
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT

Overview

Our history can be traced back to 1952 where eight credit groups were established in Dongguan, among which, Xinji Credit Group* (新基信用互助組) has been upscaled as Xinji Credit Cooperative* (新基信用合作社), being the first credit cooperative in Dongguan, in 1953. Pursuant to a decision of the State Council in 1996, the rural credit cooperatives in the PRC ceased to be administered by the Agricultural Bank of China and the rural cooperatives in Dongguan subsequently came under the management of Dongguan Rural Credit Cooperatives Association* (東莞農村信用合作社聯合社) and were regulated by PBoC.

In 2004, the CBRC Guangdong Office principally approved the commencement of reform of Dongguan Rural Credit Cooperatives as single legal entity in city level and Dongguan Rural Credit Cooperatives Association* and the rural credit cooperatives of 32 towns in Dongguan underpinned have been merged as a legal entity, namely Dongguan Rural Credit Cooperatives Union (東莞市農村信用合作聯社) in 2005.

In August 2009, the People's Government of Guangdong Province approved the commencement of the restructuring of Dongguan Rural Credit Cooperatives Union into a joint-stock limited liability company. Subsequently, with the approval of the CBRC, our Bank was established and registered with the Dongguan Administration for Industry and Commerce in December 2009, with 69 corporate and 57,842 individual members of Dongguan Rural Credit Cooperatives Union as the promoters of our Bank.

Since our inception, we have established over 500 outlets and established two non-wholly owned rural commercial bank subsidiaries, namely Zhanjiang RCB and Chaoyang RCB, and have four non-wholly owned county bank subsidiaries, namely Huizhou Zhongkai Dongying County Bank, Yunfu Xinxing Dongying County Bank, Dongguan Dalang Dongying County Bank and Hezhou Babu Dongying County Bank.

With a view to further implement our strategy of developing into a group enterprise, our Bank also invested in and held equity interest in other banks in the PRC, including approximately 8.0%, 7.94% and 2.5% equity interest in Guangdong Lechang Rural Commercial Bank Co., Ltd. (廣東樂昌農村商業銀行股份有限公司), Guangdong Xuwen Rural Commercial Bank Co., Ltd. (廣東徐聞農村商業銀行股份有限公司) and Guangdong Shunde Rural Commercial Bank Co., Ltd. (廣東順德農村商業銀行股份有限公司), respectively, in Guangdong Province and approximately 15% equity interest in Yaan Rural Commercial Bank Co., Ltd. (雅安農村商業銀行股份有限公司) in Sichuan Province.

Material Acquisition during the Track Record Period

Establishment of Zhanjiang RCB

Zhanjiang RCB was established on October 26, 2019 by way of the merger of Zhanjiang City Chikan District Rural Credit Cooperative Union* (湛江市赤坎區農村信用合作聯社), Zhanjiang City Potou District Rural Credit Cooperative Union* (湛江市坡頭區農村信用合作聯社), Zhanjiang City Donghai Island Economic Development Test Zone Rural Credit Cooperative Union* (湛江市東海島經濟開發試驗區農村信用合作聯社) and Zhanjiang City Mazhang District Rural Credit Cooperative Union* (湛江市麻章區農村信用合作聯社) and offer for subscription of new shares. Upon incorporation, the total share capital of Zhanjiang RCB was RMB1,655 million, including RMB268.37 million being converted from the share capital of the four aforementioned cooperative unions at the conversion ratio of 1:1 and RMB1,386.63 million being subscribed for by the promoters of Zhanjiang RCB in cash.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our Bank subscribed for 810 million new shares of Zhanjiang RCB at the consideration of RMB1,620 million and, together with the 7.76 million shares converted from the 7.76 million shares of Zhanjiang City Mazhang District Rural Credit Cooperative Union* originally held, our Bank held 817.76 million shares of Zhanjiang RCB in aggregate, representing approximately 49.41% of the total share capital of Zhanjiang RCB upon its establishment. Such consideration of RMB1,620 million was determined based on the plan for procurement of promoters (徵集發起人方案) which was in turn determined based on the preparation work plan (籌建工作方案) after taking into consideration of the capital needs for the establishment of Zhanjiang RCB. The Bank considers that the transaction, including its costs, is in the interest of the long term development of our Group and the Shareholders as a whole taking into account of (i) the branch network of the four cooperative unions, (ii) the transaction provides the opportunity for expanding the business of the Group into Zhanjiang, and (iii) such investment can further develop our Group into a regional modern rural commercial banking group.

As our Bank is the largest shareholder of Zhanjiang RCB and the shareholdings of the remaining shareholders of Zhanjiang RCB are widely dispersed, our Bank controls Zhanjiang RCB and consolidated the financial results of Zhanjiang RCB upon its establishment on October 26, 2019.

Zhanjiang RCB assumed the businesses of the four aforementioned cooperatives unions and is principally engaged in the provision of banking services in the urban districts of Zhanjiang in Guangdong Province.

Establishment of Chaoyang RCB

Our Bank participated in the reformation of Chaoyang RCCU as Chaoyang RCB where our Bank (i) acquired the rights to earnings of certain non-performing assets of Chaoyang RCCU at the consideration of RMB3,068.5 million, (ii) subscribed for new shares of Chaoyang RCB at the consideration of approximately RMB1,563.1 million and (iii) acquired shares from original shareholders of Chaoyang RCCU who are not eligible to be shareholders of Chaoyang RCB at the consideration of approximately RMB254.7 million, in order (a) for Chaoyang RCCU to improve its asset quality and replenish its tier-one capital for meeting the relevant regulatory indicator requirements and (b) to ensure promoters of Chaoyang RCB comply with the shareholder qualification requirement under the *Implementation rules on the issue of administrative approvals for small and medium banking organizations of the CBIRC* (《中國銀保監會農村中小銀行機構行政許可事項實施辦法》) for its reformation as rural commercial bank.

