problems found in internal and external inspections of the Bank and in-depth analysis of the problems reflected in the supervision and investigation were made, thus forming a supervision report. The Board of Supervisors issued the letter of supervision opinions to the Board of Directors and senior management to urge the rectification for problems. The chairman of the Board of Directors, the chairman of the Board of Supervisors and the president of the Bank frequently reported the situation by communicating and coordinating with each other to ensure the normal operation of the Bank. By the end of 2021, the Bank successfully completed the re-election of the third session of the Board of Supervisors. The knowledge, professionalism and ability of supervisors have been improved, which effectively promoted the Board of Supervisors to carry out supervision and performance of duties in better ways.

During the year, all supervisors have strictly abided by the laws, regulations and the Articles of Association of the Bank, carefully and diligently performed the supervisory duties conferred by the Articles of Association, actively attended the meetings of the Board of Supervisors and its special committees. Attendance at the meetings of the Board of Supervisors accounted for more than two-thirds of the total number of meetings. The supervisors have effectively supervised the performance of duties, business decisions, financial management, internal control, risk management and other activities of the Board of Directors and the senior management by deliberating on proposals and attending meetings in accordance with the law. Through attending relevant meetings, supervisors have a timely and comprehensive grasp of the Bank's business decision-making information, management situation, and the background and process of resolutions on various major matters, and listen to understand the content and formation process of various important decisions, review the selection procedures of the Board of Directors, strategic development plans, major related party transactions, and develop opinions or suggestions on matters considered at the meeting. All supervisors could actively study the regulatory policies and rules of procedure of the Board of Supervisors and other systems and measures, participate in the training and study organized by the Board of Supervisors, continuously improving their ability to perform duties.

After evaluation, all supervisors have the professional knowledge, work experience and basic qualities necessary to perform their duties, and have good professional ethics. In the course of performing their duties, with the goal of protecting the interests of the Bank's shareholders, all supervisors have strictly abided by their commitments and obligations, prudently exercised their rights, and faithfully performed their duties. The Board of Supervisors is view of that all supervisors are competent.

III. EVALUATION ON THE DUTY PERFORMANCE OF SENIOR MANAGEMENT AND ITS MEMBERS

In 2021, confronting with the complex and changing macroeconomic situation and the continuous introduction of monetary and credit policies and new regulatory regulations, the senior management of the Bank conscientiously conducted the national economic and financial policies and regulatory requirements, and earnestly implemented the resolutions of the general meeting of shareholders, the Board of Directors and the Board of Supervisors, diligently performed their duties, focused on the two main lines of development and resolution, continuously improved operation and risk management, established and perfected internal control and compliance system and comprehensive risk management system, thus effectively enhancing risk management capabilities. The senior management actively responded to market challenges and increasingly fierce competition, made great efforts to increase the transformation of business structure, strengthened assessment and incentives, and promote efficiency improvement. Focusing on the annual business objectives, the senior management strengthened basic management, strictly controlled risks, improved the level of stable operation, promoted product innovation, and comprehensively improved the quality of development, thus successfully completing the annual goals and tasks assigned by the Board of Directors. By the end of the year, the total assets reached RMB358.505 billion, representing an increase of 4.7% ; the total liabilities reached RMB326.448 billion, representing an increase of 5%; the loan balance was RMB198.595 billion, representing an increase of 9.2%; the customer deposits balance was RMB255.988 billion, representing an increase of 2.5%; the net profit was RMB573 million, and the non-performing loan ratio was 2.04%, representing a decrease of 0.24 percentage point as compared with the beginning of the year. During the year, there was no violations of laws, regulations and the Articles of Association identified in the duty performance of the senior management.

During the year, the senior management of the Bank were able to carry out their work with integrity and diligence, put the interests of all shareholders and overall interests of the Bank first, strictly abided by the provisions of national laws, regulations and Articles of Association, earnestly implemented the national financial guidelines and policies, and seriously implement the resolutions of the Board of Directors and the Board of Supervisors and various requirements of the regulatory authorities. In addition, the senior management took initiative to accept the oversight of regulatory authorities and the Board of Supervisors by performing their business management duties in compliance with laws and regulations, carefully exercised their business management rights, and focused on strengthening communication with the Board of Directors and the Board of Supervisors. According to their respective authorized division of labor, they have given full play to their enthusiasm and initiative with diligence and dedication to work together, and carried out various tasks pragmatically. There was no matters related to violation of laws, regulations and Articles of Association identified among senior management.

After evaluation, the Board of Supervisors is view of that all members of senior management are competent. In the opinions of the Board of Supervisors, there are still certain issues required attention despite the fact that the senior management and its members have achieved the expected operating results in 2021 with well-performed duties, for which the Board of Supervisors recommended:

Firstly, the senior management shall strive to improve the profitability of assets by adopting the targeted measures in performance assessment and interest rate pricing, vigorously promoting the development of intermediate business and product innovation, thus accelerating the transformation from focusing on scale to profitability of the development of various businesses.

Secondly, it is necessary to strengthen the management and control of non-performing assets by strictly managing the classification of non-performing loans, strengthening the collection and disposal, using multiple channels with multiple means, and putting efforts to collect non-performing loans, so as to promote the continuous improvement of the quality of the Bank's assets.

I. REMUNERATION DISTRIBUTION AND SETTLEMENT RESULTS FOR DIRECTORS OF THE BANK IN 2021 ARE AS FOLLOWS:

Remuneration before tax received from the Bank in 2021 (Unit: RMB'0,000)

Name	Remuneration payable (1)	Social insurance, annuity, supplementary medical insurance and housing provident funds contributed by the Bank (2)			Other monetary income (3)	Total (4) = (1) + (2) + (3)	Allowance	Whether receiving any remuneration from corporate shareholder(s) or other related party (ies)
Liu Qing	59.35	14.37		1.80	75.52	-	No	
Wang Wenyong	55.36	14.09		1.80	71.25	-	No	
Wu Changhong	-	-		-	-	-	Yes	
Zhang Hongxia	-	-		-	-	7.14	Yes	
Guo Jirong	-	-		-	-	-	Yes	
Liu Wanxiang	-	-		-	-	-	Yes	
Zhang Youda	-	-		-	-	-	Yes	
Tang Xiuli	-	-		-	-	14.29	No	
Luo Mei	-	-		-	-	14.29	No	
Wong Sincere	-	-		-	-	14.29	No	
Dong Ximiao	-	-		-	-	14.29	No	

