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甘肃银行
BANK OF GANSU

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)

CONVERTIBLE NEGOTIATED DEPOSIT TO REPLENISH OTHER TIER-ONE CAPITAL

The Board hereby announces that in order to enhance the Bank's capital strength and risk resistance capabilities, the Bank intends to carry out the convertible negotiated deposit business to replenish other tier-one capital. The relevant plan is hereby formulated. The main contents are as follows:

1. BACKGROUND

On July 1, 2020, the Executive Meeting of State Council decided to allocate a certain amount within the quota of new local government special bonds, allowing local governments to replenish the capital of small and medium-sized banks by means of subscription for convertible bonds and other means in accordance with laws and regulations. In accordance with the aforesaid policies and arrangements, the Ministry of Finance has allocated a certain amount within the annual quota of new local government special bonds for local governments to subscribe to qualified capital instruments (including Convertible Negotiated Deposit) or inject capital into small and medium-sized banks for replenishment of their capital.

In order to further enhance the Bank's ability to withstand risks and better serve the development of the real economy, the Bank intends to apply for special local government bonds to replenish its capital. After the Bank obtains the quota of special local government bonds, the provincial finance department or its designated entity will replenish the Bank's capital in the form of the Convertible Negotiated Deposit.

2. METHODS AND NECESSITY OF CAPITAL REPLENISHMENT

Convertible Negotiated Deposit is an innovative capital instrument to replenish the capital of small and medium-sized banks. It is to inject local government bond funds that can be used to replenish the capital of small and medium-sized banks into target banks in the form of deposits. At the same time, the subscriber of the Convertible Negotiated Deposit enters into an agreement with the target banks to convert the deposit into ordinary Shares upon the fulfillment of the conditions for the conversion, or to repay the principal and interest by the target banks upon the maturity of the Convertible Negotiated Deposit or when it becomes redeemable.

The Bank intends to sign the Agreement with the Department of Finance of Gansu Province or its designated entity, pursuant to which the Department of Finance of Gansu Province or its designated entity shall deposit the special bond funds into the Bank in the form of deposits to replenish the Bank's other tier-one capital, and the Bank shall pay interest every six months. Where the conversion conditions are triggered during the term, all or part of the Convertible Negotiated Deposit shall be converted into the ordinary shares of the Bank in stages. Using special bonds to replenish capital is conducive to improving the Bank's capital adequacy level and enhancing its ability to withstand risks.

3. BASIC ELEMENTS FOR CONVERTIBLE NEGOTIATED DEPOSIT

Subject of deposit

Department of Finance of Gansu Province or its designated entity.

Qualified targets of issuance

Upon the triggering of the conversion conditions, the Bank shall issue shares to the qualified entity designated by the Department of Finance of Gansu Province. Such entity shall not be connected to the Bank or Department of Finance of Gansu Province (within the meaning of the Listing Rules), nor shall it have any business and financial relationship with Department of Finance of Gansu Province, and shall comply with the provisions of the NFRA on the qualifications of shareholders of the commercial bank as well as the relevant requirements of the Gansu Provincial Government. Post-issuance shareholding structure of the Bank shall meet the requirements of the Hong Kong Stock Exchange regarding public float and other relevant aspects (the "**Qualified Targets of Issuance**").

The Department of Finance of Gansu Province or its designated entity will designate high-quality private enterprises that have stable operations, excellent qualifications, sound management systems and good financial conditions as the Qualified Target Subscribers. Upon the triggering of the conversion conditions and the implementation of the conversion, the Bank, the Department of Finance of Gansu Province (or its designated entity) and the Qualified Target Subscribers will sign a subscription agreement, which will set out the payment terms, requiring the Qualified Target Subscribers to pay the subscription amount for the converted Shares to the Department of Finance of Gansu Province (or its designated entity) based on the conversion price. The Bank shall then issue the Shares to the Qualified Target Subscribers.