Chaoyang RCB was established on December 27, 2020 upon the reformation of Chaoyang RCCU and provides banking services mainly in Chaoyang (潮陽) and Chaonan (潮南) districts of Shantou (汕頭) in Guangdong Province. Upon incorporation, the total share capital of Chaoyang RCB was RMB1,202 million, including RMB576,776,800 being converted from the share capital of Chaoyang RCCU at the conversion ratio of 1:1 and RMB625,223,200 being subscribed for by our Bank in cash, among which our Bank held approximately 67.03% of the total share capital of Chaoyang RCB and we obtained a controlling interest in Chaoyang RCB.

Acquisition of non-performing assets of Chaoyang RCCU

On December 25, 2020, we acquired the rights to earnings of certain non-performing collateralized loans secured by real estate properties, non-performing guaranteed loans and foreclosed real estate collateral of Chaoyang RCCU (the “**Underlying NPA**”) from a state-owned asset management company which had acquired the Underlying NPA from Chaoyang RCCU earlier on December 2, 2020 since only qualified asset management

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

companies are permitted to conduct bulk purchase of non-performing assets of financial institutions in accordance with the relevant regulation promulgated by the MOF and CBRC. Our Bank paid a consideration of approximately RMB3,068.5 million for part of the rights to earnings of the Underlying NPA, which was determined with reference to the principal amount of such underlying assets. For details of the structure and arrangement of rights to earnings on credit assets, please see “Business — Rights to Earnings on Credit Assets”.

Through acquiring non-performing assets of Chaoyang RCCU at its principal amount with cash consideration, Chaoyang RCCU was able to improve its asset quality by reducing the amount of non-performing assets and replenish its cash balance for meeting the relevant regulatory indicator requirements for its reformation as well as obtaining working capital for the future development of Chaoyang RCB and allowing Chaoyang RCB to acquire quality interest generating assets which in turn improves its financial performance.

Given we only acquired part of the rights to earnings of the Underlying NPA, we did not consolidate the entire Underlying NPA but initially recognized such rights to earnings as financial assets at fair value through profit or loss upon recognition based on the consideration paid and recognized a loss of RMB2,298.2 million based on the results of fair value assessment of such rights to earnings assets. For further details, please see “Financial Information — Results of Operations for The Years Ended December 31, 2019 and 2020 — Expected Credit Losses and Asset Losses”. Such amounts were not eliminated upon the subscription of shares of Chaoyang RCB by our Bank and was separately accounted for in our financial statements because (i) the Underlying NPA had been derecognized by Chaoyang RCCU on December 2, 2020 upon the disposal to the aforementioned state-owned asset management company before our Bank’s subscription for shares of Chaoyang RCB and therefore was not consolidated by Chaoyang RCB as of the date of the business combination on December 27, 2020; and (ii) the Underlying NPA was not consolidated by Chaoyang RCB or our Bank as of December 31, 2020.

Subscription and acquisition of shares of Chaoyang RCB

In addition, our Bank subscribed for 625,223,200 new shares of Chaoyang RCB at the price of RMB2.5 per share, for a total consideration of RMB1,563,058,000 and acquired 137,500,000 and 42,918,700 shares from certain original shareholders of Chaoyang RCCU who are not eligible to be shareholder of Chaoyang RCB at the price of RMB1.54 and RMB1.00 per share respectively, for a total consideration of RMB254,668,700. Such shareholders were not eligible to be shareholders of Chaoyang RCB mainly because (i) the aggregate shareholdings of such shareholders and their respective related parties exceeded the maximum threshold for non-financial institution shareholder (together with its related parties) of 10% permitted by the CBIRC, and/or (ii) the funds utilized by them to acquire shares of Chaoyang RCCU were ineligible funds, such as entrusted funds or debt capital, rather than self-owned funds as required by the relevant regulatory requirement.

The consideration for subscription of new shares of Chaoyang RCB was determined based on the plan for procurement of promoters (徵集發起人方案) which was in turn determined based on the preparation work plan (籌建工作方案) after taking into consideration of the capital needs for the establishment of Chaoyang RCB. As the respective original acquisition prices for shares of Chaoyang RCCU by the ineligible original shareholders of Chaoyang RCCU were different, having taken into consideration of their ineligibility to be shareholders of Chaoyang RCB due to their own reason, the consideration for acquisition of shares from them was determined to be 30% discount of their respective original price paid after arm’s length negotiation, subject to a minimum of RMB1.00 per share, which is the par value of such shares.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The aggregate consideration paid for the shares of Chaoyang RCB by our Bank amounted to RMB1,817,726,700. Upon establishment of Chaoyang RCB, our Bank held 805,641,900 shares of Chaoyang RCB, representing approximately 67.03% of the total share capital of Chaoyang RCB and the financial results of Chaoyang RCB were consolidated into the financial statements of our Group upon its establishment on December 27, 2020.

Reasons for and benefits of the transaction

In light of the People's Government of the Guangdong Province's policy in reforming all the rural credit cooperatives, which generally have weaker risk management system, internal control and corporate governance policies, in Guangdong Province as rural commercial banks to enhance their management and improve the quality of their credit assets, our Bank has been invited by the People's Government of the Guangdong Province to participate in the reformation of Chaoyang RCCU as Chaoyang RCB.

Taking into consideration of our costs associated with the reformation of Chaoyang RCCU as Chaoyang RCB, which includes the subscription of new shares of Chaoyang RCB, acquisition of shares from ineligible original shareholders of Chaoyang RCCU and the acquisition of the rights to earnings of credit assets, we consider that the transaction is in the interest of the long term development of our Group and the shareholders as a whole as the transaction is a step for us to achieve our strategic objective of developing into a regional modern rural commercial banking group and to strengthen our presence in the Guangdong Province.

Shantou has been planned to be developed as the "east wing" province-wide sub-central city (副中心城市) of Guangdong Province by the People's Government of Guangdong Province as illustrated by its *Opinion on supporting Shantou developing a new era Chinese-style socialism modern energetic special economic zone* (《關於支持汕頭建設新時代中國特色社會主義現代活力經濟特區意見》) and the economic development of Shantou will provide opportunity for the further development of Chaoyang RCB.

