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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)

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RESPECT OF THE ASSET DISPOSAL

ASSET DISPOSAL

The Board hereby announces that on August 5, 2025, the Bank entered into the Asset Transfer Agreement with Gansu Assets Management, pursuant to which the Bank agreed to sell the Disposed Assets to Gansu Assets Management for the Consideration of RMB15.3 billion. The Asset Transfer Agreement shall become effective upon obtaining approval from the Independent Shareholders at the EGM.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the Asset Disposal exceed(s) 75%, the Asset Disposal constitutes a very substantial disposal of the Bank under Chapter 14 of the Listing Rules, and is subject to the reporting, announcement and shareholders' approval requirements under such chapter.

As of the date of this announcement, Gansu State-owned Assets Investment, which directly and indirectly holds approximately 23.41% of the issued share capital of the Bank, is a substantial shareholder of the Bank. Gansu Assets Management is a subsidiary of Gansu State-owned Assets Investment and is therefore a connected person of the Bank. The Asset Disposal constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Asset Disposal exceed(s) 5%, the Asset Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Bank will convene the EGM to consider and, if thought fit, approve the Asset Disposal. The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Asset Disposal, and to advise the Independent Shareholders on how to vote at the EGM. DL Securities has been appointed as an independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Asset Disposal.

A circular containing, among other things, (i) details of the Asset Transfer Agreement, (ii) the recommendation of the Independent Board Committee to the Independent Shareholders, (iii) advice from DL Securities to the Independent Board Committee and the Independent Shareholders, (iv) the financial information of the Group, (v) the financial information of the Disposed Assets, (vi) the unaudited pro forma financial information of the Group as at the completion of the Asset Disposal, and (vii) a notice of the EGM, will be provided to the Shareholders. As the Bank requires additional time to prepare and finalize certain information in the circular, it will provide the circular to the Shareholders on or before September 4, 2025.

As the Asset Transfer Agreement shall become effective upon obtaining approval from the Independent Shareholders at the EGM, the Asset Disposal may or may not proceed. Therefore, Shareholders and potential investors of the Bank are advised to exercise caution when dealing in the securities of the Bank.

The Board hereby announces that on August 5, 2025, the Bank entered into the Asset Transfer Agreement with Gansu Assets Management, pursuant to which the Bank agreed to sell the Disposed Assets to Gansu Assets Management for the Consideration of RMB15.3 billion. The Asset Transfer Agreement shall become effective upon obtaining approval from the Independent Shareholders at the EGM.

I. ASSET TRANSFER AGREEMENT

The principal terms of the Asset Transfer Agreement are set out below:

(a) Date

August 5, 2025

(b) Parties

- (i) the Bank, as the transferor; and
- (ii) Gansu Assets Management, as the transferee

(c) Disposed Assets

The Disposed Assets are a portfolio of assets consisting of certain underperforming assets held by the Bank, including:

- (i) all the (existing and future, actual and contingent) ownership and relevant interests of the Bank in the Disposed Assets;
- (ii) all repayments that are due or to be due for the Disposed Assets;
- (iii) the rights to request, claim, recover and accept all payable amounts related to the Disposed Assets; and
- (iv) all rights and legal remedies related to the realization and enforcement of each asset item under the Disposed Assets.

(d) Consideration

The Consideration for the Asset Disposal is RMB15.3 billion.

The Consideration was determined by the Bank and Gansu Assets Management after arm's length negotiation with reference to the net book value of the principal and interest of the Disposed Assets. As of the Transaction Benchmark Date, the total book balance of the principal and interest of the Disposed Assets was approximately RMB19.719 billion, of which the book balance of the principal was approximately RMB17.864 billion and the interest receivable was approximately RMB1.855 billion. The Bank has made an impairment provision of approximately RMB4.797 billion for the Disposed Assets, and the net book value of the principal and interest of the Disposed Assets after deducting the impairment provision was approximately RMB14.922 billion. The Consideration for the Asset Disposal is slightly higher than the net book value of the Disposed Assets, which is in the interests of the Bank and Shareholders as a whole.