Quota

Not more than RMB3 billion.

Interest rate

Before the conversion, the interest rate of the Convertible Negotiated Deposit shall match with the corresponding interest rate on the issuance of local government special bond and the interest rate will be 2.86% per annum.

Repayment of principal and payment of interest

The term of the Convertible Negotiated Deposit shall be set in accordance with the maturity requirements of the Special Bonds in batches. Among them, 3-year deposits of RMB0.6 billion, 4-year deposits of RMB0.6 billion, 5-year deposits of RMB0.6 billion, 6-year deposits of RMB0.6 billion and 7-year deposits of RMB0.6 billion. Interest on the Convertible Negotiated Deposit is paid semi-annually. The Bank may repay the funds of the Convertible Negotiated Deposit in advance upon approval by the Department of Finance of Gansu Province.

Purpose

To replenish other tier-one capital of the Bank.[1]

Core conversion terms

When the core tier-one capital adequacy ratio of the Bank is lower than 5.125%, and other conditions as set out in the Agreement are met, all or part of the Convertible Negotiated Deposit will be converted into ordinary Shares periodically and included in the core tier-one capital.

Specifically, the conversion of Convertible Negotiated Deposit into ordinary Shares of the Bank shall satisfy the following conditions: (i) the core tier-one capital adequacy ratio of the Bank is lower than 5.125% (in accordance with the relevant laws and regulations, the core tier-one capital adequacy ratio should not be less than 7.5% and the Bank's core tier-one capital adequacy ratio as at June 30, 2025 is 10.65%); or (ii) the core tier-one capital adequacy ratio of the Bank is not lower than 5.125%, but non-viability trigger events occurred to the Bank as confirmed by the regulatory authorities. The non-viability trigger event is defined as the earlier of the NFRA having decided that without a write-down or conversion, the Bank would become non-viable; or the NFRA having decided that without capital injection or equivalent support, the Bank would become non-viable. The class and number of the converted ordinary Shares and the shareholding structure of the Bank shall satisfy the particular requirement of the Hong Kong Stock Exchange for the minimum public float, otherwise the conversion shall be terminated. In accordance with the requirements under Rule 8.08(1) of the Listing Rules, the minimum public float of the Bank shall be 25% (the "**Minimum Public Float**"). To ensure compliance with Minimum Public Float requirements, the Convertible Negotiated Deposits will be converted into Domestic Shares and H shares at a ratio of 75% to 25%.

[1] In accordance with the Administrative Measures for the Capital of Commercial Banks (《商業銀行資本管理辦法》), the total capital of commercial banks includes core tier-one capital, other tier-one capital and tier-two capital. Other tier-one capital includes: other tier-one capital instruments and its premium as well as applicable portions of minority shareholders' capital that may be included.

Conversion price

It is determined on the basis of the higher value of (i) average trading price of H Shares of the Bank for 20 trading days preceding the date of the Board resolution approving the Convertible Negotiated Deposit (i.e. the total trading amount of H Shares of the Bank for the 20 trading days preceding August 25, 2025/total trading volume of H Shares of the Bank for such 20 preceding trading days), which will be translated into the price of RMB (i.e. HK$0.292 (equivalent to approximately RMB0.266)) with the central parity of the RMB against the Hong Kong dollars announced by State Administration of Foreign Exchange on the date of the Board resolution, and (ii) the net assets per Share attributable to the owners of the parent company based on the consolidated statement after asset and capital verification at the time of conversion of the Convertible Negotiated Deposit (see "**Conversion price**" below for details). The Bank's net assets per Share attributable to the owners of the parent company based on the consolidated statement as of June 30, 2025 was RMB2.26. The conversion price shall be subject to adjustments as set out "Conversion price" below.