In particular, Chaoyang RCB, which became our subsidiary upon its establishment, provides our Group with instant access to the branch network of Chaoyang RCCU, its predecessor, in Shantou which consists of 106 outlets and the client base of Chaoyang RCB in the local market which represented approximately 26.71% and 17.32% of the RMB-denominated deposits and loans of all the banking institutions in Chaoyang and Chaonan districts of Shantou, respectively, as at December 31, 2020 according to Chaoyang Branch of PBoC. After Chaoyang RCB became a subsidiary of our Bank, the customer base of our Group has been widened and Chaoyang RCB contributed approximately 678,700 personal deposit customers as at March 31, 2021, representing approximately 3.26% of the total number of personal deposit customers of our Group.

Investment procedures

As described in "Business — Our business strategies", our strategic objective is to develop into a regional modern rural commercial banking group. When assessing potential investment opportunities in other banking companies, we will set up a special task force lead by an executive Director to coordinate and conduct due diligence on the potential investment, including conducting site visits, analyzing the relevant market, conducting feasibility studies and to evaluate the mode of investment and the investment amount. The special task force will then report to the Board of Directors who will exercise their respective expertise and experience,

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

such as the experience in the banking industry of our executive Directors, the experience acquired from their respective business by the non-executive Directors and the legal and accounting knowledge of the independent non-executive Directors. Shareholders' approval will then be sought if so required by the Articles of Association, regulatory requirements and/or the Listing Rules after the Listing.

Milestones

Key milestones in our history are summarized as follows:

Year	Event
1952	Establishment of eight credit groups in Dongguan
1953	Upscale of Xinji Credit Group* (新基信用互助組) as Xinji Credit Cooperative* (新基信用合作社)
1996	The State Council promulgated a decision pursuant to which the rural credit cooperatives in the PRC ceased to be administered by the Agricultural Bank of China and the rural credit cooperatives in Dongguan subsequently came under the management of Dongguan Rural Credit Cooperatives Association* (東莞農村信用合作社聯合社) and were regulated by PBoC
1999	Dongguan Rural Credit Cooperatives Association* became the first batch of rural financial institutions entering the national interbank lending market and the national interbank bond market
2001	Dongguan Rural Credit Cooperatives Association* obtained the qualification to conduct foreign exchange business
2003	Official launching of Xintong Card, our RMB debit card
2005	Establishment of Dongguan Rural Credit Cooperatives Union (東莞市農村信用合作聯社) upon completion of reform of rural credit cooperatives in Dongguan as single legal entity, which involved the merger of Dongguan Rural Credit Cooperatives Association* and the rural credit cooperatives of 32 towns in Dongguan underpinned and offer for subscription of new shares
2009	Establishment of the legal entity constituting our Bank upon the restructuring of Dongguan Rural Credit Cooperatives Union
2010	Total assets exceeded RMB100 billion
2011	First listed among the "Top 500 World Banks" in terms of tier-one capital by <i>The Banker</i> Awarded the Dongguan Government Quality Award by the People's Government of Dongguan
2012	Moved into our current headquarters building, Dongguan Rural Commercial Bank Building, in Dongguan Obtained the approval for conducting credit card business

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Event
2013	<p>First named “National Role Model Bank of Rural Commercial Bank” by the CBRC</p> <p>Official opening of Huizhou Sub-branch, our first sub-branch outside Dongguan</p> <p>Total assets exceeded RMB200 billion</p>
2014	<p>First invested in rural commercial bank and participated in the establishment of Yaan Rural Commercial Bank Co., Ltd. in Sichuan Province</p>
2015	<p>Named as the “Advanced Entity of Guangdong Province” by the Guangdong Province Committee of the Communist Party of China and the People’s Government of the Guangdong Province</p>
2016	<p>Total assets exceeded RMB300 billion</p> <p>Ranked overall seventh among rural commercial banks in the Commercial Bank Sound Development Ability* (商業銀行穩健發展能力) 2016 published by the China Banking Association under the GYROSCOPE rating system</p>
2017	<p>Launched the building of four segment brands, namely retail finance, industrial finance, SME finance and interbank finance</p> <p>Official opening of Guangdong Pilot Free Trade Zone Nansha Branch, our first branch outside Dongguan</p> <p>Became the first prefecture-level city rural commercial bank rated AAA by CCICR</p>
2018	<p>Total assets exceeded RMB400 billion</p> <p>Official opening of Guangdong Pilot Free Trade Zone Hengqin Branch</p>
2019	<p>Establishment of Zhanjiang RCB</p> <p>Establishment of Dongguan City Rural Commercial Bank Education Charity Foundation* (東莞市農商銀行教育公益基金會) to support the development of education business in Dongguan</p> <p>Ranked 40th in the <i>2018 PRC Banking Industry Top 100</i> published by the China Banking Association</p>
2020	<p>Total assets exceeded RMB500 billion</p> <p>Establishment of Chaoyang RCB</p>
2021	<p>Launched “digital finance” as our fifth segment brand</p>

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Shareholding Structure

As of the Latest Practicable Date, our Bank had 83 corporate Shareholders and 57,512 individual Shareholders, holding in aggregate approximately 23.72% and 76.28% of our Shares, respectively, among which there was only one Shareholder, namely Canvest Investment, an investment holding company, holding more than 5% of our issued Shares. Save for Canvest Investment, our Bank had no Shareholder holding more than 5% of our Shares since our establishment and up to the Latest Practicable Date. Throughout the Track Record Period and up to the Latest Practicable Date, Canvest Investment has been wholly-owned by Mr. Guo Huiqiang (郭惠強先生) who is interested in various companies incorporated in the PRC which mainly engaged in investment holding, construction, property management and trading businesses.

Canvest Investment has been our Shareholder since our establishment in December 2009, holding approximately 28,820,000 Domestic Shares, representing approximately 0.67% of our then issued Shares, converted from its original shareholding in Dongguan Rural Credit Cooperatives Union and subsequently reached its existing shareholding of 5.21% in August 2016 through various acquisitions of additional Domestic Shares from other Shareholders. Mr. Guo Huiqiang has been the general manager of Canvest Investment since its incorporation in 2002 and is currently its sole shareholder and directs and manages the operation of Canvest Investment. Canvest Investment and its subsidiaries principally engage in environmental protection, financial, property leasing and property development businesses in Dongguan.

