
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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Dongguan Rural Commercial Bank Co., Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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DRC Bank

Dongguan Rural Commercial Bank Co., Ltd.*

東莞農村商業銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9889)

WORK REPORT OF THE BOARD OF DIRECTORS FOR 2021
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2021
AMENDMENT OF THE AUTHORIZATION PLAN TO THE BOARD AT THE
SHAREHOLDERS' GENERAL MEETING
ADDITIONAL APPOINTMENT OF NON-EXECUTIVE DIRECTORS AND INDEPENDENT
NON-EXECUTIVE DIRECTORS
APPOINTMENT OF THE ACCOUNTANTS' FIRM
FOR 2022 FINANCIAL STATEMENTS
2021 ANNUAL REPORT
ESTIMATED CAPS FOR CERTAIN RECURRING RELATED PARTY TRANSACTIONS
2021 FINAL FINANCIAL ACCOUNTS PLAN
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2022 FINANCIAL BUDGET PLAN
EXTENSION OF THE VALIDITY PERIOD OF MANDATE TO ISSUE
GREEN FINANCE BONDS
PUBLIC OFFERING OF RMB13 BILLION SPECIAL FINANCIAL BONDS
PUBLIC OFFERING OF ORDINARY FINANCIAL BONDS
AND
NOTICE OF 2021 AGM

A notice convening the 2021 AGM to be held at 3:00 p.m. on May 23, 2022 (Monday) at the conference room of Dongguan Rural Commercial Bank Building, No. 2, Hongfu East Road, Dongcheng District, Dongguan, Guangdong Province, the PRC (with six additional satellite venues, Shareholders will be arranged to attend the appointed venue, please refer to note 1 to the notice of the 2021 AGM for details) is set out on pages AGM-1 to AGM-4 of this circular. A reply slip and form of proxy for H Shareholders for use at the 2021 AGM was enclosed with this circular. Such reply slip and form of proxy can be downloaded from the websites of the HKEXnews at www.hkexnews.hk and the Bank at www.drcbank.com.

If you intend to attend the 2021 AGM in person or by proxy, you are required to inform the Bank prior to May 13, 2022 (Friday) at 4:30 p.m., and H Shareholders are required to return the reply slip for H Shareholders for use at the 2021 AGM enclosed with this circular to the Bank's H Share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

H Shareholders who wish to attend the 2021 AGM by proxy are also required to complete and return the accompanying form of proxy for H Shareholders enclosed with this circular in accordance with the instructions printed thereon to the H Share registrar of the Bank in Hong Kong, Computershare Hong Kong Investor Services Limited (the same address referred to above) not less than 24 hours before the time for the holding of the 2021 AGM (i.e. prior to 3:00 p.m. on May 22, 2022 (Sunday)) (or 24 hours before any adjournment thereof, if any). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2021 AGM or any adjournment thereof should you so wish.

Measures and Special Arrangements for Pandemic Prevention and Control

According to the requirements of pandemic prevention and control, in order to reduce the risks arising from the group gathering, the Bank will additionally arrange six satellite venues at branches of the Bank in Dongguan, please refer to note 1 to the notice of the 2021 AGM for details. The Bank will also adopt a series of disease prevention measures at the 2021 AGM venue. The Bank reminds Shareholders and the attendees participating in the on-site meeting to perform personal protective precautions, and actively comply with disease prevention and control requirements by detecting body temperature and wearing surgical masks before entering into the venue.

Due to the pandemic, the 2021 AGM will not have an on-site question-and-answer session. If Shareholders have any questions about the Board of the Bank, please send the questions together with personal information and shareholding certificate to the mailbox gddh@drcbank.com before May 10, 2022 (Tuesday). The Board of the Bank will try its best to answer the questions at the 2021 AGM according to the actual situation.

April 20, 2022

* Dongguan Rural Commercial Bank 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.

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DEFINITIONS

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

“2021 AGM”	the 2021 annual general meeting of the Bank to be held at the conference room of Dongguan Rural Commercial Bank Building, No. 2, Hongfu East Road, Dongcheng District, Dongguan City, Guangdong Province, the PRC on May 23, 2022 (Monday) at 3:00 p.m., or if the context requires, including the adjournment thereof (if any)
“Articles” or “Articles of Association”	the articles of association of the Bank
“Bank”	Dongguan Rural Commercial Bank Co., Ltd. (東莞農村商業銀行股份有限公司), a joint stock company established on December 22, 2009 through restructuring in the PRC with limited liability and its H Shares listed on the Stock Exchange, and if the context requires, including its predecessor, branches and sub-branches but excluding its subsidiaries
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“CBIRC”	the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會), a regulatory agency formed by merging the former CBRC and the former CIRC in accordance with the Notice of the State Council on the Setup of Institutions (Guo Fa [2018] No.6) (國務院關於機構設置的通知(國發[2018]6號)) issued by the State Council on March 24, 2018, and if the context requires, including its predecessor, i.e., the CBRC and the CIRC
“Director(s)”	the director(s) of the Bank
“Domestic Share(s)”	ordinary share(s) with a par value of RMB1.00 per share issued by the Bank in the PRC, which shall be subscribed in RMB
“Group” or “we” or “us”	the Bank and its subsidiaries
“H Share(s)”	ordinary share(s) with a par value of RMB1.00 per share of the Bank, which shall be subscribed in currency other than RMB and are listed on the main board of the Hong Kong Stock Exchange
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong Dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Company Law”	the Company Law of the People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of the Bank, including Domestic Share(s) and H Share(s)
“Shareholder(s)”	holder(s) of Share(s), including Domestic Shareholder(s) and H Shareholder(s)
“Supervisor(s)”	the supervisor(s) of the Bank

Unless otherwise specified, the unit of currency of financial figures in this circular is RMB.

LETTER FROM THE BOARD



DRC Bank

Dongguan Rural Commercial Bank Co., Ltd.*
東莞農村商業銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 9889)

Executive Directors

Mr. WANG Yaoqiu (*Chairman*)
Mr. FU Qiang (*President*)
Mr. YE Jianguang
Mr. CHEN Wei

Non-executive Directors

Mr. LAI Chun Tung
Mr. WANG Junyang
Mr. CAI Guowei
Mr. YE Jinquan
Mr. CHEN Haitao
Mr. ZHANG Qingxiang
Mr. CHEN Weiliang

Independent Non-executive Directors

Mr. YIP Tai Him
Mr. XU Zhi
Mr. SHI Wenfeng
Mr. TAN Fulong
Ms. LIU Yuou
Ms. XU Tingting

Registered address and headquarters address:

No. 2, Hongfu East Road,
Dongcheng District, Dongguan City,
Guangdong Province, the PRC

*Principal place of business in
Hong Kong:*

40/F, Dah Sing Financial Centre,
248 Queen's Road East,
Wanchai,
Hong Kong

April 20, 2022

To the Shareholders

Dear Sir or Madam,

* *Dongguan Rural Commercial Bank 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.*

LETTER FROM THE BOARD

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NOTICE OF 2021 AGM**

I. INTRODUCTION

The 2021 AGM will be held at the conference room of Dongguan Rural Commercial Bank Building, No. 2, Hongfu East Road, Dongcheng District, Dongguan, Guangdong Province, the PRC (with six additional satellite venues) at 3:00 p.m. on May 23, 2022 (Monday). The resolutions will be proposed at the the meeting to the Shareholders for consideration and approval, including ordinary resolutions: (1) the resolution in relation to work report of the Board of Directors for 2021 , (2) the resolution in relation to work report of the Board of Supervisors for 2021, (3) the resolution in relation to amendment of the authorization plan to the Board of the Directors at the Shareholders' general meeting, (4) the resolution in relation to additional appointment of non-executive Directors and independent non-executive Directors, (5) the resolution in relation to appointment of the accountants' firm for 2022 financial statements, (6) the resolution in relation to 2021 annual report, (7) the resolution in relation to estimated caps for certain recurring related party transactions, (8) the resolution in relation to 2021 final financial accounts plan, (9) the resolution in relation to 2021 profit distribution plan, (10) the resolution in relation to 2022 financial budget plan, and special resolutions: (11) the resolution in relation to extension of the validity period of mandate to issue green finance bonds, (12) the resolution in relation to public offering of RMB13 billion special financial bonds, (13) the resolution in relation to public offering of ordinary financial bonds.

Meanwhile, Shareholders will also listen to (1) the report on the results of performance evaluation of the Directors, Supervisors and senior management in 2021, (2) the work report of the independent Directors for 2021, and (3) the report on related party transactions for 2021.

The notice of 2021 AGM is set out on pages AGM-1 to AGM-4 of this circular. The purpose of this circular is to provide you with further details of proposed resolutions at the meeting to enable you to make an informed voting decision on the resolutions at the 2021 AGM.

LETTER FROM THE BOARD

I. MATTERS TO BE RESOLVED AT THE 2021 AGM

1. Work Report of the Board of Directors for 2021

For the full text of work report of the Board of Directors for 2021, please refer to Appendix I to this circular.

2. Work Report of the Board of Supervisors for 2021

For the full text of work report of the Board of Supervisors for 2021, please refer to Appendix II to this circular.

3. Amendment of the Authorization Plan to the Board at the Shareholders' General Meeting

Pursuant to the Notice of China Banking and Insurance Regulatory Commission on Issuing Corporate Governance Guidelines for Banking and Insurance Institutions (Yin Bao Jian Fa [2021] No. 14) (銀保監發[2021]14 號) (the “**Corporate Governance Guidelines**”), the Listing Rules and the relevant requirements, combined with the actual situation of operation and management of the Bank, the Bank proposes to amend the Authorization Plan to the Board of the Directors at the Shareholders' General Meeting of Dongguan Rural Commercial Bank Co., Ltd. in order to improve the level of corporate governance and promote scientific decision-making. Details of the amendments are as follows:

Article	Before adjustment	After adjustment	Reasons for adjustment
II. Bond issuance	If the new balance of the ordinary financial bonds (excluding such corporate bonds as Tier 2 capital bonds or convertible bonds or undated capital bond which would supplement share capital) issued for the current year does not exceed 1% of total assets of the Bank, it shall be approved by the board of directors, and must be voted through more than two-thirds of the members of the board of directors.	Delete	Pursuant to the Article 18 of Corporate Governance Guidelines, the authorization of the general meeting shall not be granted to the board of directors, other institutions or individuals under the Company Law and the provisions of this article, and the issuance of corporate bonds is the authority of the general meeting under the Company Law. Therefore, the authorization in this paragraph is deleted.

LETTER FROM THE BOARD

Article	Before adjustment	After adjustment	Reasons for adjustment
VI. Related party transactions	<p>Except for the following related party transactions, which are subject to the approval of the general meeting, other related party transactions are subject to the approval of the board of directors:</p> <p>(1) The related party transactions with the credit balance granted to a related party accounting for more than 9% of the Bank's net capital.</p> <p>(2) The related party transactions with the total credit balance to a related party and its controlling shareholder, actual controller, related party, persons acting in concert and ultimate beneficiaries accounting for more than 14% of the Bank's net capital.</p> <p>(3) Major related party transactions involving the estimated amount and exceeding the estimated amount with major shareholders, their controlling shareholders and actual controllers.</p> <p>(4) Any guarantee provided for a related party beyond the scope of normal banking businesses.</p> <p>.....</p>	<p>Except for the following related party transactions, which are subject to the approval of the General Meeting, other related party transactions are subject to the approval of the Board of Directors or filing with the related party transactions control committee:</p> <p>(1) The related party transactions with the credit balance granted to a related party accounting for more than 9% of the Bank's net capital.</p> <p>(2) The related party transactions with the total credit balance to a related party and its controlling shareholder, actual controller, related party, persons acting in concert and ultimate beneficiaries accounting for more than 14% of the Bank's net capital.</p> <p>(3) Major related party transactions involving the estimated amount and exceeding the estimated amount with major shareholders, their controlling shareholders and actual controllers.</p> <p>(4) Any guarantee provided for a related party beyond the scope of normal banking businesses.</p> <p>.....</p> <p>(4) Connected transaction under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited which does not meet the conditions for exempting the approval of independent shareholders.</p> <p>The related party transactions approved by the general meeting and the board of directors of the Bank shall not violate the</p>	<p>1. Improve the relevant expressions on the approval of the board of directors and the filing of the related party transaction control committee.</p> <p>2. Clarify the related party transactions involving the Listing Rules should be submitted to the general meeting for consideration.</p> <p>3. Clarify the approval of related party transactions should meet the requirements for the concentration of related party transactions and improve compliance.</p> <p>4. Clarify the matters in this authorization plan involving related party transactions shall be subject to the provisions of this paragraph, and the expressions shall be more rigorous.</p>

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Article	Before adjustment	After adjustment	Reasons for adjustment
		requirements of the regulatory authorities on the concentration of related party credit. If there are other requirements from regulatory authorities, the latest regulatory regulations shall prevail. In this authorization plan, as for the matters regarding the equity investment and disposal, asset investment and disposal, asset write-off, asset pledge and guarantee, etc. (excluding inter-bank business), if related party transactions are involved, the relevant approval authority shall also implement the requirements under this paragraph. The Bank conducts inter-bank business with related parties in compliance with the relevant regulations on inter-bank business, which is not applicable to the requirements of this paragraph.	
VIII. External Donations	(1) The external donations (including charitable donations and commercial sponsorships etc.) with the single amount not exceeding RMB10 million and the aggregate amount of external donations made during the year not exceeding RMB25 million shall be approved by the board of directors.	(1) The external donations (including charitable donations and commercial sponsorships etc.) with the single amount not exceeding RMB10 million and the aggregate amount of external charitable donations made during the year not exceeding RMB25 million shall be approved by the board of directors.	Pursuant to the actual operations and management, clarify that external donations are charitable donations, excluding commercial sponsorship.
IX. Other operations and management authority and delegation of authorization	Except for the matters that are expressly required by the Articles of Association, other authorizations in respect of the operations and management and decision-making of the Bank shall be exercised by the board of directors and senior management in accordance with the relevant provisions.	Except for the matters that are expressly required by the laws and regulations, regulatory provisions and the Articles of Association, other authorizations in respect of the operations and management and decision-making of the Bank shall be exercised by the board of directors and senior management in accordance with the relevant provisions.	Complete the relevant statement

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Article	Before adjustment	After adjustment	Reasons for adjustment
X. The effectiveness and changes of this plan	This authorization plan will take effect from the date of approval by the general meeting, and will continue in effect until a new authorization plan is approved by the general meeting.	This authorization plan will take effect from the date of approval by the general meeting, and will continue in effect until a new authorization plan is approved by the general meeting. The authorization matters of this authorization plan meet the standards for the major transaction, very substantial disposal and very substantial acquisition under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and should be approved by the general meeting.	Supplements should comply with the relevant requirements of the Listing Rules
XI. Appendix	(iv) The “net capital”, “net assets” and “total assets” in this plan refer to the latest audited net capital, net assets and total assets of the parent bank’s statement.	(iv) The “related transactions” in this plan refers to the related party transactions defined by the relevant regulatory system issued by the China Banking and Insurance Regulatory Commission; “net capital” refers to the net capital of the parent bank’s 1104 statement at the end of the last quarter; “net assets” and “total assets” refer to the net capital, net assets, total assets refer to the net capital, net assets, total assets audited or reviewed audited or reviewed by the accounting firm in the latest period of the parent bank’s statement.	Based on the actual situation, clarify the coverage of related party transactions, adjust the data basis of net capital and net assets, and delete “total assets”

The revised Plan on Authorization of the Shareholders' General Meeting to the Board of Directors of Dongguan Rural Commercial Bank Co., Ltd. is set out in Appendix III to this circular for reference.