(e) Payment

The Consideration shall be paid by Gansu Assets Management to the Bank in installments in the following manner:

- (i) Gansu Assets Management shall pay RMB8.0 billion (the **"Initial Payment"**) to the Bank within five working days from the date on which the Asset Transfer Agreement becomes effective; and
- (ii) Gansu Assets Management shall pay the remaining Consideration in installments within five years after the Asset Transfer Agreement becomes effective. In particular, RMB2.19 billion shall be paid on or before December 31, 2028, RMB1.825 billion shall be paid on or before December 31, 2029, and RMB3.285 billion shall be paid on or before December 31, 2030.

The payment arrangement for the remaining Consideration is determined after taking into account factors such as the expected time frame for recovering the Disposed Assets, the nature of the assets, and the default risk of Gansu Assets Management, specifically:

- (i) such payment arrangement is generally consistent with the expected time frame for recovering the Disposed Assets. Considering the quantity and time required for asset disposals by the Bank in previous years, it is expected to take approximately three to five years to complete the disposal of all assets on an account-by-account basis;
- (ii) the Disposed Assets are mainly underperforming assets. Although the consideration for the Asset Disposal is paid in installments, the Disposed Assets can be sold at a price slightly higher than their net book value after deducting the impairment provision, which is in the interests of the Bank and the Shareholders as a whole. Adopting a lump-sum payment or a shorter payment period would require the Bank to offer a greater discount on the price; and

- (iii) Gansu Assets Management is a state-owned enterprise, with the Gansu SASAC as its ultimate controlling shareholder. In the historical transactions where the Bank sold non-performing assets to Gansu Assets Management, Gansu Assets Management has not defaulted on any agreement with the Bank nor delayed any payment to the Bank. The Bank considers that the default risk of Gansu Assets Management is controllable.

On such basis, the Board is of the view that the method of payment for the Consideration of the Asset Disposal is fair and reasonable, and in the interests of the Bank and its Shareholders as a whole.

(f) Completion

The completion of the Asset Disposal is conditional upon satisfaction of the following conditions: (1) the Bank has received the Initial Payment in full from Gansu Assets Management in accordance with the Asset Transfer Agreement; and (2) Gansu Assets Management has provided the Bank with the relevant business registration, qualifications, and internal authorization documents required by the Asset Transfer Agreement.

Upon satisfaction of the above completion conditions, the Bank shall deliver the relevant documents of the Disposed Assets to Gansu Assets Management on the Completion Date, but is only obliged to deliver such documents on an “as is” basis as of the Completion Date. Completion of the checking, review, verification and delivery of the relevant documents of the Disposed Assets shall constitute the completion of the Asset Disposal.

Subject to the receipt of the Initial Payment by the Bank, the rights, interests and benefits of the Disposed Assets, as well as the risks involved in the Disposed Assets and any costs arising therefrom, shall be enjoyed and borne by Gansu Assets Management from the Transaction Benchmark Date. If any income or cost is generated or incurred from the Disposed Assets during the period from the Transaction Benchmark Date to the Completion Date, the Bank shall pay the net income, after deducting the relevant costs, to Gansu Assets Management, or (if the relevant costs exceed the income) Gansu Assets Management shall pay the difference to the Bank, in each case, within ten days after the Completion Date.

II. INFORMATION OF THE DISPOSED ASSETS AND THE FINANCIAL EFFECT OF THE ASSET DISPOSAL

The Disposed Assets are a portfolio of assets consisting of certain underperforming assets held by the Bank, including credit assets and financial investment assets. The credit assets are mainly loans of a total principal amount of RMB4.085 billion, with industry distribution across wholesale and retail, real estate, manufacturing, and mining. The financial investment assets have a total principal amount of RMB13.779 billion, including trust products of RMB7.623 billion, asset management plans of RMB4.098 billion, bonds of RMB1.859 billion, and private equity funds of RMB0.199 billion.