As of the Latest Practicable Date, we were unable to verify the shareholdings of one corporate Shareholder and 291 individual Shareholders, together holding approximately 0.13% of our issued Shares mainly because we were unable to reach out to such Shareholders. Such Shares have been deposited with Guangdong Equity Exchange Co., Ltd.* as custodian and, as advised by our PRC Legal Advisor, the existence of such unverified shareholdings has no material adverse impact on the certainty and stability of our shareholding structure as the percentage of Shares held by those unverified Shareholders are relatively small.

Changes in Registered Capital

At the time of establishment, the registered capital of our Bank was RMB4,312,888,438, contributed in the form of verified and appraised net assets of Dongguan Rural Credit Cooperatives Union. The following table sets forth the subsequent changes in our registered capital:

<u>Year</u>	<u>Change in registered capital</u>
2011	Our registered capital was increased by RMB431,288,843 to RMB4,744,177,281 by way of capitalization of the undistributed profits of our Bank
2012	Our registered capital was increased by RMB474,417,728 to RMB5,218,595,009 by way of capitalization of the undistributed profits of our Bank
2013	Our registered capital was increased by RMB521,859,501 to RMB5,740,454,510 by way of capitalization of the undistributed profits of our Bank

As at the Latest Practicable Date, the registered capital of our Bank was RMB5,740,454,510.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Issuance of Bonds

Tier-two capital bonds

In June 2017, with the approvals of PBoC and CBRC Guangdong Office, our Bank issued tier-two capital bonds of an aggregate principal amount of RMB4.0 billion for a term of 10 years with coupon rate of 5.00%, payable annually. The tier-two capital bonds may not be put back prematurely while our Bank has an option to redeem the bonds at the end of the fifth year from the date of issuance of the bonds with the approval of the relevant regulatory authority(ies).

Green financial bonds

In January 2019, with the approvals of PBoC and CBIRC Guangdong Office, our Bank issued green financial bonds of an aggregate principal amount of RMB2.0 billion for a term of three years with coupon rate of 3.50%, payable annually. In December 2020, with the approvals of PBoC and CBIRC Guangdong Office, our Bank issued another series of green financial bonds of an aggregate principal amount of RMB1.0 billion for a term of three years with coupon rate of 3.75%, payable annually.

Such green financial bonds may not be redeemed or put back prematurely. The proceeds from the issuance of the green financial bonds shall be used for the support of the green industry, such as pollution control, energy saving and clean energy projects.

SME financial bonds

In March 2020, with the approvals of PBoC and CBIRC Guangdong Office, our Bank issued SME financial bonds of an aggregate principal amount of RMB2.0 billion for a term of three years with coupon rate of 2.94%, payable annually. In March 2021, with the approvals of PBoC and CBIRC Guangdong Office, our Bank issued two series of SME financial bonds with aggregate principal amounts of RMB2.0 billion and RMB1.0 billion and coupon rates of 3.58% and 3.52%, respectively, both payable annually and with a term of three years. Such SME financial bonds may not be redeemed or put back prematurely and the proceeds from the issuance of the SME financial bonds shall be used for SME commercial loans.

Sannong financial bonds

In September 2020, with the approvals of PBoC and CBIRC Guangdong Office, our Bank issued Sannong financial bonds of an aggregate amount of RMB2.0 billion for a term of three years with coupon rate of 3.62% payable annually. The Sannong financial bonds may not be redeemed or put back prematurely. The proceeds from the issuance of the Sannong financial bonds shall only be used for agricultural loans.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our Subsidiaries

As of the Latest Practicable Date, our Group consisted of six subsidiaries, all of which were incorporated in the PRC and were invested in by our Bank upon their respective establishment. The table below sets forth certain details of our subsidiaries:

Name	Place and date of incorporation and share capital	Equity ownership as at the Latest Practicable Date	Principal business activities
Huizhou Zhongkai Dongying County Bank	Huizhou, Guangdong Province/ December 13, 2010/ RMB300 million	Our Bank	51%
		Huidong County Lijing Garden Environment Design Co., Ltd.* (惠東縣麗景園林環境藝術有限公司)	10%
		Huizhou City Zhongkai Jinbao Industry Development Co., Ltd.* (惠州市仲愷金寶實業發展有限公司)	7.33%
		Huizhou City Ruifeng Properties Co., Ltd.* (惠州市瑞峰置業有限公司)	6.67%
		Huidong County Hengli Industry Co., Ltd.* (惠東縣恒利實業有限公司)	5%
		Shenzhen City Tiange Investment Co., Ltd.* (深圳市天格投資有限公司)	5%
		Huizhou City Taidong Industry Investment Co., Ltd.* (惠州市太東實業投資有限公司)	5%
		Virtue Group Co., Ltd.* (富紳集團有限公司)	5%
		Three other shareholders whose individual equity interest is less than 5%	5%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Place and date of incorporation and share capital	Equity ownership as at the Latest Practicable Date	Principal business activities	
Yunfu Xinxing Dongying County Bank	Yunfu, Guangdong Province/ December 23, 2011/ RMB100 million	Our Bank	51%	Provision of banking services in Xinxing county in Yunfu, Guangdong Province
		Wens Foodstuff Group Co., Ltd.* (溫氏食品集團股份有限公司)	9%	
		Xinxing County Hunter Valley Precision Casting Co., Ltd.* (新興縣獵人谷精密鑄造有限公司)	8%	
		Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司)	8%	
		Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司)	8%	
		Guangdong Xiangshun Real Estate Development Co., Ltd.* (廣東翔順房地產開發有限公司)	8%	
		Dongguan City Lakeside Garden Co., Ltd.* (東莞市碧湖花園有限公司)	8%	
Dongguan Dalang Dongying County Bank ^(Note 1)	Dongguan, Guangdong Province/ June 25, 2012/ RMB100 million	Our Bank	35%	Provision of banking services in Dalang County in Dongguan, Guangdong Province
		Dongguan City Yanyu Shiye Investment Co., Ltd.* (東莞市雁裕實業投資有限公司)	9%	
		Guangzhou Yongwei International Trade Co., Ltd.* (廣州永威國際貿易有限公司)	5%	
		Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司)	4.9%	
		Dongguan City Royal Garden Hotel Co., Ltd.* (東莞市帝豪花園酒店有限公司)	4.9%	