4. Additional Appointment of Non-executive Directors and Independent Non-executive Directors

As mentioned in the announcement dated 30 March 2022 of the Bank with respect to the proposed appointment of Directors, the Board of Directors proposed to appoint Mr. Tang Wencheng (唐聞成) as a non-executive Director and Mr. Zeng Jianhua (曾儉華) as an independent non-executive Director of the Bank upon the recommendation of the nomination and remuneration committee of the Board of Directors. Pursuant to CBIRC Implementation Policy on Administrative Approvals of Rural Small- and Medium-sized Banking Institutions (《中國銀保監會農村中小銀行機構行政許可事項實施辦法》), the appointment of Mr. Tang and Mr. Zeng, if approved by the Shareholders at the Shareholders' general meeting, is subject to the approval of the CBIRC.

LETTER FROM THE BOARD

Accordingly, the resolution in relation to the appointment of Mr. Tang and Mr. Zeng will, upon approval at the 2021 AGM, only take effect upon the approval of the CBIRC having been obtained. Further announcement will be made upon the appointment taking effect.

Pursuant to the Articles of Association, Mr. Tang and Mr. Zeng, if appointed, shall hold office until the end of the term of the fourth session of the Board of Directors, being the fourth quarter of 2022, and shall be eligible for re-election.

Biography of Mr. Tang

Mr. Tang Wencheng (唐聞成), aged 42, is currently the assistant general manager of Dongguan Communications Investment Group Co., Ltd. (“**Dongguan Communications Investment**”) and holds various positions in its subsidiaries, including the chairman and general manager of Dongguan Shuhui Big Data Co., Ltd.* (東莞數匯大數據有限公司), general manager and executive director of Dongguan City Fook Man Group Company* (東莞市福民集團公司) (“**Dongguan Fook Man**”) and director of Fook Man Development Company Limited (“**Fook Man Development**”).

Prior to joining Dongguan Communications Investment, Mr. Tang worked for the People’s Government of Dongguan City between August 2003 and January 2016 and held various positions, including staff of the government’s office secretariat, head of the integrated management office of the emergency department (應急辦綜合管理科) and as the head of the secretariat of the government’s office. Mr. Tang joined Dongguan Communications Investment in January 2016, initially as its head of the corporate management department.

Mr. Tang graduated from South China Agricultural University and obtained a bachelor of science degree, specialising in computer and application in July 2002. and obtained a master of public administration degree from University of Electronic Science and Technology of China in December 2012.

As of the date of this circular, Mr. Tang did not hold or was deemed to have any interest in any shares of the Bank and was not punished by the relevant regulatory authorities or the stock exchange. Fook Man Development, where Mr. Tang works, held 126,262,000 H Shares, representing approximately 11.00% of the total issued H Shares and 1.83% of the total issued Shares of the Bank. Fook Man Development is wholly-owned by Dongguan Fook Man, which in turn is wholly-owned by Dongguan Communications Investment, a company wholly-owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Dongguan.

Biography of Mr. Zeng

Mr. Zeng Jianhua (曾儉華), aged 64, has over 35 years of extensive experience in the banking industry. Mr. Zeng worked for China Construction Bank Corporation (stock code: 939.HK, 601939.SH) between July 1980 and March 2017 and held various positions, including staff member and deputy director of the planning and capital department of Hunan Province Branch, president and secretary of the party committee of Hunan Electric Power Branch, director of the office of Hunan Province Branch, vice president of Hunan Province Branch, deputy general manager of the assets and liabilities management department of the headquarter, president of Shenzhen City Branch, president

LETTER FROM THE BOARD

of Guangdong Province Branch, the Chief Finance Officer and the Chief Risk Officer. Between March 2017 and August 2019, Mr. Zeng was the chairman of the board of directors and president of Kong Sun Holdings Limited (stock code: 295.HK). Mr. Zeng has been the general manager and chairman of the board of directors of Gongqing City Huajian Function Private Equity Management Co., Ltd.* (共青城華建函數私募基金管理有限公司) since August 2019 and Beijing Huahan Consultancy Co., Ltd.* (北京華函諮詢有限公司) since March 2021, respectively.

Mr. Zeng has been (i) an independent director of Zhejiang Furun Digital Technology Co., Ltd.* (浙江富潤數字科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600070.SH), since May 2020, (ii) an independent director of Jiangsu Tongda Power Technology Co., Ltd.* (江蘇通達動力科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002576.SZ), since December 2020, (iii) an independent director of CCB Life Asset Management Co., Ltd. (建信保險資產管理有限公司) since May 2021, (iv) a director of Sichuan Development Jiayibing Asset Restructuring Investment Co., Ltd.* (四川發展甲乙丙資產重組投資有限公司) since January 2021 and (v) a supervisor of Sichuan Bank Co., Ltd.* (四川銀行股份有限公司) since January 2021. In addition, Mr. Zeng has been resolved to be appointed as an independent non-executive director of Bank of Tianjin Co., Ltd. (stock code: 1578.HK) pursuant to the shareholders' resolution passed on February 28, 2022, and such appointment is pending the approval of CBIRC Tianjin Regulatory Bureau.

Mr. Zeng is a senior economist and is also currently a Distinguished Professor of the University for Peace of the United Nations. Mr. Zeng obtained a PhD degree in management, specialising in enterprise management, from Hunan University in 2005.

As of the date of this circular, Mr. Zeng did not hold or was deemed to have any interest in any shares of the Bank, nor had he been punished by the relevant regulatory authorities or the stock exchange. Mr. Zeng has confirmed that he fulfills the independent guidelines set out in Rule 3.13 of the Listing Rules.

Process in selecting Mr. Zeng and the Board diversity

As recommended by the Nomination and Remuneration Committee under the Board of Directors and nominated by the Board of Directors, it is proposed to submit to the Shareholders' general meeting for consideration and approval of appointment of Mr. Zeng as an independent non-executive Director of the fourth session of the Board of Directors of the Bank. Mr. Zeng has extensive experience in banking risk management and financial management, and can bring a professional and scientific perspective to the Board of Directors of the Bank, and is conducive to the work of the Board of Directors and meets the diversity requirements of the Board of Directors of the Bank.

Letter of appointment

It is expected that upon their appointment taking effect, Mr. Tang and Mr. Zeng will enter into letters of appointment with the Bank for a term from their respective date of appointment up to the end of the term of the fourth session of the Board of Directors. Further information on the letters of appointment and their remuneration will be announced upon their appointments taking effect.

LETTER FROM THE BOARD

General

Save as disclosed above, as at the date of this circular, each of Mr. Tang and Mr. Zeng: (i) does not have any other relationship with any other Director, Supervisor, senior management or substantial or controlling Shareholders (if any) of the Bank (within the definition of the Listing Rules); (ii) does not have any interest in the securities of the Bank within the meaning of Part XV of the Securities and Futures Ordinance; (iii) does not hold any other position in any member of the Group; (iv) has not held any other directorships in any other listed public companies in the last three years; (v) has no other major appointments or professional qualification; and (vi) has no information to be disclosed pursuant to any of the requirements under Rule 13.51(2) (h) to 13.51(2)(v) of the Listing Rules nor any other matter that need to be brought to the attention of the Shareholders of the Company.

5. Appointment of the Accountants' Firm for 2022 Financial Statements

As mentioned in the announcement of the Bank dated April 20, 2022, pursuant to the resolution passed on the 2020 annual general meeting of the Bank, PricewaterhouseCoopers (“PwC”) has been appointed as the international auditor of the Bank for the 2021 financial year in respect of the financial statements of the Bank prepared under International Financial Reporting Standards (IFRS). In accordance with the procurement and bidding management measures of the Bank, the Bank has put the 2022 international audit service out for tender. Based on the combined rating on pricing, commercial and technical areas, KPMG (“KPMG”) has been selected as the successful tenderer, and the Board of Directors of the Bank, based on the recommendation of the audit committee of the Board, has resolved to propose the appointment of KPMG as the international auditor of the Bank for the 2022 financial year to the Shareholders of the Bank. Accordingly, PwC will retire as the international auditor of the Bank with effect from the conclusion of the 2021 annual general meeting and will not offer itself for re-election.

PwC has confirmed that there are no matter in connection with its retirement that need to be brought to the attention of the Shareholders. The Board and the audit committee have also confirmed that there are no other matters in respect of the proposed change of international auditor that need to be brought to the attention of the Shareholders.

Besides, the Bank's contracts with PricewaterhouseCoopers and Pan-China Certified Public Accountants LLP were also expired. Pursuant to the Bank's Articles of Association and other relevant regulations, the Bank selected the accounting firms through bidding, and after taking into account the overall business ability and the familiarity with the Bank's accounting system and other factors, the Bank proposed to recommend to the general meeting to hire Pan-China Certified Public Accountants LLP as the domestic auditor of the Bank for 2022.

6. 2021 Annual Report

The 2021 annual report is available on the websites of the Bank (www.drcbank.com) and the HKEXnews (www.hkex.com.hk).

LETTER FROM THE BOARD

7. Estimated Caps for Certain Recurring Related Party Transactions

In order to regulate the management of related party transactions of the Bank and improve customer service efficiency, in accordance with the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions (銀行保險機構關聯交易管理辦法) (CBIRC Order [2022] No. 1), the Articles of Association of the Bank, the Administrative Measures for Related Party Transactions of Dongguan Rural Commercial Bank Co., Ltd. and other relevant regulations, the Bank has formulated the estimated caps for certain recurring related party transactions.

Certain related parties and estimated caps for related party transactions

(I) Guangdong Canvest Investment Co., Ltd.* (廣東粵豐投資有限公司) and its related parties

General information

Company profile: Guangdong Canvest Investment Co., Ltd. (“**Canvest Investment**”) was established on November 27, 2002. Its legal representative is Guo Huiqiang (郭惠強) and its registered capital is RMB100 million. Its business scope includes: investment and establishment of industries, sales of steel, building materials, wood, construction machinery and hardwares. The company is primarily engaged in sales of building materials, steel, wood, hardwares and industrial investment.

Relationship with the Bank: At present, the controlling shareholder of Canvest Investment is Guo Huiqiang. There is no actual controller or person acting in concert, and its ultimate beneficiary is the company itself. As at December 31, 2021, Canvest Investment held 299,246,910 Shares of the Bank, accounting for 4.34%; Canvest Investment and its related parties held a total of 304,097,853 Shares of the Bank, accounting for 4.41%. Canvest Investment has a related relationship with Lai Chun Tung (黎俊東), a Director of the Bank.

Proportion of expected application amount

The expected amount of credit related party transactions applied by Canvest Investment and its related parties to the Bank shall not exceed 10% of the net capital of the Bank, and the expected amount of non-credit related party transactions shall not exceed 10% of the net capital of the Bank.

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(II) Dongguan City Kanghua Investment Group Co., Ltd.* (東莞市康華投資集團有限公司) and its related parties

General information

Company profile: Dongguan City Kanghua Investment Group Co., Ltd. (“**Kanghua Group**”) was established on March 29, 2002, its legal representative is Wang Junyang (王君揚). Its registered capital is RMB268.88 million, and its business scope includes: corporate management consulting, investment in various infrastructure construction projects, domestic commerce and material supply and marketing, investment in medical projects, investment in educational projects, property leasing and property management. The company is primarily engaged in the investment in the medical industry, including Dongguan Kanghua Hospital and Dongguan Renkang Hospital.

Relationship with the Bank: At present, the controlling shareholder of Kanghua Group is Wang Junyang. There is no actual controller or person acting in concert, and its ultimate beneficiary is the company itself. As of December 31, 2021, Kanghua Group held 150,104,602 Shares of the Bank, accounting for 2.18%; Kanghua Group and its related parties held a total of 235,617,572 Shares of the Bank, accounting for 3.42%. Wang Junyang, the controlling shareholder of Kanghua Group, is a Director of the Bank.

Proportion of expected application amount

The estimated amount of credit related party transactions applied by Kanghua Group and its related parties to the Bank shall not exceed 10% of the Bank’s net capital, and the estimated amount of non-credit related party transactions shall not exceed 10% of the Bank’s net capital.

Definition of related party

Related parties shall be defined with reference to the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions (銀行保險機構關聯交易管理辦法) (CBIRC Order [2022] No. 1).

Validity of estimated caps

Valid for a period from the date of consideration and approval at the general meeting of Shareholders to June 30, 2023.

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Definition of related party transaction

Related party transaction shall be defined with reference to the Administrative Measures for Related Party Transactions of Banking and Insurance Institutions (銀行保險機構關聯交易管理辦法) (CBIRC Order [2022] No. 1).

Analysis of pricing policy and fairness

- (I) The above-mentioned estimated proportion of related party transactions is not the agreed proportion that shall actually occur. Certain estimated recurring related party transactions of the Bank are routine businesses within the Bank's policies and business scope. The actual related transactions between the Bank and related parties will be priced in accordance with general commercial terms and the principle of fair market value, and will be conducted on conditions no better than similar transactions with non-related parties. The Bank shall not provide guarantee for financing activities of related parties, except in the case where related parties provide full counter-guarantee with certificates of deposit or government bonds.
- (II) Within the proportion of the estimated amount of related party transactions under the plan, the actual related party transactions between the Bank and related parties shall be subject to laws, regulations, regulatory requirements and the Bank's rules and regulations, and will be implemented after approval in accordance with the Bank's internal authorization procedures for relevant businesses. In the event of a related party transaction between the Bank and the related parties under the plan exceeds the estimated amount of related party transactions, it will be reviewed by the Bank's Related Party Transactions Control Committee as required, and be reviewed by the Board of Directors and submitted to the general meeting of Shareholders for approval. If an actual related party transaction between the Bank and related parties is also the connected transaction under the Listing Rules and does not meet the conditions for exempting independent Shareholders' approval, such transaction shall be submitted to the Shareholders' general meeting for approval.
- (III) After the Bank conducted related party transactions with related parties, the ratio of the credit balance of the related parties to the net capital of the Bank must meet the regulatory requirements of the regulatory authorities for the Bank and the internal management requirements of the Bank.
- (IV) When the related party transaction is unfair and causes losses to the Bank due to the reasons of the related party, the Bank has the right to cancel or terminate the transaction.

LETTER FROM THE BOARD

(III) Guangdong Haide Group Co., Ltd. and its related parties

General information

Company profile: Guangdong Haide Group Co., Ltd. (“**Haide Group**”) was established on July 28, 2000, its legal representative is Ye Jinquan (葉錦泉). Its registered capital is RMB200 million, and its business scope includes: industrial investment, engineering bidding agency services, building intelligent engineering, decoration design and engineering construction, production of hardware products, landscaping engineering, sales of building materials and decoration materials, real estate development. The company is mainly engaged in building material trade and industrial investment.

Relationship with the Bank: At present, the controlling shareholder of Haide Group is Ye Jinquan (directly and indirectly holding 82.36% of the shares), with no actual controller or person acting in concert, and its ultimate beneficiary is the company itself. As of December 31, 2021, Haide Group held 69,784,524 Shares of the Bank, accounting for 1.01%; Haide Group and its related parties held a total of 116,333,556 Shares of the Bank, accounting for 1.69%. Ye Jinquan, the controlling shareholder of Haiyde Group, is a Director of the Bank.

Proportion of expected application amount

The estimated amount of credit related party transactions applied by Haide Group and its related parties to the Bank shall not exceed 10% of the Bank’s net capital, and the estimated amount of non-credit related party transactions shall not exceed 10% of the Bank’s net capital.

(IV) Dongguan Hongyuan Hotel Co., Ltd. and its related parties

General information

Company profile: Dongguan Hongyuan Hotel Co., Ltd. (“**Hongyuan Hotel**”) was established on June 22, 2000, its legal representative is Chen Jiangtao (陳江濤). Its registered capital is RMB10 million, and its business scope includes: catering services, tourism, karaoke, ballroom, hairdressing service, cigarette retail, beauty service. The company’s main business is Hongyuan Hotel.