The basis for determining the conversion price of the Convertible Negotiated Deposit is based on the Measures for the Administration on Securities Issuance and Registration of Listed Companies of the China Securities Regulatory Commission and other relevant laws and regulations, as well as the conversion clauses of domestic and overseas preference shares issued by domestic banks (for replenishing other tier-one capital) with reference to the average trading price in the 20 trading days prior to the pricing base date. In the opinion of the Board, the determination of the conversion price is in compliance with the Company Law of the People's Republic of China, and is fair and reasonable.

Further, in accordance with the relevant requirements under the Company Law of the People's Republic of China, the conversion price of the converted H Shares under the Convertible Negotiated Deposit shall not be less than the nominal value of the Shares, being RMB1.00 per Share. Accordingly, the minimum conversion price under the Convertible Negotiated Deposit is RMB1.00 per Share (the "**Minimum Conversion Price**").

For illustrative purpose, the Minimum Conversion Price of the Convertible Negotiated Deposit is RMB1.00 (equivalent to approximately HK$1.10):

(1) It represents a premium of approximately 275.43% over the average trading price of the Bank's H shares in the 5 trading days prior to the date of the resolution of the Board (i.e. August 25, 2025);

(2) It represents a premium of approximately 272.88% over the average trading price of the Bank's H shares in the 10 trading days prior to the date of the resolution of the Board (i.e. August 25, 2025);

(3) It represents a discount of approximately 269.13% to the average trading price of the Bank's H shares in the 30 trading days prior to the date of the resolution of the Board (i.e. August 25, 2025);

(4) It represents a discount of approximately 311.99% to the average trading price of the Bank's H shares in the 90 trading days prior to the date of the resolution of the Board (i.e. August 25, 2025).

Therefore, under the above conditions, as calculated by the Minimum Conversion Price of RMB1.00 per Share and the conversion ratio of Domestic Shares and H Shares at a ratio of 75% to 25%, the conversion for the Convertible Negotiated Deposit may have one of the following circumstances:

(a) If the conversion conditions are triggered within 6 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB3.0 billion

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 2,250,000,000 Domestic Shares and 750,000,000 H Shares of the Bank), which are held by the Qualified Targets of Issuance to the maximum extent (i.e., a total of 2,250,000,000 Domestic Shares and 750,000,000 H Shares). The equity structures of the Bank immediately before and after the conversion to Shares are set out as follows:

	As at the date of this announcement		Immediately after the implementation of the conversion	
	Number of shares	Approximate percentage of the total issued Shares of the Bank	Number of shares	Approximate percentage of the total issued Shares of the Bank
Among which:				
Qualified Targets of Issuance	–	–	2,250,000,000	12.45%
Gansu Highway Aviation Tourism Investment Group Co., Ltd. (甘肅省公路航空旅遊投資集團有限公司)[2]	2,657,154,433	17.63%	2,657,154,433	14.70%
Gansu Provincial State-owned Assets Investment Group Co., Ltd. (甘肅省國有資產投資集團有限公司)[3]	1,909,250,972	12.67%	1,909,250,972	10.57%
Jinchuan Group Co., Ltd. (金川集團股份有限公司)[4]	983,972,303	6.53%	983,972,303	5.45%
Jiuquan Iron & Steel (Group) Co., Ltd. (酒泉鋼鐵(集團)有限責任公司)[5]	983,972,303	6.53%	983,972,303	5.45%
Other holder(s) of the Domestic Shares	4,741,641,319	31.46%	4,741,641,319	26.24%
Total issued Domestic Shares	**11,275,991,330**	**74.83%**	**13,525,991,330**	**74.85%**
Qualified Targets of Issuance[6]	–	–	750,000,000	4.15%
Holder(s) of H Shares	3,793,800,000	25.17%	3,793,800,000	21.00%
Total issued H Shares	**3,793,800,000**	**25.17%**	**4,543,800,000**	**25.15%**
Total	**15,069,791,330**	**100.00%**	**18,069,791,330**	**100.00%**

Notes:

1. Certain amounts and percentage figures included in the table above have been subject to rounding adjustments, and any discrepancy between the total amount and the arithmetical sum of the amounts listed is due to rounding.

