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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)**

**CONNECTED TRANSACTION AND  
DISCLOSEABLE TRANSACTION  
SUBSCRIPTION OF DEBT INSTRUMENTS**

**THE SUBSCRIPTION**

The Board hereby announces that, on February 9, 2021, Gansu Railway Investment, an associate of a substantial shareholder of the Bank, Gansu State-owned Assets Investment, conducted a public offering of the Debt Instruments to domestic institutional investors in the PRC, with a total amount of RMB2 billion and at an interest rate of 4.99%. The Bank successfully subscribed for the Debt Instruments in a total nominal value of RMB300 million on the same day. The total consideration was RMB300 million.

**IMPLICATION OF THE LISTING RULES**

As at the date of this announcement, Gansu State-owned Assets Investment directly and indirectly holds approximately 12.67% issued share capital in the Bank, it is a substantial shareholder of the Bank (as defined under the Listing Rules) and is thus a connected person of the Bank (as defined under the Listing Rules). As Gansu State-owned Assets Investment indirectly holds 40% equity interests in Gansu Railway Investment, Gansu Railway Investment is an associate of Gansu State-owned Assets Investment and is thus a connected person of the Bank. The Subscription constitutes a financial assistance by the Bank to Gansu Railway Investment, and therefore constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules. Meanwhile, the Subscription also constitutes a discloseable transaction of the Bank under Chapter 14 of the Listing Rules.

On October 15, 2019, the Bank, through a securities broker, purchased the medium-term notes issued by Gansu State-owned Assets Investment in a total nominal value of approximately RMB300 million at market price by way of on-exchange trading (for details, please refer to the announcement of the Bank dated October 15, 2019), and on November 25, 2020, the Bank subscribed for the bonds in a total nominal value of RMB170 million of Gansu Assets Management, a subsidiary of Gansu State-owned Assets Investment (for details, please refer to the announcement of the Bank dated November 25, 2020). Currently, the Bank still holds the above medium-term notes and bonds. Pursuant to Rule 14A.81 of the Listing Rules, the Subscription and the two aforesaid connected transactions shall be calculated on an aggregated basis.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the Subscription (on an aggregated basis) exceed(s) 0.1% but all percentage ratios are less than 5%, the Subscription constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from circular (including independent financial advice) and independent shareholders' approval requirements. In addition, as the profits ratio in respect of the Subscription (on an aggregated basis) reaches 5% but is less than 25%, the Subscription also constitutes a discloseable transaction of the Bank under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirements.

The board of directors (the “**Board**”) of Bank of Gansu Co., Ltd. (the “**Bank**”) hereby announces that, on February 9, 2021, Gansu Railway Investment and Construction Group Co., Ltd. (甘肅省鐵路投資建設集團有限公司) (“**Gansu Railway Investment**”), an associate (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of a substantial shareholder of the Bank, Gansu Province State-owned Assets Investment Group Co., Ltd. (甘肅省國有資產投資集團有限公司) (“**Gansu State-owned Assets Investment**”), conducted a public offering of debt instruments (the “**Debt Instruments**”) to domestic institutional investors in the People’s Republic of China (the “**PRC**”), with a total amount of RMB2 billion and at an interest rate of 4.99%. The Bank successfully subscribed for the Debt Instruments in a total nominal value of RMB300 million (the “**Subscription**”) on the same day. The total consideration was RMB300 million.

## THE DEBT INSTRUMENTS

Terms and conditions of the issuance of the Debt Instruments are summarized as follows:

Issuer:	Gansu Railway Investment
Issue date:	February 8, 2021 to February 9, 2021
Registration date of debt:	February 9, 2021
Term:	Three years
Payment date:	February 9, 2024 (the payment date shall be postponed to the next working day if it is a statutory holiday or rest day, and no interest shall be accrued during such period)
Nominal value and issuance amount:	RMB100; issued at par value
Total issuance amount:	RMB2 billion
Interest rate:	At a fixed interest rate of 4.99% per annum
Payment of interest, repayment price and method:	<p>Repayment will be made at par value.</p> <p>The Debt Instruments bear a simple interest on an annual basis, with no compound interest accrued. No interest will be accrued otherwise for overdue payment. Interest shall be paid once a year and the principal shall be repaid on the date of maturity in full. The last installment of interest shall be paid together with the principal.</p>

(1) Payment of the Interest

The interest of the Debt Instruments will be paid once annually. The payment date of the interest will be February 9 each year (the payment date of the interest shall be postponed to the next working day if it is a statutory holiday or rest day, and no interest shall be accrued during such period).

(2) Redemption of the Principal

The principal of the Debt Instruments shall be repaid on the date of maturity in full. The repayment date of the principal will be February 9, 2024 (the payment date of the principal shall be postponed to the next working day if it is a statutory holiday or rest day).

Listing and trading arrangements:

The Debt Instruments can be traded and transferred in the national interbank bond market on the next working day (i.e. February 10, 2021) following the registration date, which will be carried out in accordance with relevant requirements promulgated by the National Interbank Funding Center.

Size of the Subscription and total consideration paid by the Bank:

The total nominal value of the Debt Instruments that the Bank subscribed for is RMB300 million. The total consideration paid is approximately RMB300 million, settled in cash and funded from the internal resources of the Bank.