Notes:

1. The remuneration for the Bank's person-in-charge, who is responsible for operation of the state-owned financial enterprise administered by the Gansu Provincial Government, shall be determined in accordance with the remuneration standard for provincial financial enterprise as stipulated by the provincial government.
2. In accordance with relevant laws and regulations, independent non-executive Directors receive allowances from the Bank.
3. The remuneration before tax shown in the above table refers to the total amount of remuneration of the Directors of the Bank for the year 2021, including the remuneration paid as disclosed in the Bank's 2021 annual report. The remuneration payable to Mr. Liu Qing includes the payment of RMB40,100 for deferred performance in previous years, and the remuneration payable to Mr. Wang Wenyong includes the payment of RMB29,300 for deferred performance in previous years.

4. As Ms. Wu Changhong, Mr. Guo Jirong, Mr. Liu Wanxiang and Mr. Zhang Youda were dispatched by corporate shareholders to serve as Directors of the Bank, for which their remuneration is paid by their respective corporate shareholder. As Ms. Zhang Hongxia was dispatched by a corporate shareholder to serve as a Director of the Bank, she receives remuneration from such corporate shareholder and receives Director's allowance from the Bank, effective from January 2021 to June 2021. Besides, some independent non-executive Directors of the Bank serve as directors or senior management officers in other corporate bodies or organizations, and thus such corporate bodies or organizations are deemed as related parties of the Bank. Save as disclosed above, none of the Directors of the Bank received remuneration from any related parties of the Bank during the reporting period.
5. The Bank completed the re-election of the Board of Directors on 24 December 2021. The six newly-appointed Directors, namely Shi Guanglei, Zhao Xingjun, Yang Chunmei, Ma Zhiqiang, Wang Tingting and Liu Guanghua, have obtained the qualifications to serve as director approved by the regulatory authorities on 4 March 2022, and they did not perform their duties in 2021 and did not receive any form of remuneration as a Director of the Bank.

II. REMUNERATION DISTRIBUTION AND SETTLEMENT RESULTS FOR SUPERVISORS IN 2021:

Remuneration before tax received from the Bank in 2021 (Unit: RMB'0,000)

Name	Remuneration before tax received from the Bank in 2021 (Unit: RMB'0,000)				Total (4) = (1) + (2) + (3)	Allowance	Whether receiving any remuneration from corporate shareholder(s) or other related party (ies)
	Remuneration payable (1)	Social insurance, annuity, supplementary medical insurance and housing provident funds contributed by the Bank (2)	Other monetary income (3)				
Tang Lan	55.88	14.09	1.80	71.77	-	No	
Xu Yongfeng	80.21	14.41	2.22	96.84	-	No	
Luo Zhenxia	66.55	14.14	2.22	82.91	-	No	
Zeng Lehu	-	-	-	-	-	Yes	
Li Yongjun	-	-	-	-	-	Yes	
Wang Wenjian	-	-	-	-	-	Yes	
Dong Ying	-	-	-	-	-	No	
Luo Yi	-	-	-	-	14.29	No	
Sun Yan	-	-	-	-	8.33	No	

Notes

1. The remuneration for the Bank's person-in-charge, who is responsible for operation of the state-owned financial enterprise administered by the Gansu Provincial Government, shall be determined in accordance with the remuneration standard for provincial financial enterprise as stipulated by the provincial government.
2. In accordance with relevant laws and regulations, external Supervisors who are not appointed by corporate shareholder(s) shall receive allowances from the Bank.
3. The remuneration before tax shown in the above table refers to the total amount of remuneration of the Supervisors of the Bank for the year 2021, including the remuneration paid as disclosed in the Bank's 2021 annual report. The remuneration payable to Ms. Tang Lan includes the payment of RMB34,200 for deferred performance in previous years, the remuneration payable to Mr. Xu Yongfeng includes the payment of RMB218,400 for deferred performance in previous years and the remuneration payable to Mr. Luo Zhenxia includes the payment of RMB109,100 for deferred performance in previous years.
4. As Mr. Zeng Lehu, Mr. Li Yongjun and Mr. Wang Wenjian were dispatched by corporate shareholders of the Bank to serve as Supervisors of the Bank, their remunerations are paid by their respective corporate shareholder. As Mr. Dongying is an external Supervisor recommended by a corporate shareholder, his remuneration is paid by his corporate shareholder and does not receive Supervisor's allowance from the Bank. Mr. Sun Yan received Supervisor's allowance since June 2021. Besides, external Supervisors serve as directors or senior management officers in other corporate bodies or organizations, and thus such corporate bodies or organizations are deemed as related parties of the Bank. Save as disclosed above, none of the Bank's Supervisors received remuneration from any related parties of the Bank during the reporting period.
5. The Bank completed the re-election of the Board of Supervisors on 24 December 2021. The six newly-appointed Supervisors, namely Zhang Yanlong, Han Zhenjiang, Ma Runping, Li Zongyi, Wang Xiaopei and Liu Peixun, did not receive any form of remuneration as a Supervisor of the Bank in 2021.

According to the Law of the People's Republic of China on Commercial Banks, the Administrative Measures for the Related Party Transactions between the Commercial Banks and their Insiders or Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules"), the Articles of Association of the Bank of Gansu Co., Ltd, and the Measures on Management of the Related party Transaction of the Bank of Gansu Co., Ltd. (《甘肅銀行股份有限公司關聯交易管理辦法》) and other relevant provisions, particulars of the Bank's related party/connected transactions in 2021 are described as follows:

I. PARTICULARS OF RELATED PARTY TRANSACTIONS

(I) Particulars of related party transactions under the rules of the CBIRC

As at the end of 2021, the balance of credit granting transactions between the Bank and all related parties was RMB14,867 million and the net amount was RMB14,419 million after deducting the security deposits of RMB448 million, accounting for 43.57% of the net capital of the Bank, among which, the net amount of credit granting transactions of all related legal persons was RMB14,183 million, accounting for 42.85% of the net capital of the Bank, and the net amount of credit granting transactions of the single largest related legal person (Gansu Financial Holding Group Co., Ltd.) was RMB1,900 million, accounting for 5.74% of the net capital of the Bank; the related natural persons and their close relatives amounted to RMB196 million, accounting for 0.59% of the net capital of the Bank.

