

## **Transparent Procurement Policy**

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”. In terms of tendering for construction engineering, service and materials (“tender for procurement”), we shall reduce the cost, promote fair competition, specify responsibilities, and enhance the management of tender for procurement.

### **Working principle of the tender for procurement**

Principle of transparency and fairness: Adequate transparency shall be guaranteed during the whole tender for procurement and black-box operation shall be prohibited.

Principle of adequate competition: Adequate competition shall be guaranteed for the tender for procurement.

Principle of probity and integrity: All the employees engaged in the tender for procurement shall maintain probity without seeking for personal gains by taking advantage of their duties or positions. No individual may affect the objectiveness and fairness of the tender for procurement.

Principle of reputation maintenance: The selection of bidders, evaluation or determination of bids shall be conducted in an objective and fair manner to build and maintain a good reputation and image of the Group.

Principle of mutual supervision: All the departments participating in the tender for procurement shall supervise each other. Once any information is divulged, relevant personnel shall be held liable.

Principle of tender for procurement and evaluation of bids: Reasonable low-price method and comprehensive scoring method for evaluation of bids.

### **Probity and self-discipline**

1. Relationship with interest shall be prohibited in the tender for procurement. Any direct or indirect relationship such as relatives and classmates shall be informed to the Auditing and Supervision Center of the Risk Control Center in advance, and

meanwhile, relevant personnel shall not participate in the tender;

2. Accepting any entertainment or gifts is not allowed;

3. Prevent any acts that violate the principle of probity and self-discipline, observe the professional ethics and discipline, and perform due diligence at all time.

Violators of above rules will be subject to severe punishment according to relevant system of Yuzhou Group.

### **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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