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.

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)

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

TERMS OF REFERENCE

Chapter 1 General

Clause 1 To further enhance the corporate governance structure of Dongguan Rural Commercial Bank Co., Ltd. (the "**Bank**"), the Bank has established the audit committee under the Board of Directors (the "**Audit Committee**") and formulated these terms of reference in accordance with the applicable laws and regulations, regulatory documents including the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Commercial Banking Law of the People's Republic of China, the Corporate Governance Standards for Banking and Insurance Institutions and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), as well as the articles of association of Dongguan Rural Commercial Bank Co., Ltd. (the "**Articles**") to ensure the audit committee under the Board of Directors exercises its functions and powers in an independent, standardized and effective manner and deliberates scientifically in accordance with the law.

Clause 2 The Audit Committee is a specialized organisation established by the Board of Directors in accordance with the Articles, is accountable to the Board of Directors, and is responsible for the communication of the internal audit and the external audit of the Bank, supervision and reviewing works. The Audit Committee shall be provided with sufficient resources to perform its duties.

Chapter 2 Composition

Clause 3 The Audit Committee shall consist of 3 to 5 members, all of which shall be non-executive directors with more than half of which being independent directors, and the employee directors may become members of the Committee. The committee members shall have professional knowledge and work experience in finance, audit, and accounting, among others, and at least one of them must be an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise required by the Listing Rules.

Clause 4 Members of the Audit Committee shall be nominated by the chairman of the Board of Directors, more than half of the independent directors or more than one-third of the directors and shall be elected by the Board of Directors by ordinary resolutions.

Clause 5 The Audit Committee shall have a chairman who shall be an independent director and shall be elected by the Board of Directors. The director who serves as the chairman shall work at the Bank for no less than 20 working days each year.

The chairman of the committee shall convene and preside over the meetings of the committee and shall appoint another member who is a director to perform his/her duties when he/she is unavailable. If the chairman is unavailable and fails to appoint another member to perform his/her duties, a member shall be jointly elected by more than half of the members to preside.

Clause 6 The term of office of the members of the Audit Committee shall be the same as the term of office of the Board of Directors and may be re-elected upon the expiration of their terms. If any member ceases to be a director of the Bank, he/she shall automatically be disqualified as a member.

Where the number of members falls below three due to resignation or removal of members or any other reasons, the Hong Kong Stock Exchange shall be notified immediately and an announcement shall be published. The Board of Directors shall elect new member(s) to fill the vacancy(ies) within three months. Before reaching two-thirds of the prescribed minimum number of members under these terms of reference, the Audit Committee shall suspend any exercise of its duties and powers stipulated by these terms of reference and such duties and powers shall be exercised by the Board of Directors.

Clause 7 Any member of the committee may be replaced in any one of the following circumstances after discussion and approval by the Board of Directors:

(1) he/she tenders his/her resignation in writing.

(2) gross misconduct or in violation of the laws, regulations, the Articles and these terms of reference during his/her term of office.

(3) other circumstances in which the Board of Directors considers not suitable to serve as a member.

Clause 8 The office of the Board of Directors serves as the daily office of the Audit Committee and shall be responsible for coordinating the meeting attendance and research arrangements for the Audit Committee, maintaining meeting minutes, meeting proposals, and resolutions, and other matters delegated by the Board of Directors or the Audit Committee.

The Audit Department, under the Audit Committee, serves as the dedicated office of the Audit Committee, and shall support and safeguard the Committee's day-to-day operations and performance of its statutory duties and be responsible for preparing agenda items for decision making by the Committee, compiling proposals, providing access to daily audit or inspection materials, and collecting and providing written materials to the Audit Committee for the performance of its duties.

Chapter 3 Responsibilities of the Audit Committee

Clause 9 The major responsibilities of the Audit Committee:

(1) supervising and examining the financial activities of the Bank, reviewing the financial and accounting policy, financial position and financial reporting procedures of the Bank and their implementation.

(2) reviewing and supervising the integrity of financial statements, annual financial audit reports and accounts, interim reports and quarterly reports (if proposed for publication) of the Bank; reviewing significant financial reporting judgments contained in such statements and reports; determining and reporting on the truthfulness, completeness, accuracy and timeliness of the information set out in the audited financial reports; deciding on whether the same should be submitted to the Board of Directors; the committee members shall liaise with the Board of Directors and senior management and hold meetings with the external auditors of the Bank at least twice a year. Before submitting relevant statements and reports to the Board of Directors, the committee shall specifically review the following matters:

1. any changes in accounting policies and practices.

2. major judgmental areas.

3. significant adjustments resulting from audit.

4. the going concern assumptions of the Bank and any qualified opinions.

5. compliance with accounting standards.

6. compliance with the Listing Rules and laws and regulations in relation to financial reporting.

The committee shall consider any material or unusual matters that are or needed to be reflected in such reports and accounts, and shall give due consideration to any matters raised by the staff responsible for the accounting and financial reporting function, the audit department or the auditors of the Bank.

(3) considering the profit distribution plan of the Bank and expressing opinions on the compliance and reasonableness of the profit distribution plan.

