

# Whistleblowing Policy of Yuzhou Group

## 1. Purpose

1.1 Yuzhou Group Holdings Company Limited (“Yuzhou Group”, together with its subsidiaries, the “Group” or “we”) has proactively performed its social responsibilities as a corporate citizen with always adhering to the long-standing corporate spirit of “Building Ideal Homes with Painstaking Efforts” and the business philosophy of “Building Cities with Heart, Building Homes with Love”. We are committed to upholding high business ethics and corporate governance standards, and firmly believe that right attitudes shall be taken towards employees, related partners and business regions.

1.2 We therefore require employees and encourage third parties to report any misconducts related to Yuzhou Group’s headquarters, city companies, specialised companies and respective subordinate branches.

1.3 This Policy is designed to illustrate the policies and commitments of Yuzhou Group on whistleblowing and whistleblower protection, and specify the ways of reporting misconducts.

1.4 This Policy is applicable to all the employees of Yuzhou Group Holdings Company Limited and its city companies, specialised companies and subordinate branches, as well as related parties of Yuzhou Group. As for joint venture projects, Yuzhou Group would encourage the board of directors of joint venture companies to adopt and abide by similar policies.

## 2. Scope of Whistleblowing

2.1 Whistleblowing refers to the concerns raised by personnel concerned or third parties on any suspicious or actual misconduct related to the Group.

2.2 Misconducts include but are not limited to the followings:

2.2.1 Violations of the Business Code of Conduct of Yuzhou Group, including principles on business ethics, conflict of interests, competition and anti-monopoly, gambling, equal opportunities of employees, diversity and respect, usage of social media and privacy;

2.2.2 Criminal offences such as corruption, embezzlement, theft of corporate assets and duty encroachment, or violations of other laws and regulations;

2.2.3 Violations of the Group's regulations on bidding and tendering, material procurement, consumption or accommodation in relation to official business;

2.2.4 Acts that endanger health and safety of others caused by loopholes or hidden

hazards in the work of security guard;

2.2.5 Violations of the Group's rules, and supervisory policies during the course of operation and management;

2.2.6 Misconducts in terms of financial reporting or internal management and control;

2.2.7 Misconducts, malpractice, negligence or immoral acts;

2.2.8 Divulgence of the Group 's business secrets;

2.2.9 Defaults;

2.2.10 Deliberate concealment of the aforesaid acts, or other acts that result in economic or reputation losses to the Group.

### 3. Whistleblowing Channels

3.1 Real-name reporting is encouraged. Detailed contact information shall be offered in case of real-name reporting. For reporting contents, event procedures, time, place and relevant persons shall be clearly described, and reporting materials such as written materials, audio and video are preferred.

3.2 Email: **president@yuzhou-group.com**

3.3 Phone: **(86)15201762595 (same number for WeChat account)**

3.4 Address: Auditing and Supervision Center of Yuzhou Group at 27/F, Block A, Yuzhou Plaza, Keyuan North Road, Nanshan District, Shenzhen, Guangdong, People's Republic of China

### 4. Whistleblowing Procedures

4.1 **Acceptance.** Whistleblowing via email, phone, WeChat or visits shall be accepted by the auditing and supervision personnel in charge of whistleblowing. Effective whistleblowing shall be recorded and reported immediately to the person in charge of the Auditing and Supervision Center.

4.2 **Reporting.** Depending on the nature of the whistleblowing, the Auditing and Supervision Center will conduct a preliminary review of the information provided by the whistleblower to understand the circumstances of the allegation. All potential cases will be reported to the decision-making personnel of the Group prior to any investigation being initiated.

4.3 **Formulating a plan.** After the preliminary review, the person in charge of the Auditing and Supervision Center will convene an auditing meeting to organize the participating auditors to discuss and analyze the whistleblowing. In case of any need for further investigation, an audit plan shall be formulated to arrange auditors to ascertain the facts and submit an audit report.

**4.4 Whistleblowing handling.** Based on the verification of the Auditing and Supervision Center, the reported responsible persons shall be punished, and the rectification measures to be implemented by the involved units shall be reported to the decision-making personnel of the Group.

4.5 Yuzhou Group will notify the whistleblower of the investigation result where appropriate.

4.6 Relevant personnel found to have violated the code of conduct of Yuzhou Group will be subject to disciplinary punishments, which may include termination of labor contract. In case of corruption or other criminal offences, the Group will, where appropriate, hand over the matter to the judicial authority for handling according to the laws.

## 5. Protective Measures for Whistleblowing

5.1 Yuzhou Group guarantees that all the whistleblowers with faithful and proper whistleblowing under this Policy are treated fairly, including protecting relevant personnel from unfair dismissal, persecution or improper disciplinary punishments. Yuzhou Group will take reasonable measures to protect whistleblowers from retaliation or adverse treatment due to whistleblowing under this Policy.

5.2 Anyone who divulges the reporting information or retaliates against the whistleblower or investigator will be subject to dismissal and termination of the labor contract, and, in case of criminal offences, will be handed over to the judicial authority for handling according to the law.

## 6. Confidentiality System for Whistleblowing

6.1 Yuzhou Group will keep all information received confidential unless it shall be disclosed required by laws and regulations or for the legal or auditing purpose, or in case that Yuzhou Group shall report the individual cases to relevant regulators or law-enforcing authorities for action.

6.2 Yuzhou Group will exert its every effort to keep the identity of the whistleblower confidential. Under certain circumstances, however, it is necessary to disclose the identity of the whistleblower in view of the nature of the investigation.

6.3 Unless the disclosure is required according to laws or regulations, the whistleblower must also keep confidential the fact that the whistleblowing has been made, the nature of reported matter and the identity of persons concerned for avoidance of impeding investigation.

## 7. Malicious Whistleblowing

7.1 Whistleblowers who maliciously, or for personal gains purpose to deliberately fabricate facts to lodge a false accusation towards others, or deceive rewards through falsification shall be liable in accordance with the laws. In case of criminal offense, such incident shall be reported to the police or juridical authority for further actions.

7.2 During the investigation, if relevant employees involved in the case and cooperative related parties provide active cooperation in the investigation, or offer clues and evidences, including proactively providing corruption and malpractice clues and evidences that are not known by the Group, the Group may reduce or exempt punishments on the personnel involved at its own discretion. If the clues and evidences provided are involved with significant economic cases, corresponding rewards may be offered.

7.3 As for cooperative related parties found problematic but refusing to cooperate, Yuzhou Group shall permanently terminate the cooperation with such parties, and include them into the blacklist of cooperation; those proactively reporting to Yuzhou Group, providing unambiguous evidences and assisting to recover economic losses of the Group will be exempted from punishments and will be given priority in cooperation and corresponding rewards.

## **8. Policy Responsibility**

8.1 This Policy adopted by the Board of Directors of Yuzhou Group shall be implemented by the Executive Committee. The Auditing and Supervision Center of the Group shall be responsible for the daily administrative management of policies.

8.2 This Policy shall be subject to review by the Board of Directors from time to time.

### **Review**

Yuzhou Group will regularly review this policy and update relevant contents when necessary.

**In the event of discrepancy between the Chinese and English versions, the Chinese version shall prevail.**

**Approved on November 27, 2020**

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