2. Gansu Highway Aviation Tourism Investment Group Co., Ltd. is wholly-owned by Gansu SASAC and directly holds 2,657,154,433 Domestic Shares of the Bank, representing approximately 17.63% of total issued share capital of the Bank.

3. The equity interests in Gansu Provincial State-owned Assets Investment Group Co., Ltd. is held by Gansu SASAC as to 84% and Jiuquan Iron & Steel (Group) Co., Ltd. as to 16%, and it directly holds 1,909,250,972 Domestic Shares of the Bank, representing approximately 12.67% of total issued share capital of the Bank.

4. The equity interests in Jinchuan Group Co., Ltd. is held by Gansu Provincial State-owned Assets Investment Group Co., Ltd as to approximately 54.24% and it directly holds 983,972,303 Domestic Shares of the Bank, representing approximately 6.53% of total issued share capital of the Bank.

5. The equity interests in Jiuquan Iron & Steel (Group) Co., Ltd. is held by Gansu Provincial State-owned Assets Investment Group Co., Ltd. as to 31.58% and Gansu SASAC as to 68.42%, and it directly holds 983,972,303 Domestic Shares of the Bank, representing approximately 6.53% of total issued share capital of the Bank.

6. The Qualified Target Subscribers will be independent third parties as defined by the Listing Rules and, as such, will be counted as public shareholders.

Immediately after the conversion to Shares, the Bank's total share capital is 18,069,791,330 Shares, including 13,525,991,330 Domestic Shares and 4,543,800,000 H Shares. Then the public float of the Bank will be 25.15%, which meets the Minimum Public Float requirement.

(b) If the conversion conditions are triggered within 6-7 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB2.4 billion

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 1,800,000,000 Domestic Shares and 600,000,000 H Shares of the Bank), which are held by the Qualified Targets of Issuance to the maximum extent (i.e., a total of 1,800,000,000 Domestic Shares and 600,000,000 H Shares). Immediately after the conversion to Shares, the Bank's total share capital is 17,469,791,330 Shares, including 13,075,991,330 Domestic Shares and 4,393,800,000 H Shares. Then the public float of the Bank will be 25.15%, which meets the Minimum Public Float requirement.

(c) If the conversion conditions are triggered within 7-8 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB1.8 billion

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 1,350,000,000 Domestic Shares and 450,000,000 H Shares of the Bank), which are held by the Qualified Targets of Issuance to the maximum extent (i.e., a total of 1,350,000,000 Domestic Shares and 450,000,000 H Shares). Immediately after the conversion to Shares, the Bank's total share capital is 16,869,791,330 Shares, including 12,625,991,330 Domestic Shares and 4,243,800,000 H Shares. Then the public float of the Bank will be 25.16%, which meets the Minimum Public Float requirement.

(d) If the conversion conditions are triggered within 8-9 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB1.2 billion

Assuming in compliance with the Minimum Public Float requirement, the amount of deposits are fully converted into Shares (i.e., a total of 900,000,000 Domestic Shares and 300,000,000 H Shares of the Bank), which are held by the Qualified Targets of Issuance to the maximum extent (i.e., a total of 900,000,000 Domestic Shares and 300,000,000 H Shares). Immediately after the conversion to Shares, the Bank's total share capital is 16,269,791,330 Shares, including 12,175,991,330 Domestic Shares and 4,093,800,000 H Shares. Then the public float of the Bank will be 25.16%, which meets the Minimum Public Float requirement.

