

Standards of Business Conduct

Overview

Yuzhou Group Holdings Company Limited (“Yuzhou Group”, together with its subsidiaries, collectively 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”. *The Standards of Business Conduct of Yuzhou Group* (hereinafter referred to as the “Standards”) are applicable to each director, senior management and employee (“Employees”), no matter whether they are full-time, part-time, consulting or temporary (including employees from employment service providers or other outsourcing units) employees of Yuzhou Group.

Yuzhou Group will exert its great efforts to maintain the business relations between employees, with customers and suppliers, shareholders and other related parties, and strictly abide by the principle of integrity and fairness, lofty moral standards and requirements of the Standards. The basic principle, important policies and procedures for business activities are specified herein. Yuzhou Group has the right to interpret and expound on all the clauses herein.

Employees and Working Environment

1. Mutual respect

Yuzhou Group strives to create a working environment of integrity, honesty, mutual trust and respect.

2. Employees’ privacy

Yuzhou Group respects the privacy and respect of all the individuals. It collects and retains information related to employees and employment, and takes special measures to restrict the access of employees to such information. Such information is only obtained for legitimate purposes if any.

3. Equal employee opportunities and non-discrimination

Yuzhou Group strives to provide equal opportunities for all the employees and offer fair benefits based on their contributions to the Group without discriminating against anyone on grounds of any reasons prohibited by the law.

4. Safety of Workplace

Yuzhou Group prohibits smoking in the office space, or usage of violence to any extent in the workplace or other places related to work.

5. Abidance by laws and moralities

In addition to the Standards and relevant policies and guidance of Yuzhou Group, each employee shall also abide by applicable laws and regulations. Employees are prohibited to engage in pilferage, infringement, fraud, dishonesty, violation of moralities or other similar acts, or any acts

with material adverse impacts on the reputation, prestige or interests of Yuzhou Group.

6. Fulfillment of responsibilities

Employees shall fulfill their due responsibilities as required by Yuzhou Group, observe reasonable commands from superiors and abide by the employment agreement signed with Yuzhou Group.

7. Protection and usage of assets

Each employee is obliged to protect the assets of Yuzhou Group, including tangible and intangible assets, and guarantee their effective utilization. Pilferage, negligence and waste will directly affect the profitability of Yuzhou Group. Employees shall take measures to prevent the assets of Yuzhou Group from being damaged, stolen or misused. Upon termination of employment, employees must return the Group's assets in their possession to Yuzhou Group.

8. Prohibition of revenge

For whatever reasons, employees shall not revenge on any other employees of the Group by making use of their work, position and identity within Yuzhou Group. The revenge on any employees constitutes a violation of policies of Yuzhou Group, and under such circumstances, the Group has the right to impose a disciplinary punishment and even terminate the employment relations within the scope permitted by laws.

Operation Principle and Implementation

1. Business ethics

Yuzhou Group operates all its businesses in an honest and fair manner. During business contacts with others, related persons shall maintain the highest professional standards, try to establish mutually beneficial relationships with contractors, suppliers, and partners, enhance the extensive application of the Standards, and select business partners with similar business ethics. All the employees shall abide by all the applicable laws and regulations.

2. Conflict of interest

Conflicts of interest will be formed where personal interests of employees affect or are likely to affect Yuzhou Group's interests in whatever manner, or acts or interests of employees make it impossible for them to fulfill the work or responsibilities assigned by the Group in an objective, impartial and effective manner. It is stipulated herein that, all the employees shall avoid the actual or potential conflicts of interests without previous consent from the person in charge of compliance.

3. Competition and anti-monopoly

Yuzhou Group strives to abide by all the applicable laws related to competition and anti-monopoly. Employees shall be acquainted with and compliant with the competition laws applicable to their business. Such legislations serve to guarantee competition by prohibiting anti-competition behavior. Violation of the competition laws is a serious crime, which may be subject to heavy punishments or other sanctions on Yuzhou Group, or imprisonment of individuals. Business units

shall formulate relevant arrangements to ensure the compliance with the competition laws and anti-monopoly laws, and make relevant arrangements according to the respective business conditions.