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Place and date of incorporation and share capital	Equity ownership as at the Latest Practicable Date	Principal business activities
		Dongguan City Jianqi Industrial Investment Co., Ltd.* (東莞市建齊實業投資有限公司)	4.5%
		Zheng Yaonan (鄭耀南)	4.5%
		Deng Yunnan (鄧運南)	4.5%
		Zhang Hongxin (張洪新)	4.5%
		Liu Suling (劉素玲)	4.5%
		Eight other shareholders whose individual equity interest is less than 4%	18.7%
Hezhou Babu Dongying County Bank	Hezhou, Guangxi/ August 8, 2012/ RMB100 million	Our Bank	51%
		Guangxi Small and Medium Enterprise Venture Capital Investment Co., Ltd.* (廣西中小企業創業投資有限公司)	7.5%
		Dongguan City Huangcheng Development Co., Ltd.* (東莞市篁城開發有限公司)	6.13%
		Guangdong Dingfeng Real Estate Group Co., Ltd.* (廣東鼎峰地產集團有限公司)	6.13%
		Canvest Environmental Protection Investment Limited* (廣東粵豐環保投資有限公司)	6.13%
		Hezhou City Xinhua Powder Co., Ltd.* (賀州市新華發粉體有限公司)	5%
		Guangxi Hezhou City Huili Design and Decoration Project Co., Ltd.* (廣西賀州市匯麗設計裝飾工程有限公司)	5%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name	Place and date of incorporation and share capital	Equity ownership as at the Latest Practicable Date	Principal business activities
		Guangxi Hezhou City Zhengfeng Modern Agriculture Co., Ltd.* (廣西 賀州市正豐現代農業股份有 限公司)	5%
		Three other shareholders whose individual equity interest is less than 5%	8.13%
Zhanjiang RCB ^(Note 2)	Zhanjiang, Guangdong Province/ October 26, 2019/ RMB1,655 million	Our Bank	49.41% Provision of banking services in Chikan District, Potou District, Xiashan District, Mazhang District and Economic and Technology Development Zone in Zhanjiang, Guangdong Province
		Zhanjiang City Infrastructure Construction Investment Group Co., Ltd.* (湛江市基礎設施建設投資集 團有限公司)	13.05%
		Dongguan City Garwin Group Co., Ltd.* (東莞市嘉 宏集團有限公司)	9.97%
		Ma Weiqiang (馬偉強)	1.99%
		6,226 other shareholders whose individual equity interest is less than 1%	25.58%
Chaoyang RCB	Shantou, Guangdong Province/ December 27, 2020/ RMB1,202 million	Our Bank	67.03% Provision of banking services in Chaoyang District and Chaonan District in Shantou, Guangdong Province
		Shantou City Nanxin Investment Co., Ltd.* (汕頭 市南信投資有限公司)	4.78%
		Shantou City Fule Real Estate Co., Ltd.* (汕頭市富 樂房地產有限公司)	2.12%
		Shantou City Jinliu Trading Co., Ltd.* (汕頭市金流貿易 有限公司)	2.11%
		2,809 other shareholders whose individual equity interest is less than 1%	23.96%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

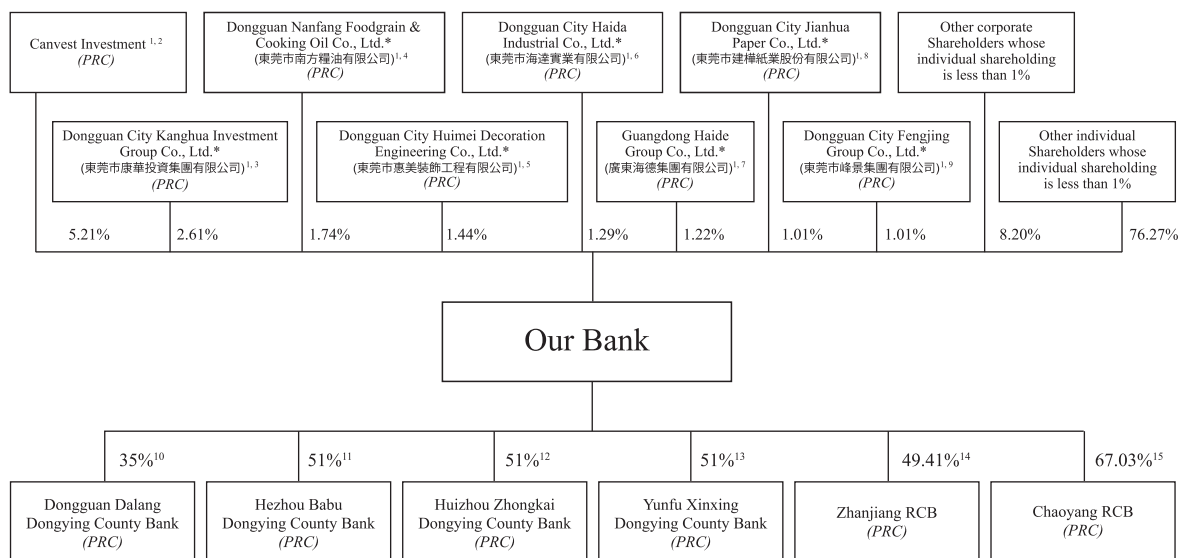
Notes:

1. Although our Bank held only 35% of the equity interest of Dongguan Dalang Dongying County Bank, the financial results of Dongguan Dalang Dongying County Bank were consolidated into the financial statements of our Group in accordance with the applicable accounting standard as our Bank effectively control Dongguan Dalang Dongying County Bank through controlling 51% of its voting rights in aggregate as at the Latest Practicable Date through acting in concert agreement to vote as directed by our Bank entered into with shareholders holding 16% of equity interest, namely, Dongguan City Xingye Knitting Co., Ltd.*, Dongguan City Royal Garden Hotel Co., Ltd.* and two other shareholders whose individual equity interest is less than 4%.
2. Although our Bank held only 49.41% of the equity interest of Zhanjiang RCB, the financial results of Zhanjiang RCB were consolidated into the financial statements of our Group in accordance with IFRS 10 as our Bank is its largest shareholder and the shareholdings of the remaining shareholders are fragmented.