(e) If the conversion conditions are triggered within 9-10 years (inclusive) after the issuance date of special bonds, the amount of conversion deposits involved will be RMB0.6 billion

Assuming the Minimum Public Float requirement is satisfied, the amount of deposits are fully converted into Shares (i.e., a total of 450,000,000 Domestic Shares and 150,000,000 H Shares of the Bank), which are held by the Qualified Targets of Issuance to the maximum extent (i.e., a total of 450,000,000 Domestic Shares and 150,000,000 H Shares). Immediately after the conversion, the Bank's total share capital is 15,669,791,330 Shares, including 11,725,991,330 Domestic Shares and 3,943,800,000 H Shares. Then the public float of the Bank will be 25.17%, which meets the Minimum Public Float requirement.

Provided the conditions for conversion are met and the Minimum Public Float Requirement is satisfied, the Convertible Negotiated Deposit shall be converted into Domestic Shares and H Shares at a ratio of 75% to 25% in each of the five scenarios as set out in paragraphs (a) to (e) above, with a maximum conversion of 2,250,000,000 Domestic Shares and 750,000,000 H Shares. If the Bank's public float does not meet the Minimum Public Float Requirement after the conversion, the Bank will consider various means to comply with the Minimum Public Float requirement (where applicable), or will not implement the conversion.

Based on that and the conversion price of RMB1.00, no theoretical dilutive effect will be resulted from the conversion. The Bank will ensure the compliance with the theoretical dilution effect requirement in accordance with Rule 7.27B of Listing Rules at the time of signing the Agreement and completing the Convertible Negotiated Deposit. The above calculation is for the illustrative purpose only.

4. AUTHORIZATION

The Bank will propose to the EGM and the Shareholders' Class Meetings to consider and approve the aforesaid capital replenishment plan and the authorization to issue the Shares in relation thereto, and sign the Agreement with the Department of Finance of Gansu Province or its designated entity within 12 months from the date of obtaining the approval of the EGM and the Shareholders' Class Meetings. Meanwhile, the Board will (1) propose to the Shareholders' General Meetings to authorize the Board and the Board to authorize the senior management to carry out the relevant work in due course in accordance with the main contents of the Agreement and the Bank's supplemental capital replenishment arrangements and in conjunction with the requirements of the Department of Finance of Gansu Province and the regulatory authorities, including making modifications to the proposal and the Agreement according to the requirements of the Listing Rules; (2) propose to the Shareholders' General Meetings to authorize the Board and the Board to authorize the senior management to carry out the specific matters relating to the Convertible Negotiated Deposit, including but not limited to: submitting materials to the financial departments and regulatory authorities, determining the specific scale, time, term and interest rate of deposits, the repayment of principal and interest of deposits and other related matters, signing all relevant

legal documents reached by both parties concerning the Convertible Negotiated Deposit, etc., and making appropriate adjustments in accordance with the requirements of financial departments and regulatory authorities.

The aforesaid authorization period shall be valid within 12 months from the date of approval by the EGM and the Shareholders' Class Meetings.

5. THE "CONVERTIBLE NEGOTIATED DEPOSIT" AGREEMENT ON REPLENISHING SMALL AND MEDIUM-SIZED BANKS' CAPITAL WITH THE SPECIAL BONDS

(a) Main contents

When the Bank has been granted a special bond quota, the Department of Finance of Gansu Province or its designated entity will deposit such special bond funds with the Bank in the form of the Convertible Negotiated Deposit to supplement other tier-one capital of the Bank, as detailed below:

(i) The Department of Finance of Gansu Province will deposit the proceeds from the local government special bonds in the form of negotiated deposit into the special RMB deposit account for corporate it opens in the Bank according to the Agreement.

(ii) With the consent of the relevant authorities, when the core tier-one capital adequacy ratio of the Bank is 5.125% or less, the Convertible Negotiated Deposit shall be converted into ordinary Shares of the Bank in accordance with the Agreement (see "**Conversion conditions**" below for details).

(iii) If the conversion conditions are not satisfied, the Bank shall pay the interest and repay the principal upon the maturity of the Convertible Negotiated Deposit according to the Agreement.