1 *Gansu Province Highway Aviation Tourism Investment Group Co., Ltd. ("Gansu Highway Aviation Tourism Group") and its controlled subsidiaries*

During the Reporting Period, the net amount of credit business between the group and its controlled subsidiaries and the Bank was RMB3,015 million, accounting for 9.11% of the net capital of the Bank.

2 *Gansu Provincial State-owned Assets Investment Group Co., Ltd. (the "Gansu State-owned Assets Investment Group") and its controlled subsidiaries*

During the Reporting Period, the net amount of credit business between the group and its controlled subsidiaries and the Bank was RMB2,643 million, accounting for 7.99% of the net capital of the Bank, among which, the bond investment business amounted to RMB170 million.

3 *Gansu Financial Holding Group Co., Ltd. and its controlled subsidiaries*

During the Reporting Period, the net amount of credit business between the group and its controlled subsidiaries and the Bank was RMB3,575 million, accounting for 10.8% of the net capital of the Bank, among which, the bond investment business amounted to RMB100 million.

4 *Jiuquan Iron & Steel (Group) Co., Ltd and its controlled subsidiaries*

During the Reporting Period, the net amount of credit business between the group and its controlled subsidiaries and the Bank was RMB3,987 million, accounting for 12.05% of the net capital of the Bank, among which, the loans of various types amounted to RMB3,257 million, the off-balance sheet businesses amounted to RMB1,044 million, and the security deposits amounted to RMB313 million.

5 *Jinchuan Group Co., Ltd and its controlled subsidiaries*

During the Reporting Period, the net amount of credit business between the group and its controlled subsidiaries and the Bank was RMB767 million, accounting for 2.32% of the net capital of the Bank, among which, the loans of various types amounted to RMB582 million, the off-balance sheet businesses amounted to RMB271 million, and the security deposits amounted to RMB86 million.

During the Reporting Period, the related party transactions between the Bank and enterprises controlled by natural person related parties and their close relatives mainly represented loans of various types, with a balance of RMB432 million, accounting for 1.31% of the Bank's net capital, among which, the balance of transactions with natural persons amounted to RMB196 million, and the balance of transactions with legal persons amounted to RMB236 million.

In summary, related party transactions between related parties and the Bank are conducted in accordance with commercial principles and on terms no favorable than those offered to non-related parties for similar transactions. At the same time, the ratios of credit balance to net capital of related party transactions between the Bank and a single related party customer, a single related party group customer, or all related party customers are all in compliance with the requirements of the CBRC on proportional control, namely 10%, 15% and 50%.

(II) Particulars of connected transactions under the Hong Kong Listing Rules**1. *The first category: Commercial banking services and products provided in the ordinary and usual course of business***

During the Reporting Period, the Bank provided loans and other credit facilities of RMB12,218 million to connected persons and the balance of deposits of connected persons with the Bank amounted to RMB8,112 million.

(1) *Gansu Highway Aviation Tourism Group and its controlled subsidiaries*

During the Reporting Period, the balance of the credit connected transactions between the group and its controlled subsidiaries and the Bank was RMB3,953 million, including loans of RMB3,653 million, the balance of the renewable corporate bond business invested with non-principal-protected wealth management was RMB300 million and the balance of deposits with the Bank was RMB3,337 million.

(2) *Gansu State-owned Assets Investment Group and its controlled subsidiaries*

During the Reporting Period, the balance of the credit connected transactions between the group and its controlled subsidiaries and the Bank was RMB8,265 million, including loans of RMB7,795 million and the bond investment of RMB470 million, and the balance of deposits with the Bank amounted to RMB4,775 million.

The loans, other credit facilities and deposits provided by the Bank to the connected persons are entered into in the ordinary and usual course of business on normal commercial terms and with reference to prevailing market interest rates. Pursuant to Rule 14A.87(1) and Rule 14A.90 of the Hong Kong Listing Rules, these transactions constitute fully exempt continuing connected transactions, and therefore are in compliance with the reporting, annual review, announcement and independent shareholders' approval requirements under the Chapter 14A of Hong Kong Listing Rules.

2. *The Second Category: Subscription of bonds*

On 25 November 2020, the Bank subscribed for the bonds in a total nominal value of RMB170 million from Gansu Assets Management Co., Ltd. (甘肅資產管理有限公司) (the “**Gansu Assets Management**”), a subsidiary of Gansu State-owned Assets Investment Group. Such transaction constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules, is subject to the reporting and announcement requirements, but is exempt from relevant circular (including independent financial advice) and independent shareholders’ approval requirements.

On 9 February 2021, the Bank subscribed for the debt instruments in a total nominal value of RMB300 million from Gansu Railway Investment and Construction Group Co., Ltd. (甘肅省鐵路投資建設集團有限公司) (the “**Gansu Railway Investment**”), an associate of Gansu State-owned Assets Investment Group. Such transaction constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules, is subject to the reporting and announcement requirements, but is exempt from relevant circular (including independent financial advice) and independent shareholders’ approval requirements.

As of 31 December 2021, the Bank has sold all medium-term notes of RMB300 million issued by Gansu State-owned Assets Investment Group in the national interbank bond market, and the Bank still holds bonds of RMB170 million issued by Gansu Assets Management and current debt instruments of RMB300 million issued by Gansu Railway Investment.

(III) **Related party transactions under the rules of the CBIRC and the rules of the Hong Kong Stock Exchange**

1. Asset transfer

At the end of September 2021, the Bank transferred non-performing assets of RMB508 million to Gansu Asset Management through public bidding, of which the principal amount was RMB417 million and the interest amount was RMB91 million, involving 38 borrowing companies, the transfer price of the asset package was determined to be RMB101.4 million, accounting for 0.31% of the net capital of the Bank, which was conducted in accordance with commercial principles and on terms no favorable than those offered to non-related parties for similar transactions. On October 18, the Board of Directors of the Bank considered and approved the Proposal on Market-Based Transfer of Non-performing Assets or Constituting Related Party Transactions. On December 10, the announcement on rights and debts of the borrower and guarantor was completed. In January 2022, the two parties completed the transfer of files. Such transfer of debt assets is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but is exempt from relevant circular (including independent financial advice) and independent shareholders' approval requirements.

