
Yihai International Holding Ltd.

Anti-corruption Policy

Yihai International Holdings Ltd. (together with its subsidiaries, hereinafter referred to as the "Company") strictly complies with the "Anti-Unfair Competition Law of the People's Republic of China", "Interim Provisions on Banning Commercial Bribery", "Anti-Money Laundering Law of the People's Republic of China" and other national laws and regulations related to the prevention of bribery, extortion, fraud and money laundering. At the same time, the Company is committed to advocating a corporate culture of honesty and integrity, and actively creating an environment of corporate culture against malpractices and corruption. To this end, we have formulated this policy to reduce the chances of malpractice, corruption and bribery occurring.

I. Scope of Application

This policy applies to all employees of the Company and third parties with whom we have business dealings, including but not limited to dealers, suppliers, contractors and other stakeholders (hereinafter referred to as "Partners").

II. Contents

(I) Anti-corruption regulations for the Company's employees

Employees of the Company shall comply with the "Yihai Prohibition Management Measures": (i) No embezzlement, misappropriation of public funds; prohibited from receiving cash gifts, gifts, non-work-related banquets (work-related banquets should be reported to the supervisor) given or invited by Partners, suppliers, external business units; (ii) No borrowings from Partners, suppliers, external business units, etc., and prohibited from personal financial transactions; (iii) prohibited from receiving cash gifts, gifts of more than RMB100 from subordinates and apprentices.

For specific requirements, please refer to the "Yihai Prohibition Management Measures" published on the Company's OA and Ding Talk.

(II) Anti-Corruption Provisions for Partners

Suppliers and distributors are required to comply with the "anti-commercial bribery" provisions in the agreement between the two parties, and are not allowed to provide gifts, cash gifts, material sponsorships, banquets and hospitality, lodging arrangements, excursions, consumption and entertainment and others to the Company's employees and their family members, and are not allowed to lend money or goods to the Company's employees and their family members.

III. Anti-Corruption Training

The Company utilizes channels such as new employee orientation training, dealer meetings and monthly CRM system and SRM system notifications to publicize this policy and related system regulations.

IV. Whistleblowing

We provide a variety of whistleblowing channels and encourage real-name whistleblowing, any employee, stakeholder and external parties can provide the Company with reporting information through one or more of the following channels:(i)Reporting to the Company's Audit Department, the whistleblowing email receiving mailbox: yhnsb@yihchina.com; (ii)the Company's employees and Partners can also report through the Company's internal contact platform - CRM or SRM system and the contractually agreed contact information for whistleblowing; (iii) Sending reports to the whistleblowing mailbox (yhdshbgs@yihchina.com) of the Audit Committee of the Company's Board of Directors. The whistleblower will receive protection.

V. Rewards and Penalties

(I) If an employee violates this policy, he/she must be notified through the OA according to the requirements of the prohibition and, depending on the severity of the case, be given (i) OA informed criticism (ii) demotion for not less than six months

(iii) dismissal for not less than six months (iv) probation (v) dismissal (vi) dismissal from the company and never employed (vii) referral to the judiciary (viii) deduction/cancellation of efficiency bonus or profit and loss dividends and other penalties, and the above measures can be can be imposed concurrently.

(II) If a Partner violates the company's anti-corruption regulations, the company has the right to terminate the cooperation agreement, and the Partner has to bear all the liability for breach of contract, as well as the Company has the right to pursue its legal and economic responsibility.

VI. Other Matters

This policy will be implemented by the Company's Audit Department , which will report to the Audit Committee on a regular basis.

This policy will be reviewed and evaluated regularly to ensure its effectiveness and compliance with the relevant provisions of the Company and rules and regulations.