Relationship with the Bank: At present, the controlling shareholder of Hongyuan Hotel is Chen Jiangtao, with no actual controller or person acting in concert, and its ultimate beneficiary is the company itself. As of December 31, 2021, Hongyuan Hotel held 30,100,000 Shares of

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the Bank, accounting for 0.44%; Hongyuan Hotel and its related parties held a total of 32,845,106 Shares of the Bank, accounting for 0.48%. Chen Haitao, a close relative of Chen Jiangtao, the controlling shareholder of Hongyuan Hotel, is a Director of the Bank.

Proportion of expected application amount

The estimated amount of credit related party transactions applied by Hongyuan Hotel and its related parties to the Bank will not exceed 10% of the Bank's net capital, and the estimated amount of non-credit related party transactions will not exceed 10% of the Bank's net capital.

(V) Dongguan City Xingye Knitting Co., Ltd. (東莞市興業針織有限公司) and its related parties

General information

Company profile:

Dongguan City Xingye Knitting Co., Ltd. (東莞市興業針織有限公司) (“**Xingye Knitting**”) was established on May 28, 1995. Its legal representative is Fu Wanxia (傅婉霞) and its registered capital is RMB50 million. Its business scope includes: production of knitted garments, knitwear, bedding, sweater printing, and sales of raw materials for knitwear. The company is mainly engaged in the production of knitted garments and has the registered trademark of “紀帆登 (Ji Fan Deng)”.

Relationship with the Bank: Currently, the controlling shareholder of Xingye Knitting is Chen Xipei (陳錫培). There is no actual controller or person acting in concert, and the ultimate beneficiary is the company itself. As of December 31, 2021, Xingye Knitting held 30,064,941 Shares of the Bank, accounting for 0.44%; Xingye Knitting and its related parties held a total of 38,889,897 Shares of the Bank, accounting for 0.56%. Chen Weiliang (陳偉良), a close relative of Chen Xipei (陳錫培), the controlling shareholder of Xingye Knitting, is a Director of the Bank.

Proportion of expected application amount

The estimated amount of credit related party transactions applied by Xingye Knitting and its related parties to the Bank will not exceed 3% of the Bank's net capital, and the estimated amount of non-credit related party transactions will not exceed 10% of the Bank's net capital.

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8. 2021 Final Financial Accounts Plan

In 2021, in the face of the complicated business environment, the Bank earnestly implemented the “1+12348” planning and deployment. Guided by the tasks and objectives of the first year of the new three-year development plan, and according to the requirements of high-quality development, the Bank pressed forward amid the challenging climate, and successfully completed various task indicators. Based on the results of the 2021 annual financial report audited by PricewaterhouseCoopers, the 2021 financial final accounts are reported as follows (the report adopts information on Group basis):

1. *The scale of assets and liabilities has grown steadily:* as of the end of 2021, the Group’s total assets amounted to RMB593.361 billion, an increase of 8.20% from the end of last year; the balance of various deposits amounted to RMB413.961 billion, an increase of 11.10% over the end of last year; the balance of various loans amounted to RMB298.115 billion, an increase of 14.02% over the end of last year.
2. *The profitability continued to grow steadily:* in 2021, the Group realized a pre-provision profit of RMB8.433 billion, a year-on-year increase of 3.52%; a net profit of RMB5.703 billion, a year-on-year increase of 12.81%. ROA (return on average total assets) and ROE (return on average equity) were 1.00% and 12.87% respectively.
3. *The asset quality remained at an excellent level, and the ability to offset risks was continuously enhanced:* as of the end of 2021, the Group’s NPL ratio was 0.84%, allowance coverage ratio was 375.34%, an increase of 0.21 percentage point from the end of last year, and the provision-to-loan ratio was 3.15%, an increase of 0.09 percentage point from the end of last year.
4. *The capital strength has been greatly improved:* in 2021, the Group’s profit maintained steady growth, and the endogenous capital replenishment was enhanced. Also, the Bank was listed on the Hong Kong Stock Exchange during the Reporting Period, which improved the capital replenishment channel. As of the end of 2021, the Group’s core tier-one capital adequacy ratio was 13.90%, representing an increase of 2.36 percentage points over the end of last year; and the capital adequacy ratio was 16.29%, representing an increase of 2.29 percentage points over the end of last year.

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Table of the Group's Major Operating Indicators in 2021

Major operating indicators	2020	2021
1. Profitability		
1.1 Return on average equity (%)	13.64	12.87
1.2 Return on average total assets (%)	1.00	1.00
1.3 Earnings per share (RMB)	0.85	0.93
2. Revenue structure		
2.1 Net interest margin (%)	2.16	1.96
2.2 Percentage of net fee and commission income (%)	7.81	6.10
2.3 Cost-to-income ratio (%)	31.51	34.18
3. Asset quality		
3.1 Non-performing loans (RMB'00 million)	20.33	23.84
3.2 Non-performing loan ratio (%)	0.82	0.84
3.3 Allowance coverage ratio (%)	375.13	375.34
4. Capital adequacy ratio		
4.1 Capital adequacy ratio (%)	14.00	16.29
4.2 Core tier-one capital adequacy ratio (%)	11.54	13.90

9. 2021 Profit Distribution Plan

In 2021, the Bank's audited total profit of parent company was RMB5.881 billion, representing an increase of RMB859 million or 17.09% year-on-year; net profit of parent company was RMB5.598 billion, representing an increase of RMB872 million or 18.46% year-on-year. It is planned to distribute profits according to the following items and proportions:

1. Pursuant to the Article 166 of the Company Law, 10% of the audited net profit shall be appropriated to the statutory surplus reserve;
2. Pursuant to the Article 6 of the Administrative Measures for Provision of Reserves of Financial Enterprises, 10% of the audited net profit shall be appropriated to the general reserve;
3. Distribution of cash dividends to Shareholders: cash dividends amounting to RMB1.998 billion will be distributed to Shareholders at RMB2.90 (tax inclusive) for every 10 shares. The distribution schedule of dividends will be implemented according to the actual situation.

Dividend distribution arrangement

If Shareholders approve the above 2021 profit distribution plan, the final dividend is expected to be paid on or before July 15, 2022, denominated in RMB, and will be paid to the Shareholders of Domestic Shares and H Shares in RMB and HKD, respectively. Dividend paid to H Shareholders in

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HKD will be converted at the average middle exchange rate of RMB against HKD announced by the People's Bank of China for the four working days prior to and including the date of approval of relevant dividend at the 2021 AGM. Shareholders whose names appear on the Bank's register of Shareholders at the close of business hours on June 1, 2022 (Wednesday) will receive the above 2021 final dividend of RMB0.29 per share (tax inclusive).

For the purpose of determining the entitlement of H Shareholders of the Bank to the 2021 final dividend, the H Shares register of members of the Bank will be closed from May 27, 2022 (Friday) to June 1, 2022 (Wednesday), both days inclusive, during which period no transfer of H Shares will be registered. In order to qualify for the 2021 final dividend, all H Share transfer documents together with the relevant share certificates must be lodged with the Bank's H Shares Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration, no later than 4:30 p.m. on May 26, 2022 (Thursday).

Tax and tax relief

Domestic Shareholders

According to the applicable provisions of the Enterprise Income Tax Law of the People's Republic of China, the Individual Income Tax Law of the People's Republic of China and the detailed implementation rules, for individual Domestic Shareholders, the Bank withholds and pays individual income tax at a rate of 20% in accordance with the national tax law; For enterprise Shareholders of Domestic Shares, the Bank does not withhold and pay corporate income tax. Shareholders of domestic shares of an enterprise shall perform their tax declaration and payment obligations in accordance with the provisions of the national tax law.

H Shareholders

Corporate H Shareholders

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations and other relevant rules and regulations, the Bank is required to withhold and pay enterprise income tax at the rate of 10% when distributing the 2021 final dividend to non-resident enterprise H Shareholders. Any H Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other groups and organizations, will be treated as being held by non-resident enterprise Shareholders and therefore their due dividends will be subject to the withholding of the enterprise income tax.

Upon receipt of such dividends, a non-resident enterprise Shareholder may apply to the competent tax authorities for relevant treatment under the tax treaties/arrangements in person or through a proxy or a withholding agent and provide evidence in support of its status as a beneficial owner as defined in the tax treaties/arrangements. Upon verification by the competent tax authorities, the difference between the tax levied and the amount of tax payable as calculated at the tax rate under the tax treaties/arrangements will be refunded.

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Individual H Shareholders

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation regulations, and the regulations of the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa (1993) No. 045 Document (《關於國稅發 (1993)045號文件廢止後有關個人所得稅徵管問題的通知》) (Guoshuihan [2011] No. 348) and the Administrative Measures for Non-Resident Taxpayers to Enjoy Treaty Benefits (Announcement No. 35 [2019] of the State Administration of Taxation) (“**Tax Convention Announcement**”), the Company is required to withhold and pay individual income tax when distributing the 2021 final dividend to individual H Shareholders. However, the individual H Shareholders may be entitled to relevant tax preferential treatments pursuant to the tax treaties between the PRC and the countries (regions) in which the individual H Shareholders are domiciled and the tax arrangements between Mainland China and Hong Kong or Macau. In this regard, the Bank will implement the following arrangements in relation to the withholding and payment of individual income tax for the individual H Shareholders:

- for individual H Shareholders who are Hong Kong or Macau residents or whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend.
- for individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Bank will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual H Shareholders in the distribution of final dividend. If relevant individual H Shareholders would like to apply for a refund of the excess amount of tax withheld and paid, the Bank will handle, on their behalf, the applications for tax preferential treatments under relevant tax treaties according to the Tax Convention Announcement. Qualified Shareholders shall submit in time a letter of entrustment and all application materials as required under the Tax Convention Announcement to the Bank's H Share registrar, Computershare Hong Kong Investor Services Limited. The Bank will then submit the above documents to competent tax authorities and, after their examination and approval, the Bank will assist in refunding the excess amount of tax withheld and paid.
- for individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Bank will withhold and pay individual income tax at the effective tax rate stipulated in the relevant tax treaty in the distribution of final dividend.
- for individual H Shareholders whose country (region) of domicile is a country (region) which has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) which has not entered into any tax treaties with the PRC, or under any other circumstances, the Bank will withhold and pay individual income tax at the rate of 20% on behalf of the individual H Shareholders in the distribution of final dividend.

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10. 2022 Financial Budget Plan

Pursuant to the strategic deployment of the Board of Directors of the Bank, the 2022 financial budget plan of the Bank is as follows:

Pursuant to the Bank's business strategic development goals, each business maintained steady growth, the balance of deposits increased by 8%, and the balance of loans increased by 8%, and major regulatory indicators such as non-performing loan ratio and capital adequacy loan ratio continued to meet regulatory requirements. In order to promote the realization of the above budget targets, the Bank will continue to optimize the customer structure and accelerate digital transformation to ensure the smooth realization of the budget targets.

11. Extension of the Validity Period of Mandate to Issue Green Finance Bonds

In order to effectively utilize the approved quota of green financial bonds, increase the sources for medium and long-term stable debts of the Bank, and support the development of green credit business, the Bank intends to apply for an extension of the authorization period for green financial bonds approved at the first extraordinary general meeting in 2017, and to complete the issuance of the remaining approved quota of RMB1 billion. Details are as follows:

I. Approval and issuance of green financial bonds

After consideration at the eleventh meeting of the third session of Board and the first extraordinary general meeting in 2017, the Bank launched the green financial bond issuance with an amount of no more than RMB4 billion, which was approved by the regulatory authorities in December 2018. The approved issuance amount is not more than RMB4 billion. In 2019 and 2020, in line with the certification and launch progress of green projects, the Bank issued green financial bonds with an amount of RMB2 billion and RMB1 billion respectively, with the remaining approved quota of RMB1 billion.

II. The approved validity period of green financial bonds

According to the Decision of the People's Bank of China on Granting Administrative Licensing (中國人民銀行准予行政許可決定書) issued by the People's Bank of China, the green financial bonds of RMB4 billion were approved to the Bank should have expired on December 21, 2020. However, since 2020, the Covid-19 pandemic has caused a huge impact on the real economy. In order to further strengthen the financial support for entities, the Financial Market Department of the People's Bank of China issued the Notice of the Financial Market Department of the People's Bank of China on Matters Related to the Issuance of Bonds by Financial Institutions During the Pandemic Prevention and Control Period (中國人民銀行金融市場司關於疫情防控期間金融機構發行債券有關事宜的通知) (Yin Shi Chang [2020] No. 5) on February 7, 2020, which clearly extended the validity period of the approved financial bonds. The validity period of the approved or registered bonds will be suspended from February 1, 2020, and the time of resumption of calculation will be notified separately according to the changes in the pandemic prevention and control situation, that is, the remaining RMB1 billion quota of bonds of the Bank can continue to be used.

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In view of this, in order to effectively utilize the approved quota, the Bank intends to initiate the issuance of the remaining approved quota.

III. Extension of the validity period of the authorization

It is hereby submitted to the general meeting of Shareholders for consideration to extend the validity period of the authorization of the Shareholders' general meeting to the Board of Directors and delegation of the Board of Directors to the president of headquarters set out in the Resolution on the Public Issuance of Green Financial Bonds by Dongguan Rural Commercial Bank Co., Ltd. approved at the first extraordinary general meeting in 2017, from 36 months to 60 months, that is, the validity period of the authorization to be adjusted to 60 months from the date of approval at the first extraordinary general meeting in 2017.

12. Resolution in Relation to Public Offering of RMB13 Billion Special Financial Bonds

In order to further optimize the asset-liability structure of the Bank, increase the sources of medium- and long-term stable liabilities, and support steady development of credit business, the Bank intends to publicly issue special financial bonds with a total amount of not more than RMB13 billion, including green financial bonds (including carbon neutral bonds), special financial bonds for small and micro enterprise loans, and special financial bonds for “Sannong”. Details are as follows:

I. Necessity of issuing financial bonds

(I) Broadening sources of funds and matching the development of credit business

By issuing special financial bonds, the Bank can broaden the financing channels for long-term funds, improve the ability to raise long-term funds, obtain large and stable sources of funds, and support the growth of various loan businesses. At the same time, the issuance of 3-5-year financial bonds can effectively match the maturity of the credit projects issued by the Bank, further improve the mismatch between the maturity of assets and liabilities, and optimize allocation structure of assets and liabilities.

(II) Improving operation and management level and maintaining long-term stable operation

The public issuance of financial bonds in the inter-bank market, on the one hand, forms a market supervision mechanism by way of information disclosure and follow-up rating, etc., which is conducive to the Bank's continuous improvement of risk management level and maintenance of long-term stable operation; on the other hand, market constraints will encourage the Bank to better manage its operation and improve profitability, which is conducive to long-term sustainable development.

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II. Feasibility of issuing financial bonds

(I) Complying with the requirements of relevant regulations on bond issuance

The Bank has good corporate governance. The profitability has steadily improved in recent years, and various regulatory indicators have consistently exceeded regulatory requirements. The Bank has no major violations of laws and regulations or major cases caused by internal management issues, and meets the qualification requirements for financial bond issuers in relevant regulations and normative documents.

(II) Complying with regulation and market orientation, and responding to policy calls

Affected by the COVID-19 pandemic, the central bank proposed to “intensify financial support measures for medium, small and micro enterprises to resume work and production in accordance with the principles of marketization and legalization”, and support the development of real economy through a series of policy measures such as providing re-lending and re-discounting, supporting policy banks to increase special credit lines for private small and micro enterprises, and increasing bond financing support. The Bank declares that the raised funds from issuing financial bonds will be used exclusively for credit issuance, which can effectively guide the return of funds from financial market to real industries and accurately respond to regulatory calls.