The unaudited loss before taxation and loss after taxation attributable to the Disposed Assets for the year ended December 31, 2023 were approximately RMB0.669 billion and RMB0.502 billion, respectively. The unaudited loss before taxation and loss after taxation attributable to the Disposed Assets for the year ended December 31, 2024 were approximately RMB0.903 billion and RMB0.677 billion, respectively.

As of the Transaction Benchmark Date, the book balance of the principal and interest of the Disposed Assets was approximately RMB19.719 billion. After accounting for the impairment provision of approximately RMB4.797 billion that the Bank has made for the Disposed Assets, the net book value of the Disposed Assets is approximately RMB14.922 billion. The Consideration for the Asset Disposal to be received by the Bank is approximately RMB15.3 billion, which includes the Initial Payment of RMB8.0 billion, and the remaining Consideration of RMB7.3 billion to be paid in installments within five years. The present value of the remaining Consideration, after accounting for the time value, is estimated at approximately RMB6.796 billion, and the total present value of the Consideration for the Asset Disposal is approximately RMB14.796 billion. Based on the net book value of the Disposed Assets and the present value of the Consideration, it is expected that the Asset Disposal will result in a negative financial impact of approximately RMB0.126 billion. The above estimate may differ from the actual financial impact of the Asset Disposal.

III. USE OF PROCEEDS

The proceeds from the Asset Disposal will be used for the general working capital of the Bank. The Bank will further optimize its asset structure and credit allocation structure, intensify efforts to serve the real economy, and strongly support the high-quality economic and social development of Gansu Province.

IV. REASONS FOR AND BENEFITS OF THE ASSET DISPOSAL

The Disposed Assets are the underperforming assets of the Bank. The Asset Disposal will be beneficial for improving the asset quality of the Bank, optimizing its asset structure and reducing the provision and asset impairment losses, and can further improve the Bank's relevant financial indicators and enhance profitability. Meanwhile, the Asset Disposal enables the Bank to reduce its risk-weighted assets and improve its capital adequacy ratio, which also serves as an effective solution to revitalize credit resources and enhance risk resistance, thereby further solidifying the foundation for the high-quality development of the Bank. Gansu Assets Management, which is qualified to conduct bulk acquisition of financial non-performing assets, has agreed to accept the transfer of the Disposed Assets to improve the Bank's operational indicators.

The Board is of the view that the Asset Disposal is conducted on normal commercial terms, and that its terms are fair and reasonable and in the interests of the Bank and its Shareholders as a whole.

No Director is materially interested in the Asset Disposal, and therefore none of the Directors is required to abstain from voting on the relevant Board resolution.

V. GENERAL INFORMATION

The Bank

The Bank is a provincial corporate urban commercial bank in Gansu Province of China, and has established a comprehensive business network across Gansu Province. The Bank is principally engaged in corporate banking, retail banking and financial market operation businesses.

Gansu Assets Management

Gansu Assets Management is a local financial asset management company established on March 24, 2016 as approved by Gansu provincial government, with a registered capital of RMB2.0 billion. The principal businesses of Gansu Assets Management include the management, investment and disposal of non-performing assets; external investment; wealth and asset management; financial, investment, legal, risk management, asset and project evaluation consulting and advisory, and non-ferrous metals investment and trading.

Gansu Assets Management is owned as to 56.13% by its largest shareholder, Gansu State-owned Assets Investment (which is owned as to 83.99% by Gansu SASAC, and as to 16.01% by Jiuquan Iron & Steel (Group) Co., Ltd. (酒泉鋼鐵(集團)有限責任公司) (which is owned as to 68.42% by Gansu SASAC and as to 31.58% by Gansu State-owned Assets Investment)); as to 22.78% by its second largest shareholder, Gansu Financial Holding Financing Guarantee Group Co., Ltd. (甘肅金控融資擔保集團股份有限公司) (which is owned as to 98% by the Gansu Financial Holding Group Co., Ltd. (甘肅省金融控股集團有限公司) (which is owned as to 81.25% by the Department of Finance of Gansu Province (甘肅省財政廳) and as to 18.75% indirectly by Gansu SASAC)); and as to 10% by the third largest shareholder, Gansu Financial Capital Management Co., Ltd. (甘肅省金融資本管理有限公司), an indirectly wholly-owned subsidiary of Gansu SASAC. Save for the aforesaid shareholders, each of the other shareholders of Gansu Assets Management holds less than 10% of the equity interests thereof.