(iv) During the term of the Convertible Negotiated Deposit, the Bank shall promptly inform the Department of Finance of Gansu Province and the regulatory authorities of the core indicators such as capital adequacy ratio, formulate emergency plans, and strengthen liquidity management to ensure that the principal and interest of the Convertible Negotiated Deposit may be fully settled on time.

(b) Agreements on the Convertible Negotiated Deposit

When the Bank has been granted a special bond quota, the Department of Finance of Gansu Province or its designated entity intend to inject RMB3.0 billion in total in five installments into the Bank by means of the Convertible Negotiated Deposit (the actual amount shall be subject to the amount of the special bond funds that are finally decided to be used by the Department of Finance of Gansu Province and other government departments).

Among which, the installment with a term of 3 years is RMB0.6 billion; the installment with a term of 4 years is RMB0.6 billion; the installment with a term of 5 years is RMB0.6 billion; the installment with a term of 6 years is RMB0.6 billion; and the installment with a term of 7 years is RMB0.6 billion.

The commencement date of the Convertible Negotiated Deposit is the date of the Convertible Negotiated Deposit that actually deposited into by the Department of Finance of Gansu Province or its designated entity. The date of cessation in calculation of interest shall be the conversion completion date or the maturity date of the special bonds.

(c) Conversion conditions

The parties agree that the conversion of the Convertible Negotiated Deposit into the ordinary Shares of the Bank shall be subject to the following conditions:

(1) The core tier-one capital adequacy ratio of the Bank is lower than 5.125%; or

(2) The core tier-one capital adequacy ratio of the Bank is not lower than 5.125%, but non-viability trigger events occurred to the Bank as confirmed by the regulatory authorities. The non-viability trigger event is defined as the earlier of the NFRA having decided that without a conversion, the Bank would become non-viable; or the NFRA having decided that without capital injection or equivalent support, the Bank would become non-viable.

If the conversion conditions are triggered, all or part of the Shares shall be held by the independent third parties. The class and number of the converted ordinary Shares and the shareholding structure of the Bank shall satisfy the requirement of the minimum public float, otherwise the conversion shall be terminated.

(d) Conversion price

The conversion price is determined on the basis of the higher value of:

(1) average trading price of H Shares of the Bank for 20 trading days preceding the date of the Board resolution (i.e. the total trading amount of H Shares of the Bank for the 20 trading days preceding August 25, 2025/total trading volume of H Shares of the Bank for such 20 preceding trading days) approving the Convertible Negotiated Deposit, which will be translated into the price of RMB with the central parity of the RMB against the Hong Kong dollars announced by State Administration of Foreign Exchange on the date of the Board resolution (i.e. HK$0.292 (equivalent to approximately RMB0.266)); and

(2) the net assets per Share attributable to the owners of the parent company based on the consolidated statement after asset and capital verification at the time of conversion of the Convertible Negotiated Deposit. The net assets per share attributable to the owners of the parent company of the Bank based on the consolidated statement as at June 30, 2025 is RMB2.26.

If, after the date of the Board resolution to carry on the Convertible Negotiated Deposit business (before the date of the trigger event of the conversion), the Bank issues bonus dividends of ordinary Shares, converts capital reserves to share capital and issues new Shares at a price lower than the audited net assets per Share in the year end prior to the issuance (excluding any additional share capital from the conversion of financial instruments issued by the Bank with a provision for conversion into ordinary Shares) and makes rights issue (whether at a price lower than the audited net assets per Share in the year end prior to the issuance or not), the Bank will adjust the conversion price on a cumulative basis in accordance with the sequence of occurrences of the foregoing events, provided that the distribution of cash dividend of ordinary Shares by the Bank will not result in the adjustment of the conversion price. The specific adjustment rules have been set out as follow:

Bonus issue or conversion of capital reserves to share capital: $P1=P0\times N/(N+n)$;