III. Issuance plan

(I) Nature of bonds

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

(II) Issuance size

No more than RMB13 billion (including green financial bonds (including carbon neutral bonds), special financial bonds for small and micro enterprise loans, and special financial bonds for “Sannong”. The specific quota allocation is subject to the demand for credit issuance).

(III) Term of bonds

In principle, the term of each bond shall not exceed 5 years.

(IV) Coupon rate

The fixed interest rate is adopted, and the final annual coupon rate will be determined through book-building and centralized placing.

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(V) Issuance target and scope

Member of the national interbank bond market (unless otherwise provided by national laws and regulations).

(VI) Issuance method

The lead underwriter shall organize the members of the underwriting syndicate to publicly issue in the national interbank bond market through book-building and centralized placing.

(VII) Use of raised funds

According to regulatory requirements, the raised funds shall be used to issue agriculture-related loans, small and micro enterprise loans and green project loans that meet the requirements according to specific bond types.

IV. Authorization

(I) Authorization for issuing special financial bonds

It is proposed to submit to the Shareholders' general meeting to authorize the Board of Directors, and the Board of Directors to delegate the authorization to the senior management to be solely responsible for the abovementioned issuance of financial bonds. The scope of authorization includes but not limited to determining the issuance amount, issuance type, issuance rate, payment method, issuance timing, engagement of relevant intermediaries, and making appropriate adjustments or amendments to issuance terms, issuance plans and related materials according to regulatory requirements. The validity period of the authorization is 60 months from the date of approval of the plan by the Shareholders' general meeting.

(II) Authorization related to the duration of special financial bonds

It is proposed to submit to the Shareholders' general meeting to authorize the Board of Directors, and the Board of Directors to delegate the authorization to the senior management to handle all relevant matters based on the specific circumstances and under the framework and principle as considered and approved at the Shareholders' general meeting. The specific content and scope of authorization include but are not limited to: arranging repayment of principal and interest of bonds, etc.

13. Resolution in relation to Public Offering of Ordinary Financial Bonds

In order to further optimize the asset liability structure of the Bank, increase the medium- and long-term stable source of liabilities and support the steady business development, the Bank proposes to publicly issue ordinary financial bonds with a total amount of no more than RMB7 billion, and the raised funds from which will be used to replenish working capital, optimize the medium- and long-term asset liability matching structure and support the steady business development. The details are as follows:

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I. Necessity of applying and issuance of ordinary financial bonds

The issuance of ordinary financial bonds will improve the Bank's ability to raise long-term funds, obtain large and stable sources of funds, maintain the stability of core liabilities and support the growth of business scale. Additionally, the issuance of 3-5-year financial bonds can also effectively match the Bank's medium- and long-term asset businesses, which will be conducive to further improving the maturity mismatch of assets and liabilities and optimizing the asset liability allocation structure.

II. Feasibility of applying and issuance of ordinary financial bonds

According to the Measures for the Administration of the Issuance of Financial Bonds in the National Interbank Bond Market (PBoC Order [2005] No. 1), commercial banks should fulfil the following conditions for public issuance of financial bonds: 1. have a good corporate governance mechanism; 2. the core capital adequacy ratio shall not be less than 4%; 3. consecutive profits in the last three years; 4. the provision for loan losses is sufficient; 5. the risk regulatory indicators comply with the relevant provisions of the regulatory authority; 6. there have been no major violations of laws and regulations in the past three years.

Regarding the above issuance conditions, the Bank has satisfied the regulatory requirements for the issuance of financial bonds.

III. Issuance plan of ordinary financial bonds

(I) Nature of bonds

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

(II) Size of issuance

No more than RMB7 billion (to be issued in several tranches or one-lump sum depending on market conditions and in compliance with the regulatory requirements).

(III) Maturity of bonds

In principle, it shall not exceed 5 years.

(IV) Coupon rate

The fixed interest rate is adopted, and the final annual coupon rate will be determined through book building and centralized placing.

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(V) Issuance target and scope

Members of the national interbank bond market (unless otherwise provided by national laws and regulations).

(VI) Issuance method

The lead underwriter shall organize the members of the underwriting syndicate to publicly issue in the national interbank bond market through book building and centralized placing.

(VII) Purpose of raised funds

According to regulatory requirements, the raised funds shall be used to replenish working capital, optimize the matching structure of medium- and long-term assets and liabilities, and support the sustainable and steady business development.

IV. Authorization

(I) Authorization for issuance of ordinary financial bonds

It is hereby proposed that the Board of Directors is authorized by the Shareholders' general meeting, and delegate the authorization to the senior management to be responsible for the matters related to the issuance of the above financial bonds at their absolute discretion. The scope of authorization shall include but be not limited to determining the issuance amount, type of issuance, interest rate of issuance, payment method and timing of issuance, engagement of relevant intermediaries, and making appropriate adjustments or modifications to the issuance terms, issuance plan and relevant materials according to the regulatory requirements. The validity period of the authorization will be 60 months commencing from the date of approval of the plan at the Shareholders' general meeting.

(II) Authorization related to the duration of ordinary financial bonds

It is hereby proposed that the Board of Directors is authorized by the Shareholders' general meeting, and delegate the authorization to the senior management to conduct relevant matters at their absolute discretion based on the specific circumstances and under the framework and principle as considered and approved at the Shareholders' general meeting commencing from the date of completion of issuance of each tranche of bonds. The specific authorization content and scope include but are not limited to: arranging the repayment of principal and interest of bonds, etc.

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II. REPORTS TO BE LISTENED IN THE 2021 AGM

The Shareholders will hear the 2021 Result Report of Duty Performance Evaluation of the Directors, Supervisors and Senior Management of Dongguan Rural Commercial Bank Co., Ltd., the 2021 Work Report of Independent Directors of Dongguan Rural Commercial Bank Co., Ltd. and the 2021 Report on Related Party Transactions of Dongguan Rural Commercial Bank Co., Ltd. at the 2021 AGM.

III. THE 2021 AGM

The AGM will be held at 3:00 p.m. on May 23, 2022 at the conference room of Dongguan Rural Commercial Bank Building, No. 2, Hongfu East Road, Dongcheng District, Dongguan, Guangdong Province, the PRC (with six additional satellite venues), to consider and approve the resolutions relating to the matters set out in the notice of the 2021 AGM. The notice of the 2021 AGM is set out on pages AGM-1 to AGM-4 of this circular.

If you intend to attend the 2021 AGM in person or by proxy, you are required to inform the Bank prior to May 13, 2022 (Friday) at 4:30 p.m., and H Shareholders are required to return the reply slip for H Shareholders enclosed with this circular to the Bank's H Share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

H Shareholders who wish to attend the 2021 AGM by proxy are also required to complete and return the accompanying form of proxy for H Shareholders enclosed with this circular in accordance with the instructions printed thereon and deposit the same to the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited (the same address referred to above) not less than 24 hours before the time for the holding of the 2021 AGM (i.e. prior to 3:00 p.m. May 22, 2022 (Sunday)) (or 24 hours before any adjournment thereof, if any). Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2021 AGM or any adjournment thereof should you so wish, in which case, instrument appointing a proxy shall be deemed to be revoked.

Such reply slip and form of proxy for H Shareholders can be downloaded from the websites of the HKEXnews at www.hkexnews.hk and the Bank at www.drcbank.com.

According to the requirements of pandemic prevention and control, in order to reduce the risks arising from the group gathering, the Bank will additionally arrange six satellite venues at branches of the Bank in Dongguan, all H Shareholders who wish to attend the meeting in person or by proxy shall be temporarily arranged at the venue of Dongcheng Branch at the conference room, 3rd floor, 7 Dongcheng East Road, Dongcheng District, Dongguan for attendance at the 2021 AGM, and the arrangement of attendance for domestic Shareholders will be otherwise informed once receipt of his/her reply slip. For those H Shareholders who will attend the 2021 AGM, subject to the development of pandemic, limitation of the anti-pandemic regulations and returning of reply slip, the Bank may adjust the arrangement and make further announcement for these measures, when necessary.

LETTER FROM THE BOARD

IV. OPINIONS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

According to the requirements of the Articles of Association of the Bank, the independent non-executive Directors of the Bank shall express independent opinions on the resolutions on appointment of non-executive director, appointment of accounting firms and information disclosure (i.e., the 2021 annual report), the estimated amount of recurring related party transactions, profit distribution plan and issuance of financial bonds. The opinions are set out in Appendix IV of this circular.

V. RECOMMENDATIONS

The Board is of the opinion that the resolutions in relation to matters referred to in this circular and the notice of the 2021 AGM enclosed with this circular are in the long-term development interests of the Bank and the Shareholders as a whole. Thus, the Board recommends that the Shareholders should vote in favor of all the relevant resolutions proposed in relation to matters set out in the notice of the 2021 AGM.

VI. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices I to IV to this circular.

Board of Directors
Dongguan Rural Commercial Bank Co., Ltd.

DONGGUAN RURAL COMMERCIAL BANK CO., LTD.
WORK REPORT OF THE BOARD OF DIRECTORS FOR 2021

2021 is a milestone year in the history of Dongguan Rural Commercial Bank Co., Ltd. (“**Dongguan RCB**” or the “**Bank**”). The Board of Directors of Dongguan RCB conscientiously implemented various national policies and financial regulatory requirements, adhered to the general tone of seeking progress while maintaining stability, stuck to strategic determination, enhanced strategic leadership, planned the “1+12348” strategic plan with high standards, promoted various reforms with high quality and efficiency, and took solid steps towards strategic goals.

I. Company Overview in 2021

In 2021, in the face of the complex external environment and fierce market competition, under effective guidance of superior departments, strong leadership of the Party Committee of the head office, strong support of all Shareholders and joint efforts of all employees, the Bank has achieved sustainable, healthy and coordinated development in terms of scale, efficiency and quality, fully achieved business objectives set by the Shareholders’ general meeting, and continued to maintain relatively high level of shareholder returns.

This year, we adhered to the leadership of Party building and learnt the Party history, and the Party leadership and Party building have been significantly strengthened. We adhered to the guidance of Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implemented the spirit of the 19th CPC National Congress and the 19th Plenary Session, led high-quality development with Party building in the new era, and integrated the Party building into various tasks and fields. Focusing on “learning the Party history, understanding thoughts, doing practical things, and starting a new situation”, we drew wisdom and strength from one-hundred-year history of the Party, and carried out in-depth Party history learning and education and practical activities of “I do practical things for the masses”. We continued to strengthen the Party’s ideological construction, organizational construction, discipline construction and team construction, and realized the “three unifications” of Party leadership and corporate governance, Party construction and bank operation and management, Party discipline and cadre requirements, providing strong political guarantee for the Bank’s new three-year development plan to have a good start.

This year, we insisted on keeping upright and seeking innovation and forging ahead, and the business performance has been significantly improved. As at the end of 2021, the total assets of the Group amounted to RMB593.361 billion, representing an increase of RMB44.959 billion or 8.20% as compared with the end of the previous year; the balance of deposits was RMB413.961 billion, representing an increase of RMB41.371 billion or 11.10% as compared with the end of the previous year; the balance of loans was RMB298.115 billion, representing an increase of RMB36.664 billion or 14.02% as compared with the end of the previous year. The Bank has achieved steady growth in the scale of assets and liabilities. The market share of deposits and loans of the Bank has remained the first in the banking industry of Dongguan for 26 consecutive years. The Group realized a pre-provision profit of RMB8.433 billion and net profit of RMB5.703 billion, of which the net profit attributable to shareholders of the Bank was RMB5.590 billion, an increase of 15.09%; net asset per share attributable to the shareholders of the Bank was RMB6.88, an increase of 9.21%; basic earnings per share was RMB0.93, an increase of 9.41%; ROA and ROE were

1.00% and 12.87% respectively, remaining at the forefront of listed banks; the capital adequacy ratio of the Group was 16.29%, the non-performing loan ratio was 0.84%, and the allowance coverage ratio was 375.34%. The asset quality remained at an excellent level and risk resistance was continuously enhanced.

This year, we insisted on capital-driven and market-driven growth, and our brand influence has been significantly improved. We overcame difficulties, scientifically analyzed the market trend, accurately seized opportunities, overcame many difficulties, and successfully listed in Hong Kong. We have achieved three historic leaps of better equity structure, more visible market value and more standardized operation and management, with outstanding investment value and brand value. According to the “Global Top 1000 Banks” published by the British magazine The Banker, the Bank ranked 261st, up six places from 2020; the Bank ranked 43rd in the “Top 100 Banks in China” released by China Banking Association in 2021, and 6th among rural commercial banks in the PRC; the Bank won honors such as “2021 Outstanding Service Rural Revitalization Bank” and “2021 Excellent Product Award for Financial Assistance to Rural Revitalization in Dongguan” by mainstream media such as China Finance. The brand influence and industry reputation have been improved to a higher level.

This year, we insisted on strategy-guided, and the synergy of business development was significantly enhanced. We focused on the “four beams and eight pillars” strategic foundation projects, with solid foundation of “four beams” including core customers, core business, risk management and organizational management, and strong support of “eight pillars” including grid + scenario, market share + profitability, compliance operation + risk management and control, incentive and restraint + corporate culture, which significantly enhanced core competitiveness of high-quality development of the Bank. We focused on core customers, that is, focusing on the modern “Sannong” customer group, the “three-chain” customer group in advanced manufacturing, and the “three-innovation” customer group of medium, small and micro enterprises. We used the “1+3+N” grid marketing model, expanded “3” and “N” around “1”, made every effort to build the “three threes (三個三)” core customer groups, innovatively implemented the “133” project of rural revitalization financial services, and successfully promoted customer activation. We focused on the five core businesses including retail finance, corporate finance, small and micro finance, inter-bank finance and digital finance, setting off a “big tide” of business development. We focused on solving the difficult and urgent problem at the grassroots level, deeply implemented that “I do practical things for the masses”, and promoted full completion of ten measures for “empowering the front line”; the linkage among the front, middle and back offices, the head office and branches, various business segments, the parent bank and various affiliated institutions, as well as various institutions and government departments at all levels has been significantly enhanced, establishing a “united front” for the business development of the Bank.

II. Main Work of the Board of Directors in 2021

In 2021, the Board of Directors of the Bank closely focused on the strategic deployment of the national “14th Five-Year Plan”. Based on the new development stage, we implemented new development concept, took serving real economy as the main line, high-quality development as the theme and reform and innovation as the main axis, and forged ahead facing difficulties, achieving a successful start to the new three-year development plan.