2. Provision of services and others

(1) Property leasing business

The Bank entered into the property leasing agreement with JISCO Zhongtian Property Co., Ltd. (酒鋼集團中天置業有限公司) (“**Zhongtian Property**”). Pursuant to the agreement, Zhongtian Property agreed to lease a property located in Jiayuguan, Gansu province to the Bank as the Bank's business office, with a leasing term from January 1, 2021 to December 31, 2021 and at an annual rental of RMB562,200. The transaction was conducted on normal commercial terms.

The Bank entered into the property leasing agreement with Gansu Province Highway Aviation Tourism Assets Management Co., Ltd. (甘肅公航旅資產管理有限公司). Pursuant to the agreement, Gansu Province Highway Aviation Tourism Assets Management Co., Ltd. agreed to lease a shop located in Xifeng District, Qingyang City to the Bank as the Bank's business office, with a leasing term from August 1, 2019 to July 31, 2022 and at an annual rental of RMB627,000. The transaction was conducted on normal commercial terms.

(2) *Property services business*

The Bank entered into a property management agreement with Lanzhou Changhong Property Management Co., Ltd. (蘭州長虹物業管理有限公司) (an associate of Gansu State-owned Assets Investment Group, a substantial shareholder of the Bank) (“**Changhong Property Management**”). Pursuant to the agreement, Changhong Property agreed to provide property management services to Bank of Gansu Tower situated at Chengguan District of Lanzhou, Gansu province, with a term from January 1, 2021 to December 31, 2021. The total annual service fees of the contract amounted to RMB5,240,000. At the same time, it was agreed that Changhong Property Management would collect property fees of RMB1.18 million from commercial tenants in the Gansu Bank Building on behalf of the Bank. During the Reporting Period, the Bank actually paid RMB4.06 million to Changhong Property Management for various services. The transaction was conducted on normal commercial terms.

II. PARTICULARS OF THE IMPLEMENTATION OF RELATED PARTY TRANSACTION MANAGEMENT

(I) Management of the list of related parties in 2021

1. Related legal person

During the Reporting Period, the Bank had 279 related parties under the rules of the CBIRC, mainly including Gansu Highway Aviation Tourism Group (holding 18.3% equity interest in the Bank), Gansu Provincial State-owned Assets Investment Group Co., Ltd. (holding 12.67% equity interest in the Bank), Gansu Financial Holding Group Co., Ltd. (holding 8.29% equity interest in the Bank), Jiuquan Iron & Steel (Group) Co., Ltd. (holding 6.53% equity interest in the Bank), Jinchuan Group Co., Ltd (holding 6.53% equity interest in the Bank), their controlled subsidiaries and enterprises controlled by related natural relatives.

The Bank had 704 connected parties under the Hong Kong Listing Rules, mainly including Gansu State-owned Assets Investment Group, Gansu Highway Aviation Tourism Group and their controlled corporations or related parties.

2. Related natural persons

During the Reporting Period, the Bank had 9,392 related natural persons and their close relatives under the Administrative Measures for the Related Party Transactions between the Commercial Banks and their Insiders or Shareholders and the actual management structure and business authorization of the Bank; the Bank had 204 related persons under the Hong Kong Listing Rules.

(II) The approval of related party transactions

In order to further enhance the scientific and flexible management of related party transactions, the Bank implemented the estimated cap management for related party transactions for the year in accordance with the relevant requirements on related party transactions and with reference to the relevant practice in the industry subject to the regulatory rules such as Administrative Measures for the Related Party Transactions between the Commercial Banks and their Insiders or Shareholders. Relevant transactions were carried out in strict accordance with the management requirements of related party transactions after consideration and approval at the general meeting and the Board of Directors.

(III) The management on pricing of related party transactions

The pricing of the transactions between the Bank and its related parties shall comply with the principles governing the prevailing market price and the pricing standards shall be determined according to the type of the particular related transaction. It shall be specified in the agreement in respect of such related party transaction. The pricing of the credit extension related party transaction shall be determined by the Bank pursuant to the relevant pricing administrative measures on credit extension as well as the credit rating and the actual risk situation of related-party customers. The pricing of service provision related party transactions shall be determined by the Bank by reference to market price of similar services.

During the Reporting Period, the transactions between the Bank and its related parties strictly followed the above-mentioned transaction pricing principles, and were conducted on terms no favourable than those offered to non-related parties for similar transactions and in accordance with general commercial terms and normal business procedures. Such transactions are legitimate and fair and would in no event cause any damage to the legitimate interests of other shareholders.

III. NEXT-STEP WORK MEASURES**(I) Continuously maintain the list of related parties**

The Bank will carefully sort out and clarify criteria for identification of related natural persons, standardize an independent reporting mechanism and strictly monitor and facilitate their implementation in accordance with the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions (CBIRC Order [2022] No. 1), the Measures for the Supervision of the Behavior of Major Shareholders of Banking and Insurance Institutions (Trial) (Yin Bao Jian Fa [2021] No.43) and other institutional requirements, and will enhance communication and contact with domestic and foreign lawyers, and collect and improve the list of related legal persons in a timely manner in accordance with the principle of penetration.

(II) Strictly implement the approval system for related party transactions

The Bank will, in accordance with the regulatory requirements on related party transactions and with reference to the relevant practice in the industry subject to the regulatory rules such as Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions, move forward the risk control of related party transactions and adopt the mode of management of the estimated quota approved by the general meeting and the Board of Directors to review the related party transactions on a case-by-case basis within the estimated quota scope and based on the authorization management regulations, so as to effectively prevent the occurrence of illegal related party transactions and safeguard the interests of shareholders.

(III) Set up a cross-departmental management office of related party transactions to strengthen business and problem rectification

Firstly, in accordance with the new regulatory regulations, a cross-departmental management office of related party transactions will be established to clarify the responsibilities of leading departments and cooperating departments, and strengthen business management and rectification of problems. Secondly, to strengthen reporting and communication with regulatory agencies and accurately understand and grasp regulatory requirements under the effective guidance of regulatory agencies, so as to effectively improve the management level of the Bank's related party transactions. Thirdly, to strengthen the training of branches, form a conscious behavior to identify related parties and manage related transactions and ensure that the training and management are in place, and consolidate the foundation for the risk management of related party transactions.