Anticipated interest income:

The Bank is expected to receive an interest of RMB14.97 million per annum during the effective term of the Debt Instruments, totaling RMB44.91 million for three years, calculated at an interest rate of 4.99%.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

As part of the financial management of the Bank, the Bank increases its comprehensive income by way of investment in financial bonds, equity securities and others from time to time. According to the rating by China Lianhe Credit Rating Co., Ltd. (聯合資信評估有限公司), the corporate rating of Gansu Railway Investment was AAA. The Bank is of the view that the interest rate of the Debt Instruments is at a similar level to that of similar products in the market and the Bank believes that the Subscription and holding of the Debt Instruments will bring stable income for the Bank. The directors of the Bank are of the view that the Subscription is conducted on normal commercial terms and the terms in respect of which are fair and reasonable, and it can provide ideal and stable return for the Bank. Therefore, the directors of the Bank (including independent non-executive directors) are of the view that the Subscription is in the interests of the Bank and the shareholders as a whole.

As Mr. ZHANG Youda, a non-executive director of the Bank, holds a position in Jinchuan Group Co., Ltd., which is also under the control of Gansu State-owned Assets Investment, he has abstained from voting on the resolution of the board of directors in relation to approving the Subscription in accordance with the provisions of the Articles of Association of the Bank. Save as aforesaid, no other directors of the Bank is materially interested in the Subscription, and none of other directors is required to abstain from voting on relevant Board resolution.

## **GENERAL INFORMATION**

### **The Bank**

The Bank is the only provincial 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 operations businesses.

### **Gansu State-owned Assets Investment**

Gansu State-owned Assets Investment, a company established in the PRC on November 23, 2007, is held as to 83.54% and 16.46% by the Gansu State-owned Assets Supervision and Administration Commission of the State Council and Jiuquan Iron & Steel (Group) Co., Ltd. respectively and is principally engaged in state-owned capital (equity) management and financing business, industry integration and investment business, fund investment and venture capital business, listed equity management and operation business, wholesale and retail of non-ferrous materials, and other businesses as approved by competent authorities (business activities requiring administrative licenses or qualifications shall be carried out under valid licenses or qualifications, except for those that are prohibited by national laws and regulations).

## **Gansu Railway Investment**

Gansu Railway Investment is a company established on September 25, 2007 with a registered capital of RMB30 billion and a paid-up capital of RMB7.80525 billion. It is held as to 60% and 40% by the Gansu State-owned Assets Supervision and Administration Commission and Gansu Province Electric Power Investment Group Co., Ltd. (a wholly-owned subsidiary of Gansu State-owned Assets Investment), respectively. Its business scope includes the management of construction funds for joint-venture railway projects and the investment, operation and management of joint-venture railway projects in Gansu Province; capital operation of railway assets; development and operation of real estate (operation with qualification certificate); construction materials, advertising, logistics and warehousing, house leasing, industrial and mining products, general machinery, mechanical and electrical equipment (excluding cars), instruments and apparatus, hardware and electrical appliances, etc.; as well as other businesses approved or permitted by the provincial government.

## **IMPLICATIONS OF THE LISTING RULES**

As at the date of this announcement, Gansu State-owned Assets Investment directly and indirectly holds approximately 12.67% issued share capital in the Bank, it is a substantial shareholder of the Bank (as defined under the Listing Rules) and is thus a connected person of the Bank (as defined under the Listing Rules). As Gansu State-owned Assets Investment indirectly holds 40% equity interests in Gansu Railway Investment, Gansu Railway Investment is an associate of Gansu State-owned Assets Investment and is thus a connected person of the Bank. The Subscription constitutes a financial assistance of the Bank to Gansu Railway Investment, and therefore constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules. Meanwhile, the Subscription also constitutes a discloseable transaction of the Bank under Chapter 14 of the Listing Rules.

On October 15, 2019, the Bank, through a securities broker, purchased the medium-term notes issued by Gansu State-owned Assets Investment in a total nominal value of RMB300 million at the market price by way of on-exchange trading (for details, please refer to the announcement of the Bank dated October 15, 2019), and on November 25, 2020, the Bank subscribed for the bonds in a total nominal value of RMB170 million of Gansu Assets Management Co., Ltd. (“**Gansu Assets Management**”), a subsidiary of Gansu State-owned Assets Investment (for details, please refer to the announcement of the Bank dated November 25, 2020). Currently, the Bank still holds the above medium-term notes and bonds. Pursuant to Rule 14A.81 of the Listing Rules, the Subscription and the two aforesaid connected transactions shall be calculated on an aggregated basis.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the Subscription (on an aggregated basis) exceed(s) 0.1% but all percentage ratios are less than 5%, the Subscription constitutes a connected transaction of the Bank under Chapter 14A of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from circular (including independent financial advice) and independent shareholders' approval requirements. As the profits ratio in respect of the Subscription (on an aggregated basis) reaches 5% but is less than 25%, the Subscription also constitutes a discloseable transaction of the Bank under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but is exempt from shareholders' approval requirements.

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

Lanzhou, Gansu Province  
February 9, 2021

*As of the date of this announcement, the Board comprises Mr. LIU Qing and Mr. WANG Wenyong as executive directors; Ms. WU Changhong, Ms. ZHANG Hongxia, Mr. GUO Jirong, Mr. ZHANG Youda and Mr. LIU Wanxiang\*\* as non-executive directors; and Ms. TANG Xiuli, Ms. LUO Mei, Mr. WONG Sincere and Mr. DONG Ximiao 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.*

\*\* *The qualification of Mr. LIU Wanxiang as a director is subject to approval of the competent regulatory authority.*