Issuance of new Shares at a price lower than net assets per Share or rights issue: $P1 =P0 \times(N+k)/(N+n)$; $k=n\times A/M$;

In the aforesaid rules, "P0" denotes the effective conversion price before adjustment; "N" denotes the aggregate ordinary Shares of the Bank before the issuance of bonus dividends of ordinary Shares, conversion of capital reserves to share capital, issuance of new Shares or right issue; "n" denotes the number of new Shares created due to the issuance of bonus dividends of ordinary Shares, conversion of capital reserves to share capital, issuance of new Shares or right issue; "A" denotes the price of new Share issue or rights issue; "M" denotes audited net assets per Share in the year prior to the completion date of new Share issue or rights issue; and "P1" denotes the effective conversion price after adjustment.

In the case of rights issue (whether at a price lower than the audited net assets per Share in the year end prior to the issuance or not), the total number of shares capital of the Bank will increase and the equity interest per share will be diluted accordingly. Therefore, a corresponding discount shall be applied to the conversion price to ensure that all Shareholders' rights and interests are protected.

The ordinary Shares of the Bank to be issued as a result of the conversion of the Convertible Negotiated Deposit will rank pari passu with the existing issued ordinary Shares, and all holders of ordinary Shares whose names appear on the register of members of the Bank on the record date for dividend entitlement shall be entitled to receive the dividend for the current dividend period.

All or part of the Convertible Negotiated Deposit will be converted by the Department of Finance of Gansu Province or its designated entity to Shares held in the Bank (the "**Target Shares**"), and the number of Shares converted = the principal amount of the proposed Convertible Negotiated Deposit/the conversion price, and the Target Shares are ordinary Shares.

(e) Implementation of the conversion

If the conversion conditions are triggered and the implementation of the conversion is conducted, the Department of Finance of Gansu Province (or its designated entity) and the Qualified Targets of Issuance will enter into a capital increment agreement according to the conversion standards and conditions agreed in the Agreement. Under the five scenarios (a) to (e) set out in the paragraph "Conversion Price" above, the range of shareholding that the Qualified Target Subscribers may hold is between a minimum of 3.83% and a maximum of 16.6% of the Bank's total Shares. If an individual shareholder's shareholding reaches or exceeds 5%, such shareholder will be classified as a major shareholder in accordance with the Interim Measures for the Administration of Commercial Bank Equity (《商業銀行股權管理暫行辦法》). As stipulated by the Company Law and the Governance Guidelines for Banking and Insurance Institutions (《銀行保險機構公司治理準則》), major shareholders of the Bank are required to make capital replenishment commitments to the Bank and may also nominate a director to the Board.

(f) Effectiveness and termination

Neither the Department of Finance of Gansu Province and its designated entity nor the Bank shall change or cancel the Agreement without prior notice. If any change is required, the Department of Finance of Gansu Province or its designated entity and the Bank shall agree and sign a supplementary agreement, which shall have the equal binding effect as the Agreement.

The Agreement shall come into force upon the satisfaction of the following conditions:

(1) The Agreement is signed and stamped by the legal representatives or authorized representatives of the relevant parties;

(2) The Agreement is approved by securities regulatory authorities in the place where the Bank's Shares are listed and considered and passed by the Shareholders' General Meetings and Shareholders' Class Meetings; and

(3) The Convertible Negotiated Deposit and deposits into the Target Shares under the Agreement is approved by the relevant government authorities or upstream authorities (mainly include the Gansu Provincial Government, Gansu SASAC, etc.) (if necessary).

The Agreement shall be terminated in any of the following circumstances:

(1) The parties reach consensus to terminate the Agreement;

(2) The Convertible Negotiated Deposit cannot be implemented due to force majeure and other objective factors beyond the control of the parties;

(3) The severe violation of the Agreement or applicable laws by any party of the Agreement makes it impossible to perform and complete the Agreement. In this case, the other party has the right to unilaterally terminate the Agreement through written notice.