Shareholding Structure Chart

Immediately before the Global Offering

The chart below sets forth the shareholding and corporate structure of our Group immediately prior to the Global Offering:



Notes:

1. To the best knowledge of the Directors, save for certain ultimate beneficial owners of such Shareholders who are also members of the Board of Directors as set forth below, there is no acting in concert agreement among the ultimate beneficial owners of such Shareholders in respect of the Shares of our Bank, and none of the ultimate beneficial owners of such Shareholders is an associate (within the definition of the Listing Rules) of the ultimate beneficial owner of another such Shareholder.
2. As at the Latest Practicable Date, Canvest Investment was wholly-owned by Mr. Guo Huiqiang (郭惠強先生).
3. As at the Latest Practicable Date, Dongguan City Kanghua Investment Group Co., Ltd.* was owned as to 97.46% by Mr. Wang Junyang, our non-executive Director, and 2.54% by Ms. Wang Aici (王愛慈), an auntie of Mr. Wang Junyang. Mr. Wang is deemed to be interested in all the Domestic Shares held by Dongguan City Kanghua Investment Group Co., Ltd.* under the SFO.
4. As at the Latest Practicable Date, Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* was owned as to 80% by Cai Hanzhen (蔡漢珍), a sister of Mr. Cai Guowei, our non-executive Director, and 20% by Cai Weiguo (蔡偉國), an independent third party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

5. As at the Latest Practicable Date, Dongguan City Huimei Decoration Engineering Co., Ltd.* was owned as to (i) 99.20% by Guangdong Zhonghui Group Co., Ltd.* (廣東中惠集團有限公司), which in turn is owned as to 51% by Ye Huiquan (葉惠全) and 49% by Yu Danyun (餘丹雲); and (ii) 0.80% by Ye Huiquan.
6. As at the Latest Practicable Date, Dongguan City Haida Industrial Co., Ltd.* was owned as to 60% by Lin Limei (林麗梅) and 40% by Zheng Rundi (鄭潤弟).
7. As at the Latest Practicable Date, Guangdong Haide Group Co., Ltd.* (“**Guangdong Haide**”) was owned as to (i) 25% by Mr. Ye Jinquan, our non-executive Director; (ii) 25% by Dongguan City Botong Shiye Investment Co., Ltd.* (東莞市博通實業投資有限公司), which in turn is owned as to 96% by Mr. Ye Jinquan and 4% by Ms. Deng Shaohong (鄧少紅), spouse of Mr. Ye Jinquan; (iii) 25% by Dongguan City Commercial Center Development Co., Ltd.* (東莞市商業中心發展有限公司), which in turn is owned as to 96% by Mr. Ye Jinquan and 4% by Ms. Deng Shaohong; (iv) 24% by Dongguan City Hengyi Shiye Investment Co., Ltd.* (東莞市恒億實業投資有限公司), which in turn is owned as to 51% by Guangdong Haide, 39% by Mr. Ye Jinquan and 10% by Ms. Deng Shaohong; and (v) 1% by Ms. Deng Shaohong. Mr. Ye is deemed to be interested in all the Domestic Shares held by Guangdong Haide under the SFO.
8. As at the Latest Practicable Date, based on publicly available information, Dongguan City Jianhua Paper Co., Ltd.* had over 100 shareholders, with Li Haoqiu (黎浩秋) as the largest shareholder, holding approximately 12.93% of its equity interest and the equity interest of all its other shareholders being less than 3%.
9. As at the Latest Practicable Date, Dongguan City Fengjing Group Co., Ltd.* was owned as to 66% by Li Minli (李民立) and 34% by Liu Bosheng (劉博生).
10. As at the Latest Practicable Date, the remaining shareholders of Dongguan Dalang Dongying County Bank and their respective equity interests were as follows: 9% by Dongguan City Yanyu Shiye Investment Co., Ltd.* (東莞市雁裕實業投資有限公司), 5% by Guangzhou Yongwei International Trade Co., Ltd.* (廣州永威國際貿易有限公司), 4.9% by Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司), 4.9% by Dongguan City Royal Garden Hotel Co., Ltd.* (東莞市帝豪花園酒店有限公司), 4.5% by Dongguan City Jianqi Industrial Investment Co., Ltd.* (東莞市建齊實業投資有限公司), 4.5% by Zheng Yaonan (鄭耀南), 4.5% by Deng Yunnan (鄧運南), 4.5% by Zhang Hongxin (張洪新), 4.5% by Liu Suling (劉素玲) and 18.7% in aggregate by eight other shareholders whose individual equity interest is less than 4%.

Although our Bank held only 35% of the equity interest of Dongguan Dalang Dongying County Bank, the financial results of Dongguan Dalang Dongying County Bank were consolidated into the financial statements of our Group in accordance with the applicable accounting standard as our Bank effectively control Dongguan Dalang Dongying County Bank through controlling 51% of its voting rights in aggregate as at the Latest Practicable Date through acting in concert agreement entered into with Dongguan City Xingye Knitting Co., Ltd.*, Dongguan City Royal Garden Hotel Co., Ltd.* and two other shareholders whose individual equity interest is less than 4%.