(4) reviewing the external auditor's letter to the senior management, any major queries raised by the external auditors to the management in relation to accounting records, financial accounts or control system, and the responses of the management to ensure that the Board of Directors responds to matters in the external auditor's letter to the management in a timely manner.

(5) supervising the performance of duties of the Bank by directors and senior management, and propose the removal of directors or senior management who violate laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting.

(6) requiring directors and senior management to rectify their actions when such actions harm the interests of the Bank.

(7) carrying out regular annual evaluation of the performance of directors and senior management, and reporting the results of the evaluation to the shareholders' meeting.

(8) supervising the selection and appointment procedures of directors.

(9) initiating legal proceedings against directors and senior management in accordance with the relevant provisions of the Company Law.

(10) supervising and inspecting the Bank's operational decisions, risk management, and internal controls, and urging senior management to rectify issues identified in audits and to implement audit recommendations.

(11) overseeing the formulation and implementation of the Bank's internal audit system, being responsible for approving the internal audit regulations, medium-to-long term audit plans and annual work plans, and guiding, assessing and evaluating internal audit work.

(12) evaluating the scientificity, rationality and soundness of the Bank's development strategy and forming an evaluation report.

(13) supervising the implementation of the Bank's remuneration management system and the scientificity and rationality of the remuneration plans for senior management.

(14) reporting to the Board of Directors on the status of audit works regularly, and informing the senior management.

(15) reviewing objections on the audit conclusion raised by the audited persons.

(16) making recommendation to the Board of Directors to hold the internal audit manager and the person-in-charge accountable.

(17) making recommendation to the Board of Directors on the appointment, re-appointment, removal or replacement of external auditor; approving the remuneration and terms of engagement of the external auditor; and handling any issues related to the resignation or removal of the external auditor.

(18) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences.

(19) reviewing the Bank's arrangements employees of the Bank can use, in confidence, to raise concerns about possible improprieties in financial reporting or other matters, and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions by the issuer.

(20) establishing a whistle-blowing policy and system for employees of the Bank and those who deal with the Bank (such as customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Bank.

(21) acting as the key representative body between the Bank and external auditors, responsible for maintaining communication between internal audit and external auditors and monitoring their relationship, ensuring that the works of internal audit and external auditors shall be coordinated; ensuring the internal audit function has sufficient resources to operate within the Bank with an appropriate position; and reviewing and monitoring its effectiveness.

(22) developing and implementing policies on engaging the external auditor (including any entity that is under common control, ownership or management with the audit firm, or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally) to provide non-audit services; and reporting to the Board of Directors and making recommendations on any matters where action or improvement is needed.

(23) discussing with the senior management the adequacy of resources, staff qualifications and experience, training programs and budget for the Bank's accounting and financial reporting function.

(24) proposing convening an interim Shareholders' meeting, and convening and presiding over a Shareholders' meeting when the Board of Directors fails to fulfill its duty of convening and presiding over such meetings as stipulated by the Bank.

(25) proposing motions to the Shareholders' meeting.

(26) reporting to the Board of Directors on any matters related to the code provisions under paragraph D.3 of the Corporate Governance Code of the Listing Rules, and considering other topics as defined by the Board of Directors.

(27) exercising other functions and powers of Supervisory Committee as stipulated by the Company Law and other laws, regulations and regulatory provisions.

(28) performing other duties as required by laws, regulations and relevant regulatory systems, and the Articles, or as delegated by the Board of Directors.

Clause 10 The Audit Committee and its subordinate bodies have the right to access information and resources necessary for performing their duties, have the right to gather information from relevant institutions and personnel, attend relevant meetings, and obtain all aspects of information related to performance of their duties. All relevant institutions, departments and personnel shall render cooperation.

Clause 11 In the performance of its duties, the Audit Committee may adopt various methods such as off-site monitoring, inspections, attending meetings, interviews, reviewing reports, research, questionnaires, exit audits, and engaging third-party professional institutions for assistance. If any abnormality is found in the Bank's operations, an investigation may be conducted; when necessary, an accounting firm, etc., may be engaged to assist in its work, with the costs borne by the Bank.

Clause 12 When necessary, the committee may make recommendations, provide reminders, conduct interviews, make inquiries, and demand responses, in writing or orally, to or from the Board of Directors, senior management, their members or other personnel.

Clause 13 When necessary, the committee may authorize personnel from the Audit Department (in principle, the head or deputy head of the Audit Department) to attend relevant important meetings by proxy, and has the right to raise questions or make suggestions regarding matters resolved at the meetings, and may access important meeting materials of the Bank.

Clause 14 The committee members shall continuously monitor changes and their impacts on relevant matters of the Bank within the responsibilities of the committee, and promptly bring them to the attention of the Audit Committee.

Chapter 4 Rules of Meeting and Decision Making

Clause 15 The proposing department shall submit proposals in accordance with these terms of reference and relevant laws and regulations, and shall be responsible for the authenticity, compliance and comprehensiveness of the proposals. The proposing department shall solicit opinions from the involved institutions and departments according to relevant requirements, obtain approval from the department head, and then submit them to the Audit Department for review as required. In addition, the head of a proposing department shall attend the meetings of the committee and interpret the proposals so submitted.