6. LISTING RULES IMPLICATIONS OF THE CONVERTIBLE NEGOTIATED DEPOSIT

Pursuant to the Listing Rules and the Articles of Association, the specific mandate of the proposed Convertible Negotiated Deposit and issuance of shares is subject to the requirements for approval at the Shareholders' General Meeting and Shareholders' Class Meetings.

The proposed Convertible Negotiated Deposit and its specific mandate were considered and approved by the Board on August 25, 2025. None of the Directors has material interest in the above matters and hence no Director has abstained from voting on such Board resolution.

The Bank did not conduct any equity fund raising activities or issue any equity securities within the 12 months immediately preceding the date of this announcement.

Circular

The circular, which sets out the details of the Convertible Negotiated Deposit, notices and other documents of Shareholders' General Meeting and Shareholders' Class Meetings, is expected to be provided to the Shareholders on or before September 4, 2025.

Warning

The proposed issuance of the Convertible Negotiated Deposit is subject to a number of conditions precedent, including but not limited to the approvals from the Shareholders and approvals from relevant regulatory bodies, which may or may not be fulfilled. There is no assurance that the Bank will proceed with the proposed issuance of the Convertible Negotiated Deposit. The Shareholders and potential investors of the Bank should exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Bank.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following items shall have the meanings set out below:

"Agreement"	the agreement on the Convertible Negotiated Deposit, and subject to the approval at the EGM and Shareholders' Class Meetings, which the Bank intends to enter into with Department of Finance of Gansu Province or its designated bodies
"Shareholders' Class Meetings"	the Class Meeting of Domestic Shareholders and Class Meeting of H Shareholders of the Bank to be convened in due course for the purpose of consideration and approval of matters in relation to the Convertible Negotiated Deposit
"Articles of Association"	the articles of association of the Bank (as amended from time to time)

"Bank"	Bank of Gansu Co., Ltd. (甘肅銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and whose H shares are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 2139)
"Convertible Negotiated Deposit"	when the Bank has been granted a special bond quota, the Department of Finance of Gansu Province or its designated entity will deposit the special bond funds with the Bank and the deposits will be converted into ordinary Shares upon fulfillment of the conversion conditions or will be repaid by the Bank with interest upon maturity or redemption of the Convertible Negotiated Deposit
"Company Law"	the Company Law of the People's Republic of China
"Board" or "Board of Directors"	the board of Directors of the Bank
"China" or "PRC"	the People's Republic of China
"Director(s)"	the director(s) of the Bank
"Domestic Share(s)"	ordinary Shares of RMB1.00 each issued by the Bank, which are subscribed for or credited as paid-up in RMB
"EGM"	the extraordinary general meeting of the Bank to be convened in due course to consider and approve the Convertible Negotiated Deposit
"Gansu SASAC"	State-owned Assets Supervision and Administration Commission of Gansu Provincial People's Government
"Department of Finance of Gansu Province"	Department of Finance of Gansu Province, the PRC
"H Share(s)"	ordinary Shares of RMB1.00 each issued by the Bank in Hong Kong, which are subscribed and traded in HKD and listed and traded on the Hong Kong Stock Exchange
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

"MOF"	the Ministry of Finance of the People's Republic of China
"NFRA"	the National Financial Regulatory Administration
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Share(s)"	the Domestic Share(s) and the H Share(s)
"Shareholder(s)"	the shareholder(s) of the Bank
"%"	percent

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

Lanzhou, Gansu
August 25, 2025

As at the date of this announcement, the Board comprises Mr. LIU Qing and Mr. WANG Xizhen as executive Directors; Mr. ZHANG Bin, Mr. ZHANG Junping, Mr. YE Rong and Ms. YANG Chunmei as non-executive Directors; and Mr. LIU Guanghua, Mr. WANG Lei and Mr. HAU Pak Sun as independent non-executive Directors.

* *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.*