
Yihai International Holdings Limited

Whistleblowing Policy

I. Purpose

Yihai International Holdings Limited (together with its subsidiaries, hereinafter referred to as the "Company") formulates this policy for the purposes of strengthening the awareness of maintaining internal justice within the Company and encouraging employees, customers, suppliers and those who deal with the Company to report any suspected or actual business misconduct, malpractice and other forms of misconduct without fear of unfair treatment.

II. Scope

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

III. Issues of Whistleblowing

- (I) Violation of the Company's prohibitions, the Integrity Commitment, the Code of Discipline for Directors and Employees, corruption, malpractice, lacking of moral virtue, etc;
- (II) Violation of the provisions of the Company's various systems and employee code of conduct;
- (III) Other improprieties that need to be reflected to the company.

IV. Whistleblowing Channels

- (I) By e-mail

Mainland region: yhnsb@yihchina.com

Outside the Mainland region: shenfj@yihchina.com

Audit Committee: yhdshbgs@yihchina.com

- (II) By telephone

For reporting telephone numbers, please refer to the Company's OA "Internal Reporting and Complaints Management System", the whistleblowing channels posted on the posting boards of the factories and the whistleblowing channels prompted by the CRM and SRM systems.

(III) By other whistleblowing methods agreed in the contracts signed with the partner.

V. Handling Procedure

(I) Reported matters will be handled by the Audit Department, and which will confirm the acceptance of the department. The acceptance of the department must respond within 48 hours to acknowledge receipt and inform the whistleblower of the expected investigation and response time.

(II) The investigation of reported matters and complaints are generally required to be completed within 10 days after acceptance.

(III) The investigation process of specific cases shall be carried out in accordance with the "Daily Workflow of Yihai Audit Department" and the "Yihai Internal Audit Management System".

(IV) The Audit Committee shall consider and discuss the reported matters and the results at least once every six months.

VI. Protection of Whistleblowers

The acceptance department and all informants must keep the identity of the whistleblower strictly confidential, shall not disclose the contents of the report to unrelated personnel; employees who truthfully report the issues can apply for protective transfer, coordinated by the General Manager's Office.

VII. Rewards and Penalties

(I) Malicious reporting, framing others shall be regarded as a violation of the ban on falsehoods, and depending on the severity of the situation, the corresponding system level department heads shall give the person concerned probation, demotion, dismissal, expulsion and other penalties.

(II) If the reported issues involve the violation of the Company's prohibitions, the Integrity Commitment or lacking of moral virtue and other issues, and after the

investigation, it is true, the whistleblower will be rewarded with a minimum of RMB2,000, and the reward details refer to the company's "Internal Reporting Management System" requirements.