(I) **Taking advantage of the trend, Party building and corporate governance have achieved new results**

1. **Grasped the direction with strong leadership of the Party.** Firstly, political leadership is more prominent. We always put political construction in the first place, adhere to the principle of “Party Committee discussion first, submission afterwards (先黨內、後提交)”. Major matters of the Shareholders’ general meeting and the Board of Directors shall be submitted to the Party Committee for study and discussion in advance to ensure that the Party organization plays a crucial role in grasping direction, managing overall situation and ensuring implementation. We implemented the requirements of “mutual entry and cross appointment”, implemented a new round of three-year action plan for grass-roots organization construction, and ensured the implementation of decisions and arrangements of the Party Central Committee, the provincial Party Committee and provincial government as well as the municipal Party Committee and municipal government. Secondly, Party building brand is more distinctive. We carried out practical activities of “I do practical things for the masses” to promote the study and education of Party history to go deeper and more practical. We launched the red financial currency exhibition for the 100th anniversary of the founding of the Party, created the “learning plank road of Party history”, and formed a characteristic brand of Party history learning and education. Thirdly, primary organizations are more dynamic. We strengthened Party building to lead the rural revitalization service pattern, and fully implemented the three dispatch systems of dispatching rural revitalization financial instructors, party building and co-construction liaisons, and inclusive financial service personnel. We promoted full coverage of Party building and co-construction, and established partnership and cooperative relationship with village-level Party organizations throughout the city, so as to build new situation of Party building work featuring resource sharing, complementary advantages, mutual promotion and common improvement.
2. **Sought overall situation with efficient lead of development strategies.** Firstly, strengthening the strategic leadership of the Group. Based on the new situation, new changes and new requirements, the Board of Directors has planned directional, global and strategic issues, and issued the “Outline of the Second Three-year Development Plan of the Third Transformation (2021-2023)” at the group level, initiated the “1+12348” strategic deployment, and made every effort to consolidate the “four beams and eight pillars” strategic foundation project of the Bank. We have introduced comprehensive risk management, information technology, capital planning and other sub-strategies, to ensure the systematicness and effectiveness of the strategic system, and comprehensively enhance the foresight and pertinence of business management. Secondly, strengthening the rural revitalization strategy. We established the first “rural revitalization financial service center” in Dongguan, and comprehensively built a multi-level rural revitalization financial service mechanism. We innovatively launched the “133” project of rural revitalization financial services, fully implemented the three dispatch systems, and focused on “modern Sannong” financial services, which fully demonstrated the mission and responsibility of the Bank as the main force of local finance and the main force of “Sannong” finance. Thirdly, strengthening strategic

capital management. We continued to strengthen the endogenous capital replenishment capability and actively expanded external capital replenishment channels. We successfully raised HK\$9.093 billion through listing. After deducting the listing expenses, all the net proceeds from the issuance of H-share were used to replenish tier 1 capital and further increase support for real economy. We comprehensively promoted the application of economic capital and RAROC, promoted the transformation of light capital, and strived to maximize the value of economic capital. We optimized the asset allocation structure, prioritized the development of businesses with higher comprehensive income and less capital consumption, and strengthened capital intensive management.

3. **Promoted improvement with sound and complete governance system.** Firstly, governance structure is more diversified. Following the principle of “long-term and stability, transparency and integrity, fairness and reasonableness”, we focused on optimizing shareholding structure, actively introduced shareholders who agree with the strategic positioning, formed shareholding foundation that conforms to the service orientation of supporting small and micro enterprises and Sannong, and deepened the positioning of “a public bank under the leadership of the Party”. Secondly, the governance mechanism is more international. We strictly abided by domestic and overseas laws, regulations and regulatory requirements, took outstanding listed banks as the benchmark, comprehensively optimized the operation model of “the shareholders’ general meeting, the Board of Directors, the Board of Supervisors and senior management”, and established special meeting mechanism for the chairman and independent Directors as well as among the independent Directors. We paid attention to the diversification of Board members, improved the information disclosure mechanism suitable for capital market, optimized the investor relationship management mechanism, and clarified policies and procedures of ESG reporting, which met the regulatory requirements of capital market. Thirdly, the governance capacity is more specialized. We promoted the management principle of “rule-based management”, dynamically transformed regulatory provisions into internal rules and regulations, and ensured full coverage of system in corporate governance. We enriched the channels for duty performance of special committees under the Board of Directors, established a multi-level director training mechanism, and improved scientific decision-making level of the Board of Directors. We deployed the normalization of Shareholder equity and related party transactions, improved the Shareholder commitment system, and strengthened risk prevention capabilities in key areas of corporate governance. Fourthly, the governance operation is more standardized. In 2021, the Bank convened one general meeting, which considered and approved 13 resolutions, and heard three reports; 19 meetings of the Board of Directors, which considered and approved 229 resolutions, and heard six reports; 55 meetings of the committees, which considered and approved 283 resolutions, and heard eight reports. We paid close attention to the implementation of the resolutions of the shareholders’ general meeting and the meetings of the Board of Directors and committees thereunder with the implementation rate of resolutions reaching 100%, and further strengthened the construction of the Board of Directors.

(II) **Advanced with the trend, stimulated new kinetic energy with digitalization and group transformation**

1. **Deepened the layout, and empowered the digital bank development.** First, we did a good job in the top-level design of digital transformation. We have formulated the 2021-2023 information technology strategic plans, clarified the digital transformation and technology strategic planning blueprint and implementation path, established a special project and special management mechanism for major tasks, and we have set up a digital transformation office. We intensified the introduction of professionals in the digital field, and coordinated and promoted digital transformation comprehensively. Second, we enhanced the ability of organizational coordination. We have set up positions including product manager and data analyst, strengthened the full life cycle management of products, and improved the ability of data analysis. We further improved the organizational synergy mechanism and promoted the integration of business and technology. Third, we strengthened data governance. We launched a special operation for data governance, continued to consolidate data quality, established a data query database, further improved the automation of data statistics. Fourth, we deepened the practice of digital application. We applied digital thinking throughout the entire business operation chain, and deeply analyzed the digital operation needs of long-tail customers. Through cluster analysis and other technical means, we matched the differentiated and precise service needs of customer groups and improved the digital level of financial services.
2. **Focused on innovations, and promoted smart bank development.** First, we deepened the innovative application of financial technology. With the “Fin-tech + Business Scenario” model, we fully promoted the integrated development of online and offline businesses, in-depth integration of financial technology applications such as artificial intelligence, block-chain, and big data. Our information technology systems including grid management, smart operations, and smart finance have achieved phased results. We have comprehensively improved the quality and efficiency of technology-driven business innovation and development. Second, we consolidated the infrastructure of information technology. We have progressed the construction of science and technology centers and new data centers in an orderly manner, built a cloud computing platform and a new-generation network system, and realized dual-active applications of all important information systems in the same city. We have strengthened the operation and maintenance management, optimized the IT architecture and disaster recovery system, and improved the business support capability and business continuity level. Third, we promoted smart operation management. We have launched systems such as smart account management, wealth management, and industrial financial service platforms, enriched the ecosystem of financial service scenarios. We have launched a large-screen unified management platform and an external data management system, realized the centralized, unified and graphical display of key operational data and supported accurate business decision-making. We continued to iterate the “Sky Eye” audit system, and constructed three functional components with the “Sky Eye” view as the overview, audit

analysis as the main body, and audit operations as the support. We achieved normalized screening of typical, tendency and common risks that were difficult to find in the past, which has effectively improved the quality and efficiency of audit work.

3. **Promoted integrations, the advantages of group banks were emerging.** First, we realized regionalization of business operations. In accordance with the main structure of “One Core with Two Wings”, we firmly stabilized the Dongguan market, based ourselves on the development of the Greater Bay Area, seized the opportunities for the construction of two provincial sub-centers in Shantou and Zhanjiang, integrated the resources of Dongguan and the Bay Area, and improved “wisdom and system investment” mechanism for consolidated subsidiaries, and improved the comprehensive contribution of associated institutions to the Group. Second, we realized vertical management. With the goal of building a governance system of modern banking group, we have established and improved our linking mechanism of “Three Meetings and One Level” between parent company and subsidiaries, and strengthened the guidance on the positioning and development strategies of subsidiaries. Through the whole chapter system, business collaboration, we built up a group management structure with efficient collaboration and quick response. We built a group asset-liability management system, completed the multi-legal transformation of the core system, and further improved the level of consolidated management. Third, we achieved comprehensive risk control. We improved the Group’s risk management structure, added a risk limit reporting mechanism for subsidiaries, and enhanced the consolidated risk management capability. We also established stress testing working mechanism at the group level, which objectively assessed the risk response level at the group level and improved the group’s risk emergency management capability. Fourth, we have achieved the integration of concepts. Through the management model of “group consolidated management + stationed team management”, the parent bank’s stable operation and management culture has been passed on to its subsidiaries, and a coordinated and unified group culture has been built.

(III) Gathered the momentum and became strong, showed new responsibilities for service entities and risk control management

1. **Kept original intentions, inclusive finance benefited both urban and rural areas.** First, our corporate finance has contributed to the rapid development of the industry. We fully supported industries such as the development of high-end manufacturing, new generation information industry, biomedical industry, environmental protection and education; actively supported “specialized, refined and new” corporate customers; comprehensively promoted industry development in sectors such as livelihood, urban modernization and manufacturing industries in Dongguan. Second, our retail finance has helped residents increase their wealth. We have built a “finance + life” financial ecosystem, vigorously promoted social security cards, built a financial application scenario for citizen cards, and achieved a rise in the quantity and quality of retail AUM. Focusing on residents’ living consumption scenarios, we have innovatively launched the “whole village credit (整村授信)” consumer financial service model, created exclusive rights and interests to benefit the people. We have matched the diversified asset

allocation needs of residents, vigorously promoted family trust products, and improved the construction of the wealth management system. Third, small and micro finance helped enterprises move forward lightly. We continued to optimize the comprehensive services for inclusive small and micro enterprise customers, actively implemented two direct-to-entity monetary policy tools, inclusive small and micro credit loans and deferred principal and interest repayment loans, and fully implemented the service concept of “fee reduction and interest concession”. Our inclusive products have been well-recognized, “Stable Business Loan (穩業貸)” won the first prize in the “Financial Empowerment for Facilitating Enterprises and Benefiting People” service project competition of Dongguan Financial System in 2021, and “Sc-insurance Loans (科保貸)” was selected as the “Representative Case of Inclusive Finance in China’s Banking Industry (2021)”.

2. **Enhanced service and improved customer management quality and efficiency.** First, we have innovated and promoted the “1+3+N” grid marketing model. We have deepened and thoroughly cooperated with leading enterprises of “1”, and focused on the “three threes” core customer groups such as “Sannong”, “three chains” and “three innovations”, and extended financial services to the “three chains” of industrial chain, supply chain, and value chain and the “three circles” of individual customers’ family circle, business circle, and friends circle, and expanded to “N” small and micro enterprises and retail customer groups, to improve the management level of core customers. As of the end of 2021, the loan balance of modern “Sannong” customer groups reached RMB56.312 billion, an increase of RMB9.779 billion from the beginning of the year; the balance of loans to advanced manufacturing “three-chain” customers reached RMB39.379 billion, an increase of RMB10.412 billion from the beginning of the year. The balance of loans to the “three innovations” customer groups of micro, small and medium-sized enterprises reached RMB2.498 billion, an increase of RMB754 million over the beginning of the year. Second, we have deepened the construction of scenario-based financial services. We have built a new ecosystem of “1+3+N” with transaction banking business, seamlessly embedded financial services into various life and production scenarios of the “three threes” core customer groups, and refined the service connotation of parks, schools, and group companies to meet the “financial + non-financial” service needs of core customers in multiple dimensions. We insisted on and built outlets that provide convenient financial services and convenient non-financial services, formulated a three-year plan for the digital construction of outlet planning, implemented the whole-process management of outlet construction and the integrated construction of smart equipment, and started the construction of pilot 5G outlets, enriched the scene-based services of the outlets, and comprehensively enhanced our customer service capabilities.
3. **Strengthened bottom line, comprehensive risk management was put in place.** First, our risk appetite was prudent and robust. The Board of Directors actively responded to and judged changes in the external risk situation, determined the Group’s risk preference, formulated the Group’s risk limit management measures, and improved the risk preference transmission mechanism. We issued documents such as the 2021-2023 comprehensive risk management strategic plans, the implementation opinions on

comprehensive risk management, and clarified the work priorities in the field of risk management from the strategic level to the implementation level. Second, risks in key areas are controllable. The Bank formulated an implementation plan for the prevention and control of credit risks, carried out special inspections on key loans, and actively carried out various non-performing loan cleanups. The quality of credit assets continued to improve. We strengthened the planning and management of liquidity indicators and the early warning management of liquidity risks, improved the standards of liquidity stress testing and emergency management, and enhanced the initiative and forward-looking of liquidity risk management. We intensified the investigation and review of risky bonds, tightened the threshold for trading and investment business, and improved market risk prevention and risk resolution capabilities. Third, we continued to strengthen smart risk control. We have updated and optimized existing risk management systems such as the risk early warning system and the new generation credit system. Our second-generation credit reference system has successfully passed the acceptance of the credit reference center. We launched the collateral management system, launched the construction of the pre-loan investigation system, promoted the multi-legal entities transformation of the comprehensive risk management system, and improved the professional, intelligent and precise level of risk management.

4. **Promoted compliance, internal control and internal audit were in good place.** First, we have improved our compliance infrastructure. We strengthened the construction of the system, carried out post-system evaluation, and strictly controlled the compliance of the system and business. We accelerated anti-money laundering compliance transformation, optimized large-value and suspicious transaction reporting, and advanced the entire process and coverage of anti-money laundering compliance management. We have also strengthened the management of employee behavior, consolidated the main responsibility of case prevention management, improved the accountability mechanism for violations, and formed the ideological consensus and duty performance norms of “do not dare to violate regulations, cannot violate regulations, and do not want to violate regulations”. Second, we have innovated the promotion of compliance culture. The Board of Directors and senior management took the lead in establishing the concept of “compliance creates value”, and carried out the theme activity of “internal control and compliance management construction year”. By carrying out three innovations including “micro-display” innovation, “culture on the wall” innovation, and “cloud tour exhibition” innovation, and by carrying out and consolidating the results of middle-level cadres compliance examinations, consolidating the promotion of compliance concepts for all employees, and consolidating the effectiveness of compliance cultivation for all employees, we have promoted the transformation of compliance culture promotion from “abstract” to “concrete”, and created a strong compliance culture atmosphere. Third, we have improved the digitalization of internal control and internal audit. We upgraded the internal control compliance and operational risk management system, and improved the application of functions such as risk process monitoring and employee “portrait” analysis for line businesses. We have built a new generation of internal control supervision and management system, and built a comprehensive internal control supervision system that integrates functions such as monitoring and early warning, supervision model

management, statistical query, query analysis, and problem management. We have built the “Sky Eye” audit system with core intellectual property rights, and promoted the realization of the new era of internal audit standards of “accurate, stable and detailed audit trail mining, and short, smooth and fast audit management”.

(IV) Acted according to the situation, carried on new actions in organizational management and social responsibility

- 1. Gathered talents and stimulated the entrepreneurial motivation of officers.** Firstly, our talent echelon construction became more perfect. Following the “four priority principles”, that is “give priority to selection of talents from successful teams and teams with outstanding long-term performance; give priority to selection of talents with both head office and sub-branch experience or multi-line experience; give priority to selection of talents from the main battlefield of strategic transformation and the front line of business operations; and give priority to selection of talents from cadres who carry out strategic tasks and struggle for a long time in difficult and complex environments”, we have accelerated the allocation of operating forces in front-line branches, strengthened departmental management in the head office, and strengthened the construction of the reserve echelon of middle-level cadres, gradually built a strong cadre team. We insisted on recruiting talents, and steadily improved the quality and efficiency of talent recruitment. Secondly, the talent growth access is smoother. Adhering to the “application-oriented” talent capital concept, we solidly promoted the innovation of talent development mechanism and system, and sped up the construction of younger teams. We launched the training programs of “G30 Wings (G30展翅)” and “Young Talents (青年優才)”, and built a digital and compound talent growth platform for young employees. We explored and promoted the dual track guidance of “professional tutor + growth tutor”, and continued to pay attention to and empower the growth of new employees. Thirdly, the talent management mechanism is more refined. We continuously improved the construction of human resource management system and policies, built a “portrait” model of employees in combination with the new generation of human resource system, and improved the level of human resource data governance. We strengthened the staff management and welfare security, and enhanced the cohesion and sense of belonging of employees.
- 2. Improved the system and increased the vitality of organization and management.** Firstly, the organizational structure system is sounder. In combination with the changes of internal and external situation and guided by the strategies of the Bank, the Board of Directors timely adjusted and optimized the organizational structure, established consumer finance and credit card department, assets and liabilities management department, corporate culture department and rural revitalization financial service center, adjusted the functions of general office, security department and digital finance department, and created the organizational structure of group-based bank. Secondly, the incentive and restraint mechanism is more comprehensive. We implemented annual and quarterly dual-line parallel assessment, continued to deepen the AUM assessment, and promoted the improvement of comprehensive financial services. According to the overall strategic plan, we implemented special incentives to assist the smooth promotion

of the rural revitalization financial services of “133” project, “1+3+N” grid marketing, digital transformation and other key works, and gave full play to the role of performance-based remuneration as a baton. Thirdly, the core corporate culture is more obvious. We comprehensively strengthened the brand management construction, promoted the brand-new corporate IP design project, created a mascot image with high recognition and affinity, and responded to the demands of the new generation of young customers, and gradually formed the characteristics of the Bank’s brand youth. We built a financial culture and education park, created a financial education demonstration base and patriotism education base, which reflected the effectiveness of the financial livelihood project.