(IV) Establish the management system and improve the level of information management

The Bank will establish a management system of related party transactions. Through the introduction of external industrial and commercial data and the comprehensive use of internal data, the Bank will realize the intelligent identification of related parties by information management, improve the effectiveness of the list of related parties and strengthen the monitoring and warning system for related party transactions so as to solve the large workload of manual collection, omissions and misstatements in various types of statistical reports, and effectively improve the management level of the Bank's related party transactions.

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
	Measures for Equity Management of Bank of Gansu Co., Ltd.		Measures for Equity Management of Bank of Gansu	Amended according to the actual situation of the Bank
Chapter 1 General Provisions		Chapter 1 General Provisions		
Article 1	In order to strengthen the equity management of Bank of Gansu Co., Ltd. (“the Bank”), standardize acts of the Bank’s shareholders, protect the lawful rights and interests of the Bank, its depositors and other customers, safeguard the legitimate interests of its shareholders, and promote the sound operation and healthy development of the Bank, these measures are formulated in accordance with the Company Law of the People’s Republic of China, the Commercial Bank Law of the People’s Republic of China, the Interim Measures on Equity Management of Commercial Banks, the CBRC Notice on Enhancing Management of Pledge of Equity Interest in Commercial Banks, the Guidance of the People’s Bank of China, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission on Enhancing Regulation on Investment in Financial Institutions by Non-Financial Enterprises, the Circular of the General Office of China Banking Regulatory Commission on Regulating Matters on Reporting by Shareholders of Commercial Banks, as well as other relevant laws, regulations, rules and regulatory documents, and the Articles of Association of Bank of Gansu Co., Ltd. (hereinafter referred to as the “Articles of Association”) and based on the actual conditions of the Bank.	Article 1	In order to strengthen the equity management of Bank of Gansu Co., Ltd. (“the Bank”), standardize acts of the Bank’s shareholders, protect the lawful rights and interests of the Bank, its depositors and other customers, safeguard the legitimate interests of its shareholders, and promote the sound operation and healthy development of the Bank, these measures are formulated in accordance with the Company Law of the People’s Republic of China, the Commercial Bank Law of the People’s Republic of China, the Interim Measures on Equity Management of Commercial Banks, the CBRC Notice on Enhancing Management of Pledge of Equity Interest in Commercial Banks, the Guidance of the People’s Bank of China, China Banking and Insurance Regulatory Commission and China Securities Regulatory Commission on Enhancing Regulation on Investment in Financial Institutions by Non-Financial Enterprises, <u>the Measures for the Management of Related Party Transactions of Banking and Insurance Institutions</u> , the Circular of the General Office of China Banking Regulatory Commission on Regulating Matters on Reporting by Shareholders of Commercial Banks, <u>the Corporate Governance Guidelines for Banking and Insurance Institutions</u> , <u>the Notice of the CBIRC on Issuing Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial)</u> and <u>the Notice of the General Office of the CBIRC on Further Strengthening the Management of Commitments of Shareholders in Banking and Insurance Institutions</u> , as well as other relevant laws, regulations, rules and regulatory documents, and the Articles of Association of Bank of Gansu Co., Ltd. (hereinafter referred to as the “Articles of Association”) and based on the actual conditions of the Bank.	Amended according to the actual situation of the Bank

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
Chapter II Shareholder's Responsibilities		Chapter II Shareholder's Responsibilities		
Article 12	<p>Each substantial shareholder of the Bank shall undertake in writing that he/she will abide by applicable laws and regulations, regulatory requirements and the Bank's Articles of Association when purchasing the Bank's equity, and shall explain the purpose of such purchase.</p> <p>A substantial shareholder refers to a shareholder who holds or controls more than 5% of the shares or voting rights of the Bank, or holds less than 5% of the Bank's total capital or shares but has significant impact on the operation and management of the Bank. The aforementioned "significant impact" includes but is not limited to the dispatching of director(s), supervisor(s) or senior executive(s) to the Bank, exerting impact on the Bank's financial, operational and management decisions by way of agreement or through other means, and other circumstances as identified by the banking and insurance regulatory authority or its local offices.</p>	Article 12	<p>Each substantial shareholder of the Bank shall undertake in writing that he/she will abide by applicable laws and regulations, regulatory requirements and the Bank's Articles of Association when purchasing the Bank's equity, and shall explain the purpose of such purchase. <u>When a substantial shareholder of the Bank acquires equity in the Bank and reports to the CBIRC and its local offices for approval and filing, it shall explain the source of funds in detail and actively cooperate with the CBIRC and its local offices and the Bank in reviewing the source of funds.</u></p> <p>A substantial shareholder refers to a shareholder who holds or controls more than 5% of the Shares or voting rights of the Bank, or holds less than 5% of the Bank's total capital or Shares but has significant impact on the operation and management of the Bank.</p> <p>The aforementioned "significant impact" <u>refers to the right to participate in (but has no right to control, either by itself or together with other parties) the decision-making of the Bank's financial and operating policies,</u> including but not limited to the dispatching of director(s), supervisor(s) or senior executive(s) to the Bank, exerting impact on the Bank's financial, operational and management decisions by way of agreement or through other means, and other circumstances as identified by the banking and insurance regulatory authority or its local offices.</p>	Amended according to the Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial), the Measures for the Management of Related Party Transactions of Banking and Insurance Institutions