VI. IMPLICATIONS UNDER THE LISTING RULES

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As of the date of this announcement, Gansu State-owned Assets Investment, which directly and indirectly holds approximately 23.41% of the issued share capital of the Bank, is a substantial shareholder of the Bank. Gansu Assets Management is a subsidiary of Gansu State-owned Assets Investment and is therefore a connected person of the Bank. The Asset Disposal constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Asset Disposal exceed(s) 5%, the Asset Disposal is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Bank will convene the EGM to consider and, if thought fit, approve the Asset Disposal. The Independent Board Committee has been established to advise the Independent Shareholders in respect of the Asset Disposal, and to advise the Independent Shareholders on how to vote at the EGM. DL Securities has been appointed as an independent financial adviser with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the Asset Disposal.

A circular containing, among other things, (i) details of the Asset Transfer Agreement, (ii) the recommendation of the Independent Board Committee to the Independent Shareholders, (iii) advice from DL Securities to the Independent Board Committee and the Independent Shareholders, (iv) the financial information of the Group, (v) the financial information of the Disposed Assets, (vi) the unaudited pro forma financial information of the Group as at the completion of the Asset Disposal, and (vii) a notice of the EGM, will be provided to the Shareholders. As the Bank requires additional time to prepare and finalize certain information in the circular, it will provide the circular to the Shareholders on or before September 4, 2025.

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VII. DEFINITIONS

“Asset Disposal”	the disposal of the Disposed Assets by the Bank to Gansu Assets Management under the Asset Transfer Agreement
“Asset Transfer Agreement”	the asset transfer agreement entered into between the Bank and Gansu Assets Management on August 5, 2025 in relation to the Asset Disposal
“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, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 2139)
“Board”	the board of directors of the Bank
“Completion Date”	December 30, 2025, or such other date as may be otherwise determined by the Bank and Gansu Assets Management
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Asset Disposal, being RMB15.3 billion
“Disposed Assets”	a portfolio of assets consisting of certain underperforming assets held by the Bank, details of which are set out in the sections headed “Asset Transfer Agreement – Disposed Assets” and “Information on the Disposed Assets and the Financial Effect of the Asset Disposal” in this announcement
“Director(s)”	the director(s) of the Bank

“DL Securities”	DL Securities (HK) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Asset Disposal
“EGM”	an extraordinary general meeting of the Bank or any adjournment thereof to be convened for considering and, if thought fit, approving the Asset Disposal
“Gansu Assets Management”	Gansu Assets Management Co., Ltd. (甘肅資產管理有限公司), a company established in the PRC on March 24, 2016
“Gansu State-owned Assets Investment”	Gansu Province State-owned Assets Investment Group Co., Ltd. (甘肅省國有資產投資集團有限公司), a company established in the PRC on November 23, 2007
“Gansu SASAC”	the State-owned Assets Supervision and Administration Commission of Gansu Province (甘肅省國有資產監督管理委員會)
“Group”	the Bank and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. LIU Guanghua, Mr. WANG Lei, and Mr. HAU Pak Sun, established by the Bank to advise the Independent Shareholders in respect of the Asset Disposal
“Independent Shareholder(s)”	the Shareholder(s) other than Gansu State-owned Assets Investment and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Renminbi” or “RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Transaction Benchmark Date”	the cut-off date agreed in the Asset Transfer Agreement for calculating and determining the principal balance and interest receivable of the Disposed Assets, being June 30, 2025
“%”	percent

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

Lanzhou, Gansu
August 5, 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.*