3. **Took the mission and jointly practiced responsibilities.** Firstly, make every effort to conduct scientific pandemic prevention. We adhered to the fundamental requirements of people first and life first, focused on the general strategy of “guarding against imported cases and rebound in indigenous cases”, made every effort to prevent and control the pandemic and guarantee financial services, made every effort to ensure the health and life safety of staff and customers, vigorously promoted the outlet reservation service pioneered by peers in Dongguan so as to ensure that financial services were “not suspended” and pandemic prevention and control was “continuing”. We organized employees to set up a “Little Blue Vest” anti-pandemic vanguard team with more than 1,000 employees, penetrated in the front line of towns, villages and communities, showed dedication to the community, actively donated anti-pandemic supplies such as masks, protective clothing, disinfectants, hand sanitizers and tents, carried out sympathy and assistance work of medical staff, and took practical actions to contribute financial force to resolutely win the tough battle of pandemic prevention and control. Since the outbreak of the COVID-19, the Bank granted over RMB75 billion of loans to support the work and production resumption of over 28,000 SMEs, provided medium- to long-term “Stable Business Loans (穩業貸)” of RMB4,752 million to the SMEs, and additionally granted of over RMB97 billion of credits to enterprises of pandemic prevention and control as well as industries and enterprises which were affected by the COVID-19, which fully demonstrates the role and contribution as the local financial main force. Secondly, implement low-carbon green finance. We established and implemented the concept of green development, integrated environmental and climate risk management into the comprehensive risk management system, and built a carbon neutral bank. We exerted the advantages of asset allocation, deeply developed the service brand of “Green Financing (綠融通)”, supported the green and low-carbon development of the society, explored the development path of “green bank”, and guarded the “green mountains and green waters” and the earth home. Thirdly, improve the financial consumer protection mechanism. We promoted the leader-reception mechanism and the diversified resolution mechanism of quick settlement and quick compensation of financial disputes, built a normalized financial knowledge publicity and education mechanism, set up a financial reading corner, and effectively promoted the integration of financial knowledge into the national education system. We released regular and temporary disclosure information such as annual report, interim report and social responsibility report in a timely manner to ensure the right to know of financial consumers.

III. Main Work Priorities of the Board of Directors in 2022

2022 is a year for Dongguan to fully promote the new goal of modernization from the new starting point of “Double 10,000” with a GDP of trillions and a population of 10 million. It is also a year for Dongguan Rural Commercial Bank to enter a new journey of high-quality development on the “Double New” new track of the new system of group management and the new mechanism of listed banks. The Board of Directors of the Bank will adhere to the principle of stability and seeking progress while maintaining stability, follow the established deployment of the “1+12348” strategic plan, always embrace the “the most important for the country”, resolutely shoulder the responsibilities and missions conferred to us by the Party and the people, seize the development opportunity of the construction of Guangdong-Hong Kong-Macao Greater Bay Area in Guangdong and the construction of “sci-tech innovation + advanced manufacturing” in Dongguan, and keep up spirits and work hard with all shareholders, customers, employees and communities, dedicating to compose a new chapter for the high-quality development of Dongguan Rural Commercial Bank, and present the victory of the 20th CPC National Congress and the 70th anniversary of the Bank.

(I) Focused on the primary responsibilities and principal businesses, and comprehensively enhanced the combat effectiveness of high-quality development

Firstly, comprehensively strengthen the Party’s leadership and provide political guarantee for high-quality development. Aiming at the “Three Orientations” namely the political orientation of the Party’s management of finance, the role orientation of the main force of local financial services and the development orientation of regional modern rural commercial bank group, we will transform the political advantage of the Party’s leadership into a powerful force to promote the high-quality development of the Bank. We will strengthen the “Three Abilities” of organization, cohesion and synergy, and build the strong fortress of the Party organization into a strong front to promote the high-quality development of the Bank. We will practise the “three political forces” namely the political judgment of “being aware of the intrinsic development and the result from seeing”, the political understanding of “understanding how and why” and the political execution of “acting upon the orders and going all out”, so as to build the team of Party members and cadres into the backbone to promote the high-quality development of the Bank. The Bank will improve the “three-no mechanism” where no one dares to corrupt, no one can be corrupted and no one can think of committing corruption, and forge the bottom line of building a solid Party style and clean government into a strong guarantee for the high-quality development of the Bank.

Secondly, comprehensively strengthen risk control and management and build a solid safety guarantee for high-quality development. We will put the prevention and address of financial risks in a more important position, improve the comprehensive risk management system and structure, and enhance the comprehensive risk control and management ability at the group level. We will strengthen the collection of non-performing assets, advance the cultural construction of “strict governance of loans” and build a “firewall” of credit risk. We will promote the digital transformation of risk control, improve the risk control ability before, during and after the management, and firmly build the defense line of intelligent risk control management.

Thirdly, comprehensively promote rural revitalization and inject vitality into high-quality development. We will adhere to the positioning of “supporting agriculture, supporting small and micro-sized enterprises and supporting real economy”, continue to further promote the “133” project of rural revitalization financial services, further consolidate our focus, adhere to our core tasks, integrate our original vision to penetrate into the villages, communities and factories, and strive for new achievements in rural revitalization financial services by building a comprehensive platform, innovating products and services and activating the service team. We will strengthen financial services for small, medium and micro-sized enterprises in the manufacturing, sci-tech innovation, “dual carbon” and “specialized and innovative” industries, and constantly strengthen the effectiveness and efficiency of financial services for the real economy in serving the overall stable development of the national economy.

(II) Focused on reform and innovation and comprehensively improved high-quality development creativity

Firstly, adhere to the open cycle and make full efforts to build the customer ecosystem. Strategically, we will take the customer ecosystem as the core and long-term development as the major task in layout planning. In terms of strategies, we will accelerate the improvement of organizational coordination, performance guidance, brand management, cultural construction and other support systems for the construction of customer ecosystem, so as to promote the symbiosis and common prosperity of customer base. In terms of implementation, we will plan to promote the action plan for customer ecological construction, comprehensively commence the construction of customer ecosystem, continue to deepen the “1+3+N” grid marketing model, make every effort to create “three threes (三個三)” of core customer groups including the modern Sannong customer group, “three chains” customer group of advanced manufacturing and “three innovation” customer group of SMEs, and improve the operation level of customers.

Secondly, adhere to the innovation-driven, accurately develop digital transformation project. Focusing on the strategic deployment of Dongguan to build a high-quality development pilot district of digital economy and a demonstration city for digital transformation of manufacturing industry, we will accelerate the construction of digital bank with the strategy of “running in small steps”. Guided by new ideas, we will build a digital ecosystem of “two big circles + two small circles” for government to banks and bank to enterprises, villages and outlets, and integrate a new ecosystem of financial services; we will take new technology as the driving force, strengthen data governance, revitalize digital assets and build a new base of digital capability; we will take the new channel as the carrier, build an efficient operation system and connect the new internal and external operation processes; and we will take new practices as a breakthrough, establish an independent data management department, set up a bank-wide data service system, and create a new form of organizational collaboration.

Thirdly, adhere to the application-oriented and constant innovation of the construction of talent team. We will establish the guidance of “applying competent person with integrity and ability for governance”, introduce new concepts, new tools and new approaches of talent team building, vigorously appoint cadres and employees with excellent politics, ability and responsibility, build a talent team with future oriented, optimized structure, excellent quality and combat effectiveness, and perfect the modern strategic human resource management system. We will adhere to the “youth-to-

youth” concept, accelerate the promotion of the “three 30s” training goal, take the age of 30 as the target age of the basic competence of cadres, accelerate the training of young cadres with both political integrity and talent to a key position, and strive for more than 30% of middle-level cadres at or around the age of 35 and more than 30% of managers and persons-in-charge at or around the age of 30 within three years. We will focus on the cultivation of “leadership, professionalism and new potential”, and comprehensively improve the planning, systematicness and professionalism of talent training.

(III) Focused on the double new track, and comprehensively strengthened high-quality development competitiveness

Firstly, adhere to the new system of group management and accelerate the construction of a new development layout. Centering on the strategic goal of building a “regional modern rural commercial bank group”, we will strengthen the integrated operation and management mechanism of the Group, straighten out the group-based operation and management mode, push ahead the diversification of organization and management at the group level and the specialization of organization at the executive level, and create a new group operation pattern of “One Core with Two Wings” with a strong core and two well-developed wings.

Secondly, promote the new mechanism of listed banks and speed up new development pace. We will proactively benchmark advanced listed banks, build a unique modern governance system, comprehensively empower comprehensive management, create a positive market image, enhance investors’ willingness for long-term investment and confidence in investing in the Bank, effectively improve value creation efficiency, and strive to achieve the unity of market value and internal value.

DONGGUAN RURAL COMMERCIAL BANK CO., LTD.
WORK REPORT OF THE BOARD OF SUPERVISORS FOR 2021

2021 was the first year of listing of Dongguan Rural Commercial Bank Co., Ltd. (the “**Bank**”), and it was also a critical year for the Bank’s transformation and advancement into a new journey. The Board of Supervisors adhered to the guidance of Xi Jinping’s Thought on Socialism with Chinese Characteristics for a New Era, and took “two maintenance” as the performance inspection standard. Under the correct leadership of the Bank’s Party Committee and the shareholders’ general meetings, and with the support and cooperation of the Board of Directors and senior management, the Bank closely centered on our three-year strategic planning and our operation and management, fully complied with the requirements of listed companies, faithfully performed the functions and powers conferred by relevant laws and regulations and the Articles of Association, promoted the sustainable and steady development of the Bank, and effectively safeguarded the legitimate rights and interests of shareholders and other stakeholders.

I. Work of the Board of Supervisors in 2021

(I) Guided by regulatory requirements, supervised major decisions in accordance with regulations

1. Looked at the whole situation and deepened the supervision of discussions. Following the two basic principles of promoting the Bank’s development and safeguarding shareholders’ rights and interests, in accordance with the work system of the Board of Supervisors and the work plan formulated in early 2021, the Bank convened 8 meetings of the Board of Supervisors in an active and orderly manner. 137 resolutions including annual report, final financial accounts, financial budget and profit distribution plan were reviewed, and 92 reports were reviewed. The Nomination Committee and the Supervisory Committee held a total of 12 meetings and reviewed resolutions such as performance evaluation reports and audit reports. The Board of Supervisors actively overcame the impact of the pandemic, ensured that various meetings were held in accordance with regulations, and strengthened refined management in the selection of meeting resolutions and meeting procedures. The online and offline method of meeting was actively promoted, and the Supervisors participating in the meeting took the initiative to adapt to the “pandemic meeting mode”, which ensured the quality of participation and deliberation.
2. Gathered energy at a high level and strengthened decision-making supervision. We have actively dispatched Supervisors to participate in the shareholders’ general meetings and attended the meetings of the Board of Directors, the president’s office meetings and related committee meetings throughout the whole process. We supervised the compliance of meeting agendas and resolutions in accordance with the law. In terms of development strategy, business decision-making, appointment and dismissal of important personnel, risk prevention, performance supervision, etc., the supervisory role of the Board of Supervisors has been brought into full play. Besides, we issued supervisory opinions or suggestions from the perspectives of macroeconomic situation analysis, regulatory policy understanding, peer comparison research, etc. on key issues

in a timely manner, reflected that the functional positioning of the Board of Supervisors to be responsible to the shareholders' general meetings and to the Bank, shareholders, employees, creditors and other stakeholders.

(II) Took duty performance supervision as the foundation to enhance the effectiveness of corporate governance

1. Based on reality and improved duty performance. Through the continuous improvement of duty performance files, the basic information of each member, participation in meetings, training, and research, as well as the content of speeches, suggestions, and opinions in the process are dynamically collected, so as to provide a true and comprehensive basis for duty performance evaluation.
2. Benchmarked and tabled, optimized performance evaluation. Based on the principle of objectivity and impartiality, we have continuously supervised the performance of duties by Directors and senior management by means of attending meetings, auditing inspections, research and interviews, monitoring and analysis, etc. On the basis of listening to work debriefing and conducting self-evaluation, mutual evaluation, evaluations of Board of Directors, evaluations of Board of Supervisors and external evaluation in an orderly manner, comprehensively evaluated the annual performance of Directors, Supervisors and senior management, and put forward work improvement suggestions to the "two sessions and one level". We have effectively promoted the improvement of Directors, Supervisors and senior management's ability to perform their duties and their effectiveness. The results of the annual performance evaluation were reported to the regulatory authorities and the shareholders' general meeting as required.

(III) Took financial supervision as the core, steadily improved the quality and efficiency of supervision

1. Paid attention to details and reviewed the report carefully. We have reviewed the Bank's periodic reports, audit reports and other resolutions, listened to reports on the Bank's financial report audit, and kept abreast of the audit results on the Bank's major businesses such as credit, capital, and wealth management. The Board of Supervisors considered that the preparation and review procedures of the Bank's periodic reports are in compliance with legal requirements, and that the contents truthfully, accurately and completely reflect the Bank's actual situation.
2. Dynamic analysis, prudent financial supervision. We have reviewed the Bank's resolutions on financial budgets, final accounts and profit distribution plan, expressed opinions on the compliance and rationality of the relevant plans, and reviewed the Bank's resolution to hire an external auditor, earnestly fulfilled its financial supervision duties, and protected shareholders' rights and interests. In addition, by reviewing quarterly operating reports, comprehensive risk reports, audit reports, etc., we continued to pay attention to the impact of financial activities on enhancing profitability and resisting market risks, and put forward improvement suggestions in a timely manner.

(IV) Focused on risk supervision and continuously optimized the internal control mechanism

1. Advanced in depth to prevent financial risks. By regularly reviewing risk management reports, internal control evaluation reports, and related party transaction reports and others, we have comprehensively understood the risk internal control of the Bank as a whole and each business line, focused on the weak points of the Bank's internal risk control and implemented relevant targeted management measures. In terms of the formulation of the Bank's risk management policies and systems, the effectiveness of risk appetite and transmission mechanism, and the compliance of major risk indicators, we supervised the Bank's continuous improvement of its internal risk control system, strengthened its enforcement capabilities, and put forward relevant suggestions on the risk situation in key areas such as the situation of credit risk prevention and control and changes in asset quality.
2. Aimed at the target and plugged the risk loophole. Relying on the Board of Supervisors and the Bank's audit team, the Bank organized and carried out 6 special audit projects on the operation of special committees under the Board of Directors and senior management, remuneration management, treasury business, consolidated management and business continuity. In response to the hidden risks found in the audit, we put forward opinions on strengthening internal control management and time-limited rectification requirements, and established a problem rectification and implementation tracking mechanism to promote the closed-loop management of audit problem rectification. Furthermore, we have organized a joint meeting on operation and management supervision every six months to facilitate the exchange of information with various supervisory departments, and promote the rectification to achieve greater results.