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
Article 13	<p>No shareholder of the Bank may authorize any other person to hold Shares of the Bank or accept any other person’s authorization to hold equity of the Bank.</p> <p>A substantial shareholder of the Bank shall state its equity structure level by level up to its actual controller and ultimate beneficiary, as well as its relationship as a related party or a person acting in concert with any other shareholder.</p>	Article 13	<p>No shareholder of the Bank may authorize any other person to hold Shares of the Bank or accept any other person’s authorization to hold equity of the Bank.</p> <p>A substantial shareholder of the Bank shall state its equity structure level by level up to its actual controller and ultimate beneficiary, as well as its relationship as a related party or a person acting in concert with any other shareholder, <u>to ensure the authenticity and transparency of the equity relationship, and shall not conceal the de facto controller, the related relationship, share trust, private agreement and other illegal activities.</u></p> <p><u>A shareholder of the Bank shall report his/her/its information for being a related party to the Bank as required within 15 working days from the date on which it becomes a holder of more than 5% (inclusive) of the Shares of the Bank or it becomes able to exert significant impact on the Bank.</u></p>	Amended according to the Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial), the Measures for the Management of Related Party Transactions of Banking and Insurance Institutions
Article 15	<p>The same investor and its related parties and persons acting in concert purchasing shares of the Bank shall follow the requirements on shareholding ratios as prescribed by the banking and insurance regulatory authority.</p> <p>The same investor and its related parties and persons acting in concert shall not purchase shares of more than two commercial banks as a major shareholder or control more than one commercial bank, unless otherwise stipulated by laws and regulations.</p>	Article 15	<p>For the same investor and its related parties and persons acting in concert, <u>the percentage of their shareholding and the number of institutions which hold Shares of the Bank for them shall be in compliance with the regulatory requirements, and they may not authorize any other person to hold the Shares of the Bank on their behalf or accept any other person’s authorization to hold the Shares of the Bank on his/her behalf.</u></p> <p>The same investor and its related parties and persons acting in concert shall not purchase shares of more than two commercial banks as a major shareholder or control more than one commercial bank, unless otherwise stipulated by laws and regulations.</p>	Amended according to the Corporate Governance Guidelines for Banking and Insurance Institutions

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
Article 26	The shareholders of the Bank shall abide by the provisions on related party transactions as prescribed by applicable laws and regulations, the banking and insurance regulatory authority and the Bank, and may not engage in any improper related party transactions with the Bank, neither shall they use their influence over the operation and management of the Bank to seek illicit benefits.	Article 26	<p>The shareholders of the Bank shall abide by the provisions on related party transactions as prescribed by applicable laws and regulations, the banking and insurance regulatory authority and the Bank, and may not engage in any improper related party transactions with the Bank, neither shall they use their influence over the operation and management of the Bank to seek illicit benefits.</p> <p><u>A substantial shareholder of the Bank is strictly prohibited from engaging in improper related party transactions with the Bank in the following ways or using their influence over the Bank to seek illicit benefits:</u></p> <p>(I) <u>obtaining bank credit, such as loans, bill acceptance and discount, bond investment and investment in special purpose vehicles under the conditions favorable than those for similar transactions with non-related parties;</u></p> <p>(II) <u>carrying out fund utilization business or insurance business with insurance institutions under the conditions favorable than those for similar transactions with non-related parties;</u></p> <p>(III) <u>illegally occupying or disposing of the Bank's funds or other rights and interests by means of loans, guarantees, etc.;</u></p> <p>(IV) <u>the Bank bears the relevant expenses that are unreasonable or should be borne by the substantial shareholders and their related parties;</u></p>	Supplemented according to <u>the Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial)</u>

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
			<p>(V) <u>purchasing or leasing assets of the Bank, or selling or leasing inferior assets to the Bank under the conditions favorable than those for similar transactions with non-related parties;</u></p> <p>(VI) <u>using the Bank’s intangible assets for free or under the conditions favorable than those for similar transactions with non-related parties, or charging the Bank excessive fees for the use of intangible assets;</u></p> <p>(VII) <u>using the position of being substantial shareholder to seek business opportunities belonging to the Bank;</u></p> <p>(VIII) <u>using the undisclosed information or business secrets of the Bank to seek benefits;</u></p> <p>(IX) <u>engaging in improper related party transactions or seeking illicit benefits in other ways.</u></p>	

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
	Chapter III Equity Information Management and Disclosure		Chapter III Equity Information Management and Disclosure	
Article 31	<p>The substantial shareholders of the Bank shall report the following information to the Bank in a timely, accurate and complete manner:</p> <p>(I) Their operating conditions, financial information and shareholding structures;</p> <p>(II) The sources of their funds used to purchase the Bank's equity;</p> <p>(III) Their controlling shareholders, actual controllers, related parties, persons acting in concert and ultimate beneficiaries and any changes thereof;</p> <p>(IV) Any of their shareholdings in the Bank that is subject to litigation preservation measures or law enforcement;</p> <p>(V) Any of their shareholdings in the Bank that is pledged or released;</p> <p>(VI) Any change in their names;</p> <p>(VII) Any merger or spin-off;</p>	Article 31	<p>The substantial shareholders of the Bank shall report the following information to the Bank in a timely, accurate and complete manner:</p> <p><u>(I) information such as its own financial information, shareholding structure, sources of capital for subscription, controlling shareholders, de facto controllers, related parties, parties acting in concert, ultimate beneficiaries and investment in other financial institutions;</u></p> <p><u>(II) if there is any change in the controlling shareholders, de facto controllers, related parties, parties acting in concert and ultimate beneficiaries, the relevant shareholders shall comply with laws, regulations and regulatory requirements to notify the Bank in writing of changes in a timely manner;</u></p> <p><u>(III) to notify the Bank in writing in a timely manner of any litigation, arbitration, legal enforcement action initiated by judicial or other authorities, pledge or release of pledge in respect of the shares held by it in the banking and insurance institutions in accordance with laws, regulations and regulatory requirements;</u></p> <p><u>(IV) transfer of Shares held in the Bank, or pledge or release of Shares held in the Bank;</u></p> <p><u>(V) change of name;</u></p>	Amended according to the Corporate Governance Guidelines for Banking and Insurance Institutions