11. As at the Latest Practicable Date, the remaining shareholders of Hezhou Babu Dongying County Bank and their respective equity interests were as follows: 7.5% by Guangxi Small and Medium Enterprise Venture Capital Investment Co., Ltd.* (廣西中小企業創業投資有限公司), 6.13% by Dongguan City Huangcheng Development Co., Ltd.* (東莞市篁城開發有限公司), 6.13% by Guangdong Dingfeng Real Estate Group Co., Ltd.* (廣東鼎峰地產集團有限公司), 6.13% by Canvest Environmental Protection Investment Limited (廣東粵豐環保投資有限公司), 5% by Hezhou City Xinhua Powder Co., Ltd.* (賀州市新華發粉體有限公司), 5% by Guangxi Hezhou City Huili Design and Decoration Project Co., Ltd.* (廣西賀州市匯麗設計裝飾工程有限公司), 5% by Guangxi Hezhou City Zhengfeng Modern Agriculture Co., Ltd.* (廣西賀州市正豐現代農業股份有限公司) and 8.13% in aggregate by three other shareholders whose individual equity interest is less than 5%.
12. As at the Latest Practicable Date, the remaining shareholders of Huizhou Zhongkai Dongying County Bank and their respective equity interests were as follows: 10% by Huidong County Lijing Garden Environment Design Co., Ltd.* (惠東縣麗景園林環境藝術有限公司), 7.33% by Huizhou City Zhongkai Jinbao Industry Development Co., Ltd.* (惠州市仲愷金寶實業發展有限公司), 6.67% by Huizhou City Ruifeng Properties Co., Ltd.* (惠州市瑞峰置業有限公司), 5% by Huidong County Hengli Industry Co., Ltd.* (惠東縣恒利實業有限公司), 5% by Shenzhen City Tiange Investment Co., Ltd.* (深圳市天格投資有限公司), 5% by Huizhou City Taidong Industry Investment Co., Ltd.* (惠州市太東實業投資有限公司), 5% by Virtue Group Co., Ltd.* (富紳集團有限公司) and 5% in aggregate by three other shareholders whose individual equity interest is less than 5%.
13. As at the Latest Practicable Date, the remaining shareholders of Yunfu Xinxing Dongying County Bank and their respective equity interests were as follows: 9% by Wens Foodstuff Group Co., Ltd.* (溫氏食品集團股份有限公司), 8% by Xinxing County Hunter Valley

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Precision Casting Co., Ltd.* (新興縣獵人谷精密鑄造有限公司), 8% by Dongguan City Xingye Knitting Co., Ltd.* (東莞市興業針織有限公司), 8% by Dongguan Nanfang Foodgrain & Cooking Oil Co., Ltd.* (東莞市南方糧油有限公司), 8% by Guangdong Xiangshun Real Estate Development Co., Ltd.* (廣東翔順房地產開發有限公司) and 8% by Dongguan City Lakeside Garden Co., Ltd.* (東莞市碧湖花園有限公司).

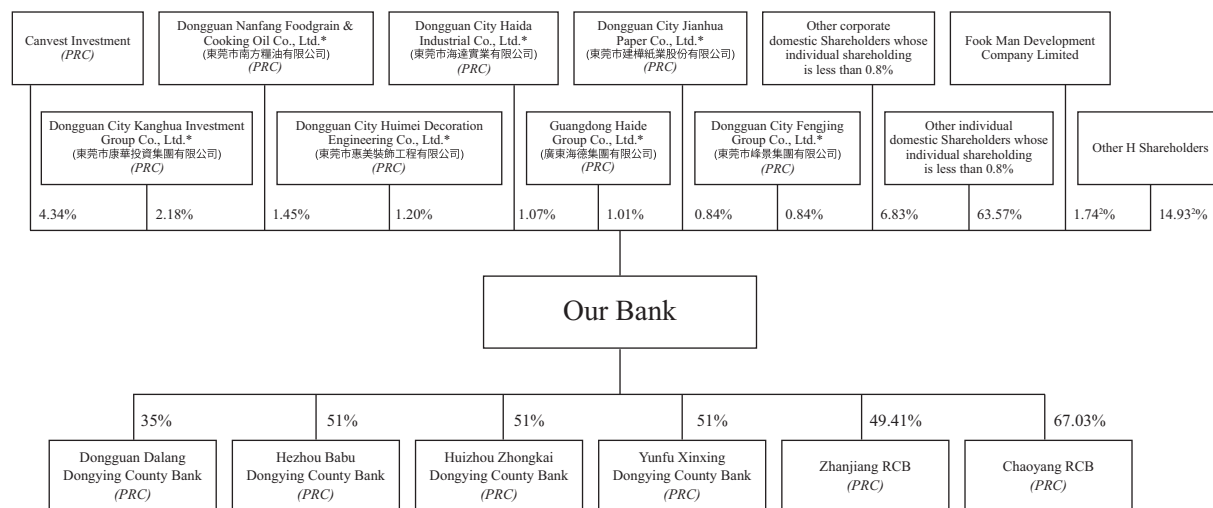
14. As at the Latest Practicable Date, the remaining shareholders of Zhanjiang RCB and their respective equity interests were as follows: 13.05% by Zhanjiang City Infrastructure Construction Investment Group Co., Ltd.* (湛江市基礎設施建設投資集團有限公司), 9.97% by Dongguan City Garwin Group Co., Ltd.* (東莞市嘉宏集團有限公司), 1.99% by Ma Weiqiang (馬偉強) and 25.58% in aggregate by 6,226 other shareholders whose individual equity interest is less than 1%.

Although our Bank held only 49.41% of the equity interest of Zhanjiang RCB, the financial results of Zhanjiang RCB were consolidated into the financial statements of our Group in accordance with IFRS 10 as our Bank is its largest shareholder and the shareholdings of the remaining shareholders are fragmented.

15. As at the Latest Practicable Date, the remaining shareholders of Chaoyang RCB and their respective equity interests were as follows: 4.78% by Shantou City Nanxin Investment Co., Ltd.* (汕頭市南信投資有限公司), 2.12% by Shantou City Fule Real Estate Co., Ltd.* (汕頭市富樂房地產有限公司), 2.11% by Shantou City Jinliu Trading Co., Ltd.* (汕頭市金流貿易有限公司) and 23.96% in aggregate by 2,809 other shareholders whose individual equity interest is less than 1%.