4. Bribery

Yuzhou Group firmly believes that, good faith in operation is an important principle for the sustainable development, which will help the Group develop into a successful, sustainable and responsible business group. Corruption will obstruct the development and progress of the economy, society and politics. Any violation of the anti-bribery regulations anywhere under any circumstances will be a serious crime, which may be led to heavy fines or other on Yuzhou Group, or imprisonment of individuals. Even acts suspected of violations of anti-corruption regulations will severely impair the reputation of Yuzhou Group. It is stipulated in the Group's policies that all the employees shall abide by applicable anti-bribery regulations. Employees' codes of conduct expected by the Group and the anti-bribery compliance procedures of the Group are herein listed. For the avoidance of any violations of the Standards, it is suggested that employees should contact the HR Center or person in charge of compliance for help, guidance or interpretation where they are not certain whether accepting or providing gifts in any forms complies with the Standards, or they are faced with difficult business ethics or legal problems.

Storage of Records

Yuzhou Group strives to properly keep various records and comply with perfect accounting policies. All the account books, records, accounts, invoices and other documents of the Group shall be properly prepared and kept to give a fair, accurate and detailed reflection of the substantial transactions and disposals of the Group's business. All the relevant expenditures shall be duly approved and included into the financial records. According to the Standards, related persons are prohibited to include inaccurate or misleading statements or other entries in the financial records, or open, hold or use any off-book accounts in banks or any third-party institution, or destroy the Group's record prior to the due date of destruction.

Business Correspondences and Storage of Records

All the business records and correspondences shall be clear, authentic and accurate, and they may be made public due to litigations, government investigations and media reports. Employees shall try their best to avoid using overstated, exaggerated, or speculative words, legal conclusions, or derogatory or qualitative comments on other persons or the Group in all the correspondences including emails, instant messages and informal records or memos. Under no circumstances shall the Group's records be destroyed selectively. Upon learning of the court summons, pending or potential litigations or government investigations, employees shall forthwith contact the Legal Affairs Center via email.

Confidential Information

Generally, all the information related to the Group's business shall be deemed as the confidential information. The Staff shall strictly abide by the terms of the confidentiality agreement, non-disclosure agreement or other similar agreements signed when joining the Group. It is prohibited to use such information for the sake of personal interests or the interests of any persons within or outside the Group, or disclose such information to parties outside of the Group or at any online forums.

Intellectual Property Rights

Intellectual property rights (including copyrights, patents, trademarks and business secrets) are important properties of the Group. Employees shall guarantee that the Group's intellectual property rights will be protected according to relevant policies and procedures of the Group. Employees shall strictly abide by terms and conditions in any applicable proprietary information and invention agreement or similar agreements signed with the Group. If you have any questions related to intellectual property rights, please send an email to the Legal Affairs Center.

Computers and Communication Resources

Employees shall take all the necessary measures to guarantee the security of the computers, computer passwords or voice mail passwords. Where employees are convinced of whatever reason that, the security of passwords, computers or communication resources is damaged in any forms, they shall forthwith change the passwords and report to the Information Management Center.

External Reply

Except the formal spokesman of Yuzhou Group, none of the employees are allowed to give speeches to the media, groups or organizations on behalf of the Group or on the business issues of the Group without the special authorization from the Brand Management Department of the Group. None of the employees are allowed to give speeches to the financial circle, securities analysts or shareholders without the special authorization of the Group's CFO. All the demands for information of Yuzhou Group shall be forwarded to the Brand Management Department (pr@yuzhou-group.com), or Corporate Finance and Investor Relations Department of Yuzhou Group (ir@yuzhou-group.com).

Approval License Policy

Employees shall comply with the Group's policy of approval license on signing. Without the authorization in accordance with the Policy, employees shall not sign any contract or allocate any resources of the Group. Any violations of the Policy by employees will not be binding upon the Group.

Insider Dealing

None of the employees of Yuzhou Group are allowed to use any undisclosed price-sensitive information to seek for gains for themselves or others at the cost of the interests of the Group. The usage of any undisclosed price-sensitive information for the private purpose is a violation of laws and moral standards, which shall be strictly prohibited. Employees shall not indirectly evade the prohibitive provision of this clause by colluding with vendors or divulging the inside information to others.

Whistle-blowing

We encourage all the employees, partners, suppliers and customers to report any misconducts in accordance with the whistle-blowing policy of the Group. Relevant details can be seen in the Whistle-blowing Policy of Yuzhou Group.

Compliance with the Standards

Employees shall comply with the Standards. Violators of the Standards will be subject to disciplinary punishments including dismissal. Where duty-related crimes or other criminal offences are suspected, the Group will report to the judicial organ. Employees are prohibited to evade the Standards by entrusting agents, partners, contractors, family members, controlled companies or others.

Review

Yuzhou Group will regularly review the Standards and update relevant contents when necessary.

Approved on November 27, 2020

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