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
	<p>(VIII) Any regulatory measures imposed on them such as suspension of business for rectification, designated custody, takeover or revocation, or any entry into proceedings in relation to dissolution, bankruptcy or liquidation;</p> <p>(IX) Any other circumstances that may cause changes to their shareholder qualifications or lead to changes in their equity holding of the Bank.</p>		<p>(VI) <u>in the event of any change in merger or division, being subject to such measures as suspension of business for rectification, appointment of a custodian, takeover, and revocation, or entering into dissolution, liquidation or bankruptcy proceedings, or any change in such significant matters as the legal representative, company name, domicile and scope of business, the relevant shareholders shall promptly notify the Bank in writing according to laws, regulations and regulatory requirements;</u></p> <p>(VII) any other circumstances that may cause changes to their shareholder qualifications or lead to changes in their equity holding in the Bank.</p>	
	Chapter IV Equity Pledge		Chapter IV Equity Pledge	
Article 36	<p>Where a shareholder guarantees with the Shares of the Bank for himself/herself or others, it shall inform the Board of the Bank in advance. The Bank shall not accept the guarantee with the Shares of the Bank as the collateral. The office of the Board of the Bank is responsible for the daily work of the collecting, sorting and submitting of pledge information on the Shares of the Bank.</p>	Article 36	<p>Where a shareholder guarantees with the Shares of the Bank for himself/herself or others, it shall inform the Board of the Bank in advance. The Bank shall not accept the guarantee with the Shares of the Bank as the collateral. The office of the Board of the Bank is responsible for the daily work of the collecting, sorting and submitting of pledge information on the Shares of the Bank. <u>The substantial shareholders of the Bank shall not use their Shares in the Bank to provide guarantee for debts other than those of themselves and their related parties, and shall not use the form of share pledge to hold the Shares of the Bank on behalf of others, have illegal related shareholding and transfer the Shares in disguised form.</u></p>	<p>Amended according to <u>the Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial)</u></p>

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
Article 37	When a shareholder who holds a seat or seats on the Board of Directors and/or the Board of Supervisors of the Bank, or directly, indirectly or jointly holds or controls more than 2% of the Bank's Shares or voting rights pledges its Shares in the Bank, it shall file an application with the Board of Directors of the Bank in advance, stating the reasons for the pledge, the number of Shares to be pledged, the time duration of the pledge and the basic information about the pledge holder. <u>The Board of Directors shall review and decide the validity of such application by resolutions.</u> Where the Board of Directors determines that the intended pledge will have significant adverse impact on equity stability, corporate governance, risk control or related party transactions control of the Bank, it shall reject the filing of the application. When the Board of Directors reviews the relevant matters of the application, the director nominated by the shareholder planning to make the pledge and elected at the general meeting shall recuse himself or herself.	Article 37	When a shareholder who holds a seat or seats on the Board of Directors and/or the Board of Supervisors of the Bank, or directly, indirectly or jointly holds or controls more than 2% of the Bank's Shares or voting rights pledges its Shares in the Bank, it shall file an application with the Board of Directors of the Bank in advance, stating the reasons for the pledge, the number of Shares to be pledged, the time duration of the pledge and the basic information about the pledge holder. Where the Board of Directors determines that the intended pledge will have significant adverse impact on equity stability, corporate governance, risk control or related party transactions control of the Bank, it shall reject the filing of the application. When the Board of Directors reviews the relevant matters of the application, the director nominated by the shareholder planning to make the pledge and elected at the general meeting shall recuse himself or herself.	Deleted according to the Notice of the CBRC on Enhancing Management of Pledge of Equity Interests in Commercial Banks
Article 40	Where the Bank's equity pledged by one of its shareholders reaches 50% or more of the Bank's total shares held by it, the voting rights of the shareholder at the general meeting and <u>the voting rights</u> of the director nominated by it and elected at the general meeting at the Board meetings <u>shall be both restricted.</u> The Bank shall set out the above circumstances in the minutes of relevant meetings.	Article 40	Where the Bank's equity pledged by one of its shareholders reaches 50% or more of the Bank's total shares held by it, the voting rights of the shareholder at the general meeting and <u>the voting rights</u> of the director nominated by it and elected at the general meeting at the Board meetings <u>shall not be exercised.</u> The Bank shall set out the above circumstances in the minutes of relevant meetings.	Amended the expression according to <u>the Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial)</u>

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
	Chapter V Shareholdings Evaluation and Duties and Responsibilities of the Bank		Chapter V Shareholdings Evaluation and Duties and Responsibilities of the Bank	
Article 48	The Board of Directors of the Bank shall, at least annually, evaluate its substantial shareholders regarding their qualifications, performance of commitments, implementation of the Bank's Articles of Association or relevant agreements, as well as their compliance with laws, regulations and regulatory requirements, and submit the evaluation reports thereof to the banking and insurance regulatory authority or its local offices in a timely manner.	Article 48	The Board of Directors of the Bank shall, at least annually, evaluate its substantial shareholders regarding their qualifications, <u>financial situation, shareholding, related party transactions in the previous year,</u> performance of commitments, implementation of the Bank's Articles of Association or relevant agreements, as well as their compliance with laws, regulations and regulatory requirements, and submit the evaluation reports thereof to the banking and insurance regulatory authority or its local offices in a timely manner.	Supplemented according to <u>the Measures for the Supervision of the Behaviors of Substantial Shareholders of Banking and Insurance Institutions (Trial)</u>
	Chapter VI Supplementary Provisions		Chapter VI Supplementary Provisions	
Article 53	The meanings of the following terms mentioned in these measures are explained as follows: (I) Based on the provisions of Article 216 of the Company Law of the People's Republic of China, the controlling shareholder refers to a shareholder who contributes more than 50% of the total capital of a limited liability company or holds more than 50% of the total share capital of a company limited by shares, or a shareholder who, despite its contribution or shareholding being less than 50% of the total capital or the total share capital, has sufficient voting rights carried on its shareholding to exert significant impact on the resolutions of the shareholders' meeting or the general meeting.	Article 53	The meanings of the following terms mentioned in these measures are explained as follows: (I) Based on the provisions of Article 216 of the Company Law of the People's Republic of China, the controlling shareholder refers to a shareholder who contributes more than 50% of the total capital of a limited liability company or holds more than 50% of the total share capital of a company limited by shares, or a shareholder who, despite its contribution or shareholding being less than 50% of the total capital or the total share capital, has sufficient voting rights carried on its shareholding to exert significant impact on the resolutions of the shareholders' meeting or the general meeting.	Amended according to the Measures for Management of Related Party Transactions of Banking and Insurance Institutions