(V) Actively promoted the transformation of achievements based on research and supervision

1. Innovated the carrier to highlight research results. The Board of Supervisors regarded research as an important way to improve Supervisors' ability to perform their duties and an effective carrier of embedded supervision, and conducted real research with closed-loop process of "topic selection of research, member grouping, plan formulation, project implementation, research conclusion and achievement transformation". During the year, the Board of Supervisors continued to carry out five special research on disposal of non-performing assets, anti-money laundering, service and marketing capabilities of front-line employees, innovative financial services in the field of people's livelihood as well as operation and management of Chaoyang RCB, formed five special research reports, and actively promoted the transformation of achievements, laying a solid foundation for the Bank to improve its group management level.
2. Made up for the shortcomings of management with interconnection and interaction. The Board of Supervisors attached great importance to the on-site inspection opinions and other regulatory notices and requirements of regulatory authorities, strictly supervised the progress of the rectification of the Bank's problems, and obtained work guidance and support in a timely manner by maintaining smooth reporting and communication with regulatory authorities. In addition, the Board of Supervisors focused on

strengthening continuous communication and interaction with the Directors and senior management for duties performance, gave timely feedback on the supervisory opinions of the Board of Supervisors and transmitted the spirit of supervision through joint meetings, official documents and other forms. Throughout the year, the Board of Supervisors issued a total of 19 pieces of supervisory information on the risk research on the international business, credit business, money laundering risk management, data quality governance and regulatory rating, emphasizing on making efforts to make up for shortcomings in terms of system construction and management mechanism, which played a positive role in improving the risk management of the Bank.

(VI) Continued to improve the ability to perform duties for self-construction

1. Consolidated the foundation and improving the institutional system. In strict accordance with the latest regulatory regulations and relevant requirements of listed companies, the current system of the Board of Supervisors has been comprehensively reviewed, and the omissions have been filled. Based on the review, the Board of Supervisors revised the rules of procedure for the Board of Supervisors, performance evaluation measures, election measures for non-employee Supervisors of the Board of Supervisors, the work rules for external Supervisors and other systems, and promoted the institutionalization and standardization of the work of the Board of Supervisors, so as to ensure that there would be rules and regulations to follow in the development of various supervisory work of the Board of Supervisors.
2. Focused on strengthening performance support. The Board of Supervisors sorted out the information needs for performance of duties, established working mechanism for regular information submission, and provided comprehensive and timely information support for the Supervisors to perform their duties. The Board of Supervisors actively organized all Supervisors to participate in in-house training and research to enhance their understanding of the Bank's situation, especially the grass-roots front-line situation, and lay a foundation for better performance of duties. The Board of Supervisors strengthened the guidance to the office of the Board of Supervisors, urged it to do a good job in daily supervision and monitoring as well as follow-up and implementation of the recommendations and opinions of the Board of Supervisors, researched and explored ways and means of innovative supervision work, enhanced the initiative and foresight of work, and improved service levels.

II. Work of External Supervisors

In 2021, the external Supervisors of the Bank actively participated in the meetings and activities of the Board of Supervisors and fully performed their duties in strict accordance with the provisions of the Articles of Association of the Bank, and their working hours for the Bank meet the requirement of not less than 15 working days throughout the year. As members of special committees under the Board of Supervisors, the external Supervisors organized and carried out the work of special committees based on the principles of objectivity, independence and prudence and in accordance with their duties and powers, gave full play to their professional expertise, and actively offered advice and suggestions, effectively promoted the legal and compliant operation of the Bank.

III. Independent Opinions of the Board of Supervisors on Relevant Matters**(I) Legal operation**

During the Reporting Period, the Bank carried out business activities according to laws and regulations with stable operation and standardized management, and its business performance was objective and true. The Bank has not violated laws, regulations and the Articles of Association, or harmed the interests of the Company and Shareholders.

(II) Authenticity of the financial report

The financial report for 2020 has been audited by the accounting firm in accordance with China Registered Accountants Auditing Standards. Upon review, the financial report truly, objectively and accurately reflected the financial position and operating results of the Bank.

(III) Acquisition and disposal of assets

During the Reporting Period, there was no insider transaction in the acquisition or disposal of assets by the Bank, or acts that damaged Shareholders' rights and interests or caused the loss of the Bank's assets.

(IV) Related party transactions

During the Reporting Period, the related party transactions of the Bank were fair and reasonable, and the review, voting, disclosure, performance and other procedures of related party transactions were in compliance with national laws, regulations and the Articles of Association. There was no behavior that damages the interests of Shareholders and the Bank in related party transactions.

(V) Implementation of resolutions of the shareholders' general meeting

During the Reporting Period, the Board of Supervisors had no objection to the resolutions and reports submitted by the Board of Directors to the shareholders' general meeting for consideration, supervised the implementation of relevant resolutions of the general meeting, and considered that the Board of Directors of the Bank could earnestly implement the resolutions of the shareholders' general meeting.

(VI) Risk management

During the Reporting Period, with the goal of improving the risk management level of the Bank, the Bank insisted on doing a good job in comprehensive risk management and other work. The overall risk management work of the Bank was relatively stable. No major risk events occurred, and the overall risk control and management level continued to improve.

(VII) Internal control

During the Reporting Period, the Bank continued to strengthen and improve internal control, and the Board of Supervisors had no objection to the Bank's internal control evaluation report this year. No major defects were found in the completeness, rationality and effectiveness of the Bank's internal control system and the implementation of the internal control system. With regard to anti-money laundering management, the Board of Directors earnestly implemented the anti-money laundering requirements of the CBIRC and the PBoC, urged senior management to earnestly perform their duties, proactively promoted the construction of anti-money laundering system, solidly carried out anti-money laundering publicity and training, and constantly improved the money laundering risk management system. Also, taking the opportunity of the enforcement inspection of the anti-money laundering law by the PBoC, the Board of Directors listened carefully to the issues found in the inspection, urged and promoted senior management to make full rectification, practically enhanced the effectiveness of anti-money laundering management, and strived to fundamentally improve the anti-money laundering management environment and the efficiency of the Bank.

(VIII) Protection of consumers' rights and interests

During the Reporting Period, the Board of Directors and senior management of the Bank ensured the accurate and effective implementation of policies and regulations of protection of consumers' rights and interests through continuously improving the management system and operation mechanism.

(IX) Performance of liquidity risk management

During the Reporting Period, the Board of Directors and senior management of the Bank performed their duties of liquidity risk management in accordance with laws and regulations, and continued to conduct liquidity risk management. The liquidity risk was safe and controllable as a whole, and the daily liquidity risk was at a lower level.

(X) Information disclosure

During the Reporting Period, the Bank performed the obligation of information disclosure in strict accordance with the requirements of regulatory policies and disclosed the Bank's information in accordance with the law. No false information, misleading statements or major omissions were found.

(XI) Social responsibilities

During the Reporting Period, the Bank strictly fulfilled its social responsibilities. The Board of Supervisors reviewed the Corporate Social Responsibility Report for the year of the Bank without any objection.

(XII) Special supervision and evaluation

In terms of capital management, the Board of Directors and senior management of the Bank performed their duties of capital management in accordance with laws and regulations. As of the end of 2021, the Bank's capital adequacy ratio and core tier 1 capital adequacy ratio met regulatory requirements, and the capital was adapted to business development and risk level.

In terms of stress testing, the Board of Directors and senior management of the Bank performed their duties of stress testing management in accordance with laws and regulations. The Board of Directors reviewed and approved stress testing policies, and senior management organized and implemented stress tests and reported to the regulatory authority and the Board of Directors in time.

In terms of case prevention and control, the Bank effectively carried out special work such as case risk investigation, staff's abnormal behavior investigation and case prevention and control evaluation, and continuously strengthened case prevention and control education, warning, supervision and inspection, which provided guarantee for the smooth development of various business work.

In terms of risk management on consolidated basis, the Board of Directors and senior management of the Bank performed risk management responsibilities on consolidated basis in accordance with laws and regulations. The Board of Directors has formulated the Group's risk management policies and risk appetite, risk tolerance, risk management and internal control policies on consolidated basis, and the senior management organized the implementation of risk management work on consolidated basis.

In terms of reputation risk management, the Board of Directors and senior management of the Bank performed their duties of reputation risk management in accordance with laws and regulations, effectively prevented and resolved some (potential) negative public opinions, and kept the reputation risk of the Bank under control as a whole.

In terms of data governance, the Board of Directors and senior management of the Bank performed their duties of data governance in accordance with laws and regulations, organized and carried out a series of data governance work with quality of data assets gradually improving.

IV. Key Work Undertaken by the Board of Supervisors in 2022

In 2022, the Board of Supervisors will proactively implement the major decisions and regulatory requirements of the authorities at a higher level, adhere to the Party's leadership, strategic guidance, issues-oriented and risk-based measures, closely focus on the central work of the Bank, earnestly perform the duties of the Board of Supervisors, make positive contributions to the improvement of corporate governance and provide a strong guarantee for the high-quality development of the Bank.

(I) Strengthen the Party's leadership and improve the political positioning

The Board of Supervisors will adhere to the Party's leadership over corporate governance, earnestly implement arrangements and deployments of the Party committee, and constantly improve political judgment, political understanding and political execution. Benchmarking advanced listed banks, the Board of Supervisors will carry out "mechanism optimization", improve the system and mechanism of the Board of Supervisors in a timely manner with the goal of "clarifying responsibilities, systematizing policies and standardizing processes", take into consideration of strengthening the Party's leadership at all levels and improving the performance evaluation in the performance evaluation measures of "two boards and one management", supervise and implement the Party's leadership over specific work of the "two boards and one management" personnel.

(II) Focus on supervision responsibilities and optimize financial ecology

The Board of Supervisors will continue to pay attention to the performance of the Board of Directors and senior management in improving corporate governance, promoting the implementation of the Bank's strategies and risk management, internal control and financial management, so as to ensure the coverage of specified supervision matters. In terms of specific supervision, the Board of Supervisors will adhere to the issue and risk orientation, combined with the new round of strategic planning and annual key work of the Bank, focus on the prominent issues and hidden dangers that regulators and investors focus on and most likely affect the steady operation and development of the Bank, determine the annual key supervision objectives, and strengthen the current and in-process supervision through "routine supervision" combined with "special supervision", so as to realize the overall work pattern of promotion of management through inspection, promotion of standardization through supervision and promotion of development through rectification.

(III) Deepen communication and coordination and form a joint force of supervision

The Board of Supervisors will strengthen the supervision of information feedback, enabling the Board of Directors and senior management understand the supervision focus of the Board of Supervisors in a timely manner, being aware of the issues found in the supervision and evaluation, promote the rectification of issues in a timely manner and standardize the performance of duties. The Board of Supervisors will broaden access to supervision information, establish a regular communication mechanism with relevant functional departments including audit, risk, compliance, discipline inspection and external auditors, and form a joint supervision force through exchange and sharing of important information, coordination and complementarity. The Board of Supervisors will strengthen the relations and communication with regulatory authorities, closely follow up the regulatory focus, new regulatory requirements, and obtain work guidance and support in a timely manner.

(IV) Strengthen connotation construction and improve governance level

Through efficient special research and performance training, Supervisors could understand the actual operation and management of the Bank in a timely manner and understand the regulatory policies and performance requirements in an accurate manner. The Board of Supervisors will strengthen the interbank exchanges, study and apply the experience of the board of supervisors of the

peers in the operation system and supervision methods, and constantly optimize and improve the working methods. The Board of Supervisors will strengthen the guidance on the work of the board of supervisors of institutions on consolidated basis, convey relevant supervision requirements of the board of supervisors of head office in a timely manner, understand and assist coordinate and solve issues in the process of performance, and realize penetration management.

APPENDIX III PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS

DONGGUAN RURAL COMMERCIAL BANK CO., LTD. PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS (2022 EDITION)

In order to ensure standardized and effective operation of the governance mechanism of Dongguan Rural Commercial Bank Co., Ltd. (the “**Bank**”), optimize the authorization system, improve the level of corporate governance, and promote scientific decision-making, the plan on authorization of the shareholders' general meeting to the Board of Directors has been formulated in accordance with the Company Law of the People's Republic of China and other relevant laws and regulations, as well as the Articles of Association of Dongguan Rural Commercial Bank Co., Ltd (the “**Articles of Association**”), together with the actual situation of the Bank.

I. Equity Investment and Disposal

- (I) The amount of a single equity investment (including establishment, equity participation, capital increase, acquisition and merger, etc., the same below) no more than 5% of net capital of the Bank, and after the equity investment, the balance of the Bank's equity investment shall not exceed 20% of net capital of the Bank, shall be considered and approved by the Board of Directors, and shall be approved by over two thirds of the members of the Board of Directors through voting.
- (II) The transaction amount of a single equity asset to be disposed of no more than 5% of net capital of the Bank, shall be considered and approved by the Board of Directors, and shall be approved by over two thirds of the members of the Board of Directors through voting.
- (III) If it is necessary to increase or decrease the capital during the operation of the legal entity invested and established by the Bank, and the Shareholders need to exercise the decision-making power, it shall be subject to the approval of the Board of Directors, unless otherwise required by the provisions of preceding paragraphs and regulatory authorities.

II. Asset Investment and Disposal

- (I) The credit matters shall be fully approved by the Board of Directors.
- (II) The investment and financing matters of proprietary trading and investment business shall be fully approved by the Board of Directors. (proprietary trading and investment business refers to the operation of the Bank's proprietary funds and wealth management funds, including assets, liabilities, intermediary business and derivative product business, etc.)
- (III) The asset disposal matters of credit assets, proprietary trading and investment business shall be fully approved by the Board of Directors. The asset disposals of credit assets, proprietary trading and investment business include but not limited to principal and interest reduction, paying a debt in kind, asset transfer, debt-to-equity swap, and new disposal methods permitted by national policies or regulatory provisions.

APPENDIX III PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS

- (IV) For the purchase of fixed assets (including housing assets and non-housing assets), if the amount of a single asset does not exceed 10% of the most recent net assets of the Bank, it shall be considered and approved by the Board of Directors, and shall be approved by over two thirds of the members of the Board of Directors.
- (V) For the disposal of fixed assets (including the transfer of certain fixed asset interests), if the net book value of a single fixed asset does not exceed 10% of the net assets of the Bank, and the sum of its expected value and the net book value of fixed assets disposed in the preceding four months does not exceed 33% of the value of fixed assets shown in the latest balance sheet considered by the shareholders' general meeting, it shall be subject to the approval by the Board of Directors.
- (VI) For other non-credit assets other than equity investment, credit assets, proprietary trading and investment business and fixed assets, if the amount of a single acquisition or disposal does not exceed 10% of the net assets of the Bank, it shall be subject to the approval by the Board of Directors.

The asset disposal referred herein includes the sale, transfer and otherwise, but exclude the provision of guarantee with relevant assets.

III. Write-off of Assets

- (I) The write-off of credit bad debt assets and assets of proprietary trading and investment business shall be subject to the approval by the Board of Directors at its absolute discretion.
- (II) The write-off of a single fixed asset loss of no more than 5% of the net assets of the Bank (including obsolescence, reported loss and inventory shortage of fixed assets) shall be subject to the approval by the Board of Directors.
- (III) The write-off of a single equity asset loss of no more than 5% of the net assets of the Bank shall be subject to the approval by the Board of Directors.
- (IV) For other non-credit assets other than credit assets, capital transactions and investment business, fixed assets and equity investment, the write-off of a single loss of no more than 5% of the net assets of the Bank shall be subject to the approval by the Board of Directors.

IV. Asset Mortgage and Guarantee

- (I) The external provision of asset mortgage and guarantee with a single amount not exceeding 5% of the net assets of the Bank shall be subject to the approval by the Board of Directors.
- (II) Where the Bank provides asset mortgage or guarantee beyond the normal banking businesses to the shareholders or actual controllers of the Bank, it shall be subject to the approval at the shareholders' general meeting.

APPENDIX III PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS

V. Setting-up of Institutions

- (I) The establishment, cancellation, merger, division, change of name or address and temporary closure of branches of the Bank shall be approved by the Board of Directors and relevant documents shall be signed by the Board of Directors.
- (II) The merger, division and cancellation of the legal entity invested and established by the Bank shall be subject to the approval by the Board of Directors.
- (III) The addition and adjustment of internal organizational structure of the Bank shall be subject to the approval by the Board of Directors.