The Audit Department shall be responsible for the preparatory works for the decision making of the Audit Committee properly, provide the written materials of the Bank to the office of the Board of Directors, which will submit the same to all members of the Audit Committee.

The meeting of the Audit Committee shall consider the written materials provided in accordance with the clause above and sign their opinion, and present relevant resolutions to the Board of Directors for discussion if they are required to be submitted to the Board of Directors for discussion.

Clause 16 The Audit Committee shall be held at least once every quarter. In principle, a notice of meeting shall be given to all members by the office of the Board of Directors three days before the meeting. In special circumstances, the chairman may convene an interim meeting.

Clause 17 The quorum of a meeting of the Audit Committee shall be more than two-thirds of the members. Each member shall have one vote. A resolution of the meeting shall be passed by more than half of the attending members.

Clause 18 The committee members may attend the meetings in person or appoint another member to attend and vote on his/her behalf. A member shall only appoint one other member each time to act on his/her behalf to exercise his/her voting right. The vote shall be invalid if a member has appointed two or more members to vote.

Clause 19 A letter of attorney shall be produced to the chairman of the meeting if a committee member appoints another member to attend the meeting and vote. The letter of attorney shall specify the authority and subject matters and shall be signed by the appointor. A valid letter of attorney shall be given to the chairman of the meeting prior to the casting of votes.

Clause 20 A committee member shall be deemed to abstain from voting if he/she fails to attend the meeting in person or appoint another member to attend on his/her behalf.

Clause 21 The office of the Board of Directors and the dedicated office of the Audit Committee shall send representatives to attend the meetings of the committee as observers and other directors or senior management of the Bank may also be invited to attend such meetings as observers, if necessary. Attendees as observers who are not the members of the committee may speak upon invitation, but do not have the voting right.

Clause 22 Members attending meetings shall carefully consider the proposals at the meetings and express their opinions in a serious and responsible manner.

Clause 23 The committee may coordinate members and engage relevant personnel of the Bank to conduct special study on certain topics or may engage intermediary institutions to provide professional opinions for their decision-making at the expense of the Bank.

Clause 24 Voting at meetings of the committee shall be conducted by a show of hands, by poll or by circulation of written resolutions.

Clause 25 An attending member may vote for or against a resolution or abstain from voting. An attending member shall choose one of the intents above, and if a member makes no choice or makes two or more choices, the chairman of the meeting shall request the member to make a choice again and, if such member declines to make a choice, it shall be deemed as an abstention. If a member leaves the meeting without returning and without making a choice, it shall be deemed as an abstention. If a member fails to vote before the deadline set by the meeting for voting, it shall be deemed as an abstention.

Clause 26 After voting by attending members, the staff of the office of the Board of Directors shall collect and count the ballots promptly.

Clause 27 If a member or his/her close relative(s) or a company controlled by a member or his/her close relative(s) or his/her close associate(s) (as defined in the Listing Rules) have direct or indirect interest in a matter to be considered by the meeting, the member shall abstain from voting.

Clause 28 If a member has an interest but did not abstain from voting, his/her vote shall be invalid. If the invalidation of the vote will change the voting results, the matter shall be voted again. If the new voting result is different with the original result, the original resolution shall be rescinded. If the original resolution has already been implemented, it shall be implemented in accordance with the new resolution.

Clause 29 If interested members are required to abstain from voting, the resolutions shall be passed by more than half of the non-interested attending members. If the number of members with voting rights present at a meeting is less than two-thirds of the prescribed minimum number under these terms of reference, the relevant resolutions shall be put forward to the Board of Directors for approval.

Clause 30 The minutes or resolutions of meetings of the committee shall specify the abstention(s) of interested member(s).

Clause 31 The resolutions passed by a meeting of the committee shall comply with laws, regulations, regulatory systems, the Articles and these terms of reference.

Clause 32 The office of the Board of Directors shall prepare the minutes of meetings of the committee. Attending members shall sign the minutes. Attending members have the right to require inclusion of explanatory notes in the minutes on their speeches at the meetings. The minutes shall be perpetually kept by the office of the Board of Directors.

Clause 33 Resolutions passed by and voting results of meetings of the committee shall be reported to the Board of Directors in writing.

Clause 34 All attendees shall be obliged to keep all matters discussed at the meetings confidential, and shall not disclose any relevant information without authorisation.

Chapter 5 Miscellaneous

Clause 35 Matters not covered by these terms of reference shall be dealt with in accordance with the applicable laws and regulations, Listing Rules and the Articles. If these terms of reference contravene any applicable laws and regulations to be promulgated in the future, the Listing Rules or the legally amended Articles, the applicable relevant laws and regulations, the Listing Rules and the Articles shall prevail.

Clause 36 The Audit Department shall be responsible for the interpretation and amendment of these terms of reference.

Clause 37 These terms of reference have been approved by the Board of Directors and shall come into effect on 27 March 2026, superseding the existing Terms of Reference of the Audit Committee of the Board of Directors of Dongguan Rural Commercial Bank Co., Ltd. (Version 2024) (DongNongYinFa [2024] No.389) at the same time.