**ANNEX 7 COMPARISON TABLE FOR THE AMENDMENTS TO THE MEASURES
FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
	<p>(II) Based on the provisions of Article 216 of the Company Law of the People's Republic of China, the actual controller refers to the person who, despite not being a shareholder of the company, is able to actually control the conduct of the company through investment relations, agreements or other arrangements.</p> <p>(III) Related/Connected party includes the "connected transactions" under the Accounting Standards for Business Enterprises 36–Disclosure of Related Party and the Hong Kong Listing Rules of the Hong Kong Stock Exchange.</p> <p>Based on the Accounting Standards for Business Enterprises 36–Disclosure of Related Party, if a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control or significant influence from another party, they are considered to be related parties. However, enterprises controlled by the State are not deemed related to one another solely because they are all controlled by the State.</p>		<p>(II) Based on the provisions of Article 216 of the Company Law of the People's Republic of China, the actual controller refers to the person who, despite not being a shareholder of the company, is able to actually control the conduct of the company through investment relations, agreements or other arrangements.</p> <p><u>(III) Related/connected parties refer to any natural person, legal person or unincorporated organization that controls, or is controlled by, has significant impact on, or significantly impacted by, or under common control or significant impact with, with the Bank.</u> However, enterprises controlled by the State are not deemed related to one another solely because they are all controlled by the State.</p> <p><u>(IV) Related party/connected transactions refer to the transfer of interests between the Bank and related parties;</u> Based on the Hong Kong Listing Rules of the Hong Kong Stock Exchange, "connected transactions" are transactions conducted by the listed issuer group (namely the listed issuer and its subsidiaries) with connected persons, and specified categories of transactions conducted by the listed issuer group with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions. They may be one-off transactions or continuing transactions.</p>	

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FOR EQUITY MANAGEMENT OF BANK OF GANSU**

No. of measures before amendments	Measures before amendments	No. of measures after amendments	Measures after amendments	Description
	Based on the Hong Kong Listing Rules of the Hong Kong Stock Exchange, “connected transactions” are transactions conducted by the listed issuer group (namely the listed issuer and its subsidiaries) with connected persons, and specified categories of transactions conducted by the listed issuer group with third parties that may confer benefits on connected persons through their interests in the entities involved in the transactions. They may be one-off transactions or continuing transactions.		<p>(V) A concerted action refers to the act or fact that an investor, through agreements or other arrangements and in cooperation with other investors, jointly expands the quantity of the voting rights carried on the shares of a company in their control. The investors engaged in concerted actions are people acting in concert.</p> <p>(VI) The ultimate beneficiary refers to the person who effectively enjoys the return on the Bank’s Shares.</p>	
Article 55	These measures shall come into effect after it is considered and approved at the general meeting of the Bank.	Article 55	These measures <u>shall come into effect from the date of issuance</u> after it is considered and approved at the general meeting of the Bank. <u>The original Measures for Equity Management of Bank of Gansu Co., Ltd. (Bank of Gansu Fa [2019] No. 260) shall be repealed on the same date.</u>	Amended according to the actual situation of the Bank

In order to keep the capital adequacy ratio constantly remaining at the required level, meet the capital requirement of the Bank for its continuous business development, utilize financing platforms flexibly and effectively and take advantage of opportunities in the capital market in a timely manner, it is proposed that the Board approve and propose the general meeting to approve the proposal for granting the Board a general mandate to issue shares and matters including authority delegation by the Board, according to the requirements of applicable laws and regulations of the PRC, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the articles of association of Bank of Gansu Co., Ltd. (the “Articles of Association”).

I. PARTICULARS OF THE GENERAL MANDATE TO ISSUE SHARES

- (I) Subject to the conditions set out in Paragraph (II) below, the Board shall be authorized to separately or concurrently ratify, allot, issue, grant and/or otherwise deal with Shares (overseas listed foreign Shares and/or Domestic Shares (including A Shares)), securities convertible into Shares, share options and warrants of securities that are entitled to subscribe for any Shares or are convertible into Shares, or other securities that carry rights to subscribe for or are convertible into Shares during the Relevant Period (as defined below).

Notwithstanding the fulfillment of the conditions set out in Paragraph (II) below, the Board of the Bank shall obtain a separate mandate by way of a special resolution prior to making the allotment of Shares with voting rights if such allotment will result in an actual change of the control rights of the Bank

- (II) The number of Shares (overseas listed foreign Shares and/or Domestic Shares (including A Shares)), securities convertible into Shares, share options and warrants of securities that are entitled to subscribe for any Shares or are convertible into Shares, or other securities that carry rights to subscribe for or are convertible into Shares (among which, the above securities shall be calculated on the basis of the number of overseas listed foreign Shares/Domestic Shares which such securities can be converted into/be allotted) proposed to be ratified, allotted, issued, granted and/or otherwise dealt with by the Board shall not respectively exceed 20% of the total number of each category of the overseas listed foreign Shares and Domestic Shares of the Bank in issue as at the date on which this resolution is passed at the AGM.
- (III) For the purposes of this resolution, “Relevant Period” means the period from the date on which this special resolution is passed at the general meeting until the earliest of:
1. the conclusion of the next annual general meeting of the Bank following the date on which this resolution is passed;
 2. the expiration of twelve months following the date on which this resolution is passed at the general meeting;

3. the date on which the authority granted to the Board under this resolution is revoked or varied by a special resolution at a general meeting.
- (IV) The Board shall be authorized to determine the details of the issuance plan, including but not limited to:
1. the class and number of Shares proposed to be issued;
 2. the pricing methods and/or the issue price (including the price range);
 3. the commencement and closing dates of the issuance;
 4. the specific use of proceeds;
 5. the making or granting of recommendations, agreements and options which might require the exercise of such powers;
 6. other contents that should be included in the detailed issuance plan as required under relevant laws and regulations and other normative documents, and as requested by relevant regulatory authorities and the stock exchange of the listing place.
- (V) The Board shall be authorized to implement the issuance plan and deal with the matters related to an increase in the registered capital of the Bank, so as to reflect the Shares authorized to be issued by the Bank under this resolution, and to make such amendments as it deems appropriate and necessary to the clauses related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and procedures which are necessary for the implementation of the issuance plan and the completion of the increase in the registered capital of the Bank.

II. RELEVANT AUTHORIZATION

In order to improve the efficiency of decision-making, reduce internal approval procedures and grasp market opportunities, it is proposed that the Board approve and the Board in turn propose the general meeting to authorize the Board and the persons authorized by the Board to deal with the matters in connection with 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.

The above proposal is presented for consideration.