VI. Related Party Transactions

Except for the following related party transactions which should be subject to the approval at the shareholders' general meeting, other related party transactions shall be subject to the approval by the Board of Directors or filed by the related party transaction control committee:

- (I) Related party transactions in which the credit balance to a related party accounts for above 9% of the net capital of the Bank.
- (II) Transactions in which the total credit balance to a related party and its controlling shareholder, actual controller, related parties, person acting in concert and ultimate beneficiary accounts for above 14% of the net capital of the Bank.
- (III) Any guarantee provided for a related party beyond the scope of normal banking businesses;
- (IV) Related party transactions which constitute connected transactions under the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited and do not satisfy the conditions for exemption from independent shareholders' approval.

The related party transactions approved by the shareholders general meeting and the Board of the Bank shall not violate the regulatory authorities' requirements on the concentration of related party credit. If regulatory authorities have other requirements, the latest regulatory provisions shall prevail.

For matters such as equity investment and disposal, asset investment and disposal, asset write-off, asset mortgage and guarantee in this authorization plan (excluding inter-bank business), when related party transactions are involved, the requirements of this section shall be implemented for the relevant approval rights. The Bank conducts inter-bank business with related parties in compliance with the relevant regulations on inter-bank business, which does not apply to the requirements of this section.

APPENDIX III PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS

VII. External Donation

- (I) The amount of individual charitable donations no more than RMB10 million, and the total amount of charitable donations in the year no more than RMB25 million, shall be subject to the approval of the Board of Directors.
- (2) When the donation to areas that encounter major emergencies exceeds the above total or individual amount, it shall be considered and approved by the Board of Directors, and shall be approved by over two-thirds of the members of the Board of Directors through voting.

VIII. Other Licensing Rights and Delegations in Operation and Management

Except for matters that are clearly stipulated in the laws, regulations, regulatory provisions and the Articles of Association to be decided by the shareholders' general meetings, other operation management and decision-making authority of the Bank shall be exercised by the Board of Directors and senior management in accordance with the corresponding regulations.

Within the scope of the rights under this authorization plan, the Board may, according to the specific circumstances, delegate all or part of the rights granted by the shareholders' general meetings under this plan to special committees of the Board of Directors, the president and other institutions or personnel.

IX. Effectiveness and Changes of the Plan

The authorization plan will take effect from the date of approval by the shareholders' general meeting, and will continue to be in effect until a new authorization plan is approved by the shareholders' general meeting. If the authorization in this authorization plan meets the standards for major transactions, very significant disposals, and very significant acquisitions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, it shall be subject to the approval at the shareholders' general meetings.

During the authorization period, the shareholders' general meeting may supplement or revise the relevant authorizations by way of shareholders' resolutions having regarded to the actual circumstances. In the event of a conflict between the authorized matters of this plan and the provisions of laws, regulations, regulatory provisions or the Articles of Association of the Bank, the laws, regulations, regulatory provisions or the Articles of Association of the Bank shall prevail.

X. Supplementary Provisions

- (I) The currency used in this plan is dominated in RMB.
- (II) Unless otherwise specified, the "approval of the Board of Directors" in this plan refers to the approval of more than one half of the members of the Board of Directors.
- (III) In this plan, "above" and "not more than" both include such number, and "exceed" does not include such number.

APPENDIX III PLAN ON AUTHORIZATION OF THE SHAREHOLDERS' GENERAL MEETING TO THE BOARD OF DIRECTORS

- (IV) The “related party transactions” in this plan refers to the related party transactions defined by the relevant regulatory system issued by the China Banking and Insurance Regulatory Commission; “net capital” refers to the net capital in the parent bank’s 1104 statement at the end of the last quarter; “net assets” refers to the net assets of the parent bank in the latest period, audited or reviewed by an accounting firm.

**INDEPENDENT OPINIONS OF INDEPENDENT DIRECTORS OF DONGGUAN
RURAL COMMERCIAL BANK CO., LTD.
ON ADDITIONAL APPOINTMENT OF NON-EXECUTIVE DIRECTORS AND
INDEPENDENT NON-EXECUTIVE DIRECTORS AND OTHER MATTERS**

According to the Company Law of the People's Republic of China (the "Company Law"), the Corporate Governance Guidelines for Banking and Insurance Institutions, the articles of association of Dongguan Rural Commercial Bank Co., Ltd. (the "Articles of Association") and other provisions, we, as the independent Directors of Dongguan Rural Commercial Bank Co., Ltd. (the "Company") and under the principle of openness, fairness and objectivity, expressed our independent opinions on relevant issues of the Company as follows:

I. Independent Opinions on Additional Appointment of Non-executive Directors and Independent Non-executive Directors

According to relevant provision including the Company Law and the Articles of Association, we are of the opinion that Mr. Tang Wencheng (唐聞成) and Mr. Zeng Jianhua (曾儉華) as candidates of non-executive Directors of the fourth session of the Board of Directors, their qualifications, nomination procedures and appointment procedures are in compliance with the requirements of the laws and regulations and the Articles of Association, and agree to submit relevant resolution to the shareholders' general meeting for consideration.

II. Independent Opinions on Engagement of Auditors to Undertake the Audit Work of 2022 Financial Statements

Because of the expiration of contracts of PricewaterhouseCoopers and Pan-China Certified Public Accountants LLP, the Company completed the selection of auditors through tendering according to relevant requirements, taking into consideration of the overall business capabilities, the familiarity of the Bank's accounting policies and other factors, the Company proposed to appoint KPMG and Pan-China Certified Public Accountants LLP as the international auditor and domestic auditor of the Company for the year 2022, respectively. Relevant decision-making procedures of engagement were in compliance with the requirement of relevant laws, regulations and the Articles of Association, relevant resolution was agreed to be submitted to the shareholders' general meeting for consideration.

III. Independent Opinions on the Implementation of Information Disclosure

In 2021, the Company timely, accurately, truthfully and completely disclosed the annual report, interim report and other information in strict accordance with laws and regulations, the Articles of Association and relevant provisions of various information disclosure management systems, and the disclosed information does not contain false records, misleading statements or material omissions. The Company conscientiously fulfilled the responsibilities in information disclosure, and agreed to submit relevant resolutions to the shareholders' general meeting for consideration.

IV. Independent Opinions on the Estimated Caps for Certain Recurring Related Party Transactions

According to relevant regulatory regulations, the matter on estimated amount of recurring related party transactions of certain related parties has already completed the corresponding internal approval process, and is the normal business operation of the Company, which will not prejudice the interests of minority Shareholders, or will not have adverse effect on the current and future financial conditions of the Company or affect the independence of the Company. It is approved to submit relevant resolutions to the shareholders' general meeting for deliberation

V. Independent Opinions on the Profit Distribution Plan for 2021

The profit distribution plan for 2021 complies with relevant laws and regulations and the relevant provisions of the Articles of Association, which is not only conducive to the long-term sustainable development of the Bank, but also fully considers the return of investors. Besides, it ensures that the Bank's capital adequacy ratio meets regulatory requirements and meets the interests of all shareholders. Therefore, it is agreed to submit the relevant resolution to the shareholders' general meeting for consideration.

VI. Independent Opinions on the Public Issuance of Financial Bonds

The Bank's application to extend the authorization validity period for the public issuance of green financial bonds, the public issuance of special financial bonds of RMB13 billion, and the public issuance of ordinary financial bonds will not only help the Bank to increase its support for the development of the real economy, but also help support the steady development of our various businesses. The relevant decision-making procedures for the public issuance of financial bonds comply with the relevant provisions of laws and regulations and the Articles of Association, and it is agreed to submit the relevant resolution to the shareholders' general meeting for consideration.

Dongguan Rural Commercial Bank Co., Ltd.
YIP Tai Him, XU Zhi, SHI Wenfeng, TAN Fulong, LIU Yuou, XU Tingting

Dongguan City, Guangdong Province, the PRC
April 20, 2022

NOTICE OF 2021 AGM

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DRC Bank

Dongguan Rural Commercial Bank Co., Ltd.*

東莞農村商業銀行股份有限公司*

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

(Stock Code: 9889)

NOTICE OF THE 2021 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting for 2021 (the “AGM”) of Dongguan Rural Commercial Bank Co., Ltd. (the “Bank”) will be held at the conference room of Dongguan Rural Commercial Bank Building, No.2, Hongfu East Road, Dongcheng District, Dongguan City, Guangdong Province, the PRC (with six additional satellite venues, Shareholders will be arranged to attend the appointed venue, please refer to note 1 for details) on May 23, 2022 (Monday) at 3:00 p.m. to consider and, if thought fit, to pass the following resolutions as the ordinary resolutions/special resolutions:

ORDINARY RESOLUTIONS

1. The Resolution in relation to Work Report of the Board of Directors of the Bank for 2021
2. The Resolution in relation to Work Report of the Board of Supervisors of the Bank for 2021
3. The Resolution in relation to the Amendment of the Authorization Plan to the Board at the Shareholders' General Meeting of Dongguan Rural Commercial Bank Co., Ltd.
4. The Resolution in relation to Additional Appointment of Non-executive Directors and Independent Non-executive Directors of the Fourth Session of the Board of the Bank
5. The Resolution in relation to Appointment of the Accountants' Firm for 2022 Financial Statements of the Bank
6. The Resolution in relation to 2021 Annual Report of the Bank

* *Dongguan Rural Commercial Bank 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 2021 AGM

7. The Resolution in relation to Estimated Caps for Certain Recurring Related Party Transactions of the Bank
8. The Resolution in relation to 2021 Final Financial Accounts Plan of the Bank
9. The Resolution in relation to 2021 Profit Distribution Plan of the Bank
10. The Resolution in relation to 2022 Financial Budget Plan of the Bank

SPECIAL RESOLUTIONS

11. The Resolution in relation to Application for Extension of the Validity Period of Mandate in the Resolution on Public Issuance of Green Finance Bonds by Dongguan Rural Commercial Bank Co., Ltd.
12. The Resolution in relation to Public Offering of RMB13 Billion Special Financial Bonds by the Bank
13. The Resolution in relation to Public Offering of Ordinary Financial Bonds by the Bank

Board of Directors
Dongguan Rural Commercial Bank Co., Ltd.

Dongguan City, Guangdong Province, the PRC
April 20, 2022

Measures and Special Arrangements for Pandemic Prevention and Control

According to the requirements of pandemic prevention and control, in order to reduce the risks arising from the group gathering, the Bank will additionally arrange six satellite venues at branches of the Bank in Dongguan, please refer to note 1 to the notice of the 2021 AGM for details. the Bank will also adopt a series of disease prevention measures at the 2021 AGM venue. The Bank reminds Shareholders and the attendees participating in the on-site meeting to perform personal protective precautions, and actively comply with disease prevention and control requirements by detecting body temperature and wearing surgical masks before entering into the venue.

Due to the pandemic, the 2021 AGM will not have an on-site question-and-answer session. If shareholders have any questions about the Board of the Bank, please send the questions together with personal information and shareholding certificate to the mailbox gddh@drcbank.com before May 10, 2022 (Tuesday). The Board of the Bank will try its best to answer the questions at the 2021 AGM according to the actual situation.

NOTICE OF 2021 AGM

Notes:

1. Arrangement of satellite venues and attendance

According to the requirements of pandemic prevention and control, in order to reduce the risks arising from the group gathering, the Bank will additionally arrange six satellite venues at branches of the Bank in Dongguan for the 2021 AGM, and all H Shareholders who wish to attend the meeting in person or by proxy are tentatively arranged to attend the satellite venue at conference room of Dongcheng Branch located at 3rd floor, 7 Dongcheng East Road, Dongcheng District, Dongguan to attend the 2021 AGM, and the arrangement of attendance for domestic Shareholders will be informed separately upon receipt of his/her reply slip. For those H Shareholders who will attend the 2021 AGM, subject to the development of pandemic, limitation of the anti-pandemic regulations and number of H Shareholders returning the reply slip, the Bank may adjust the arrangement and make further announcement on these measures, when necessary.

2. For more details on the above proposed resolutions, please refer to the 2021 AGM circular of the Bank to be issued and published on April 20, 2022.

3. Closure of H share register of members

As announced by the Bank on April 6, 2022, for the purpose of determining the entitlement of holders of H shares (“**H Shareholders**”) of the Bank to attend the AGM, the H share register of members of the Bank will be closed from April 23, 2022 (Saturday) to May 23, 2022 (Monday) (both days inclusive), during which period no transfer of H shares will be registered. The holders of H shares whose name appear on the H shares register of members of the Bank on May 23, 2022 (Monday) are entitled to attend and vote at the AGM. In order to be eligible to attend and vote for at the AGM, all transfers of H shares together with relevant share certificates must be delivered to the Bank’s H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on April 22, 2022 (Friday).

4. Reply slip

H Shareholders who wish to attend the meeting in person or by proxy are required to return the reply slip for the AGM to the Bank’s H share registrar, Computershare Hong Kong Investor Services Limited, on or before May 13, 2022 (Friday) at 4:30 p.m. at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. The reply slip for H Shareholders is enclosed with the circular of the 2021 AGM published by the Bank on April 20, 2022, and can be downloaded from the websites of the HKEXnews at www.hkexnews.hk and the Bank at www.drcbank.com.

5. Proxy

A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead, subject to the Articles of Association of the Bank. The form of proxy for H Shareholders is enclosed with the circular of the 2021 AGM published by the Bank on April 20, 2022, and can be downloaded from the websites of the HKEXnews at www.hkexnews.hk and the Bank at www.drcbank.com. A proxy need not be a member, but must attend the AGM in person to represent the shareholder. If more than one proxy is so appointed, a photocopy of proxy form may be used and specify therein the number of shares in respect of which each such proxy is so appointed.

To be valid, the proxy form together with any power of attorney or other authority under which it is signed or a notarially certified copy of that power of attorney or authority (if any) must be lodged at the H Share registrar of the Bank, Computershare Hong Kong Investor Services Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not less than 24 hours before the time fixed for holding the AGM (for H Shareholders) (or 24 hours before any adjournment thereof, if any).

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 if he so wishes, but in such event the instrument appointing a proxy shall be deemed to be revoked.

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Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting, whether in person or by proxy, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Bank in respect of the joint holding.

6. Registration procedures for attending the AGM

Individual shareholders who wish to attend the meeting in person shall produce their identity cards or other effective document or proof of identity and share certificates. Proxies of individual shareholders shall produce their effective proof of identity, copy of shareholder identify, power of attorney and share certificates. A corporate shareholder should attend the meeting by its legal representative or proxy appointed by the legal representative. A legal representative who wishes to attend the meeting should produce his/her identity card or other valid documents evidencing his/her capacity as a legal representative and share certificates. If appointed to attend the meeting, the proxy should produce his/her identity card and an authorization instrument duly signed by the legal representative of the corporate shareholder and share certificates.

7. For relevant matters regarding domestic shareholders of the Bank attending the AGM, please refer to the notice of domestic shareholders otherwise issued by the Bank.

As at the date of this announcement, the board of directors of the Bank comprises Mr. WANG Yaoqiu (Chairman), Mr. FU Qiang, Mr. YE Jianguang and Mr. CHEN Wei as executive Directors; Mr. LAI Chun Tung, Mr. WANG Junyang, Mr. CAI Guowei, Mr. YE Jinquan, Mr. CHEN Haitao, Mr. ZHANG Qingxiang and Mr. CHEN Weiliang as non-executive Directors; Mr. YIP Tai Him, Mr. XU Zhi, Mr. SHI Wenfeng, Mr. TAN Fulong, Ms. LIU Yuou and Ms. XU Tingting as independent non-executive Directors.