Immediately after the Global Offering

The chart below sets forth the shareholding and corporate structure of our Group immediately after the Global Offering (without taking into account of any H Shares which may be issued upon the exercise of the Over-allotment Option):



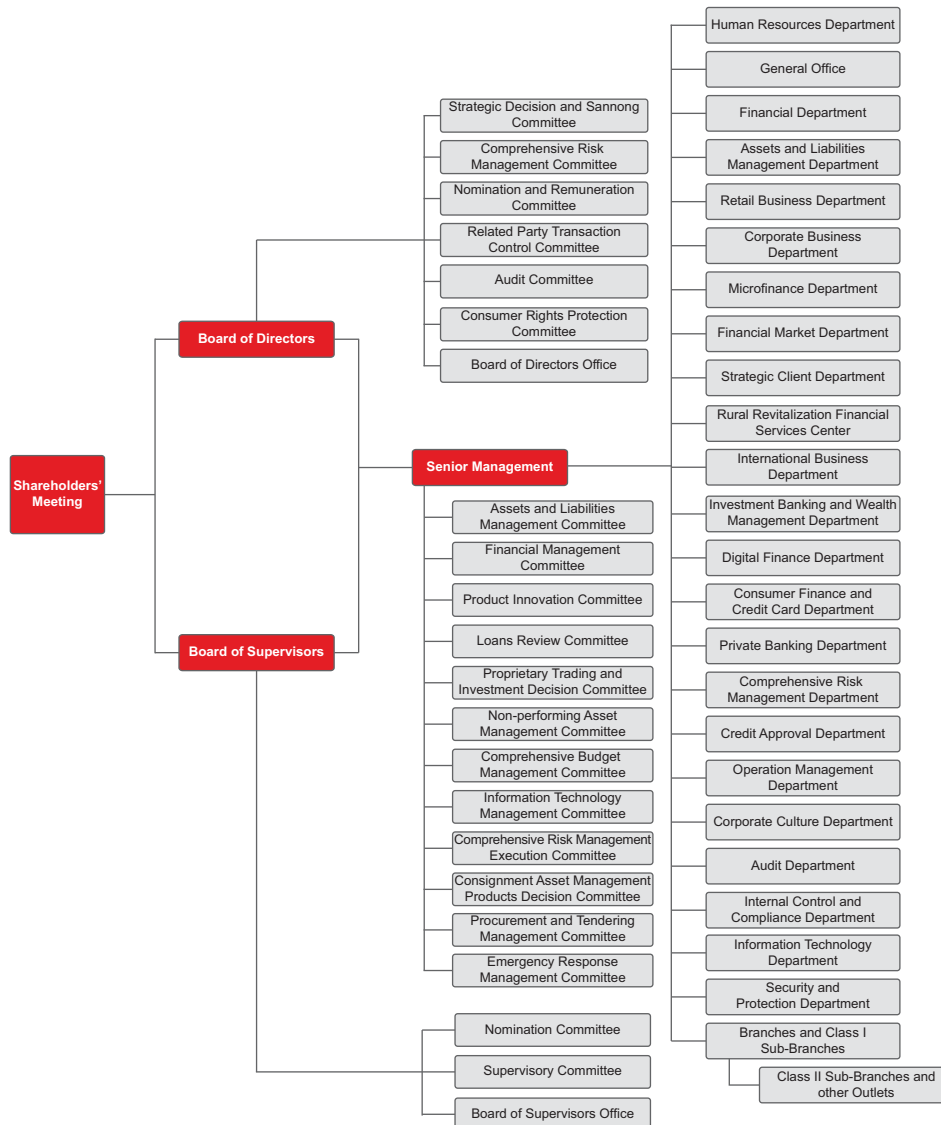
Note:

- For identities and information of the ultimate shareholders of our Shareholders and the minority shareholders of the subsidiaries of our Bank, please see the notes to the chart under “History, Development and Corporate Structure — Shareholding Structure Chart — Immediately before the Global Offering” above in this section.
- The percentage herein is calculated assuming the Offer Price has been determined at the mid-point of the indicative Offer Price range, being HK\$8.32 per Offer Share as Fook Man Development Company Limited is our cornerstone investor who has agreed to subscribe for the Offer Shares for a prescribed monetary sum (rather than a prescribed number of Offer Shares). For details, please see “Cornerstone Investor”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE GOVERNANCE STRUCTURE

The corporate governance structure of our Bank comprises the Shareholders’ meeting, the Board of Directors, the Board of Supervisors and the senior management. The chart below sets forth the major organizational and management structure of our Bank as at the Latest Practicable Date:



Shareholders’ Meeting

The Shareholders’ meeting is the authoritative organization within our Bank and its rights and responsibilities include, among other things, deciding the operational direction and investment plan of our Bank, considering and approving the reports of the Board of Directors and the Board of Supervisors and the budget and final financial accounts of our Bank and electing our Directors and Supervisors (other than employee representative Supervisors).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Board of Directors

Our Board of Directors reports to the Shareholders' meeting and is responsible for the operation and management of our Group. Its major responsibilities include, among other things, executing the resolutions of the Shareholders, determining the operation and development strategies of our Group, formulating our budget, appointing our president and other senior management, considering matters that have material impact on our daily management and operation and supervising our senior management.

To facilitate our Board of Directors to discharge its functions, our Board of Directors established various committees and is supported by the Board of Directors Office. For details of the committees under the Board of Directors, please see "Directors, Supervisors and Senior Management — Committees under the Board of Directors".

Board of Supervisors

Our Board of Supervisors supervises our Board of Directors and senior management as well as our financial performances, internal control and risk management.

To facilitate our Board of Supervisors to discharge its functions, our Board of Supervisors established a nomination committee and a supervising committee and is supported by the Board of Supervisors' office. For details of the committees under the Board of Supervisors, please see "Directors, Supervisors and Senior Management — Committees under the Board of Supervisors" in this prospectus.

Senior Management

Our senior management is led by our president and manages our daily operation. Our president reports to our Board of Directors and is in charge of executing the resolutions of our Board of Directors and the operational management of our Bank.