

Anti-fraud Policy

1. Our Vision

To create an efficient, transparent, fair and just business environment, EVE Energy Co., Ltd. (hereinafter referred to as the "EVE" or "the Company") is committed to the highest standards of ethics and integrity, embracing high-quality development in line with the sustainable development strategy. EVE firmly opposes all types of commercial corruption that undermine fair competition in the market.

2. Purpose

The policy is established to enhance the governance and internal control of EVE, preventing fraudulent activities more efficiently and effectively;

The anti-fraud applies to all relevant personnel, including employees at all levels, strictly abiding by relevant laws and regulations, professional ethics, and the Company's rules and regulations, and to prevent any behaviors that could be detrimental to the interests of the Company, its shareholders, and investors.

3. Rules of Conduct

3.1 The following behaviors are considered fraudulent:

Bribery includes offering, promising, giving, accepting or seeking a bribe and kickbacks directly or indirectly through the Company's customers, dealers, suppliers, engineering contractors, employees and other parties. For example, this includes but not limited to: gifts, cashes, securities, shopping cards and other types of prepaid cards, speculative trading, gambling, entertainment, tourism, housing renovation, real estate, high-end consumer goods, schooling and employment.

Threaten or retaliate against suppliers, dealers, engineering contractors, employees to offer or accept a bribe.

Embezzlement, misappropriation, and illegal disposition of the company's property

(including funds, intangible assets, products, gifts, samples/prototypes, instruments and equipment, molds and dies, goods, scrap, and office supplies, etc.) are strictly prohibited. Embezzlement includes, but is not limited to, theft, etc. Illegal or unlawful disposition includes, but is not limited to, selling at low prices, giving as gifts, mortgaging, and pledging.

Arrangement of our employees, suppliers, customers and other stakeholders to engage in improper economic activities and the establishment of bribery relations.

Improper gains obtained due to the negligence of superior leaders and other colleagues.

Falsifying, altering, destroying or hiding accounting records or vouchers, providing false financial reports, tax statements, etc.

Deliberate concealment or misstatement of transaction matters can result in the disclosure of information contains false records, misleading statements, or material omissions.

Making payments for false transaction.

Expenditures for improper purposes, such as paying bribes or kickbacks to get higher performance and performance, and other acts of bribery.

Taking advantage of one's position to transfer a company trading opportunity or a profitable trading to another individual or entity.

Utilizing one's position to set up a private treasury and off-book accounts.

Disclosing the company's commercial and technical secrets.

3.2 The existence of the following behaviors shall be considered as fraudulent activities:

The occurrence of the following behaviors without reporting to the company and

interest recusal:

- a) The employee, himself/herself, or their close relatives to invest in the operation of the company's products.
- b) The employee or their close relatives have financial and loan transactions with customers, suppliers, dealers, engineering contractors, etc.
- c) The employee their close relatives have directly or indirectly invested in customers, suppliers, dealers, and engineering contractors in shares (including performance shares, excluding securities fund type of investment), including investing in shares in the name of other people (where oneself is the actual controller or the boss behind the scenes).
- d) Other fraudulent behaviors specified in the Conflict of Interest Declaration System.

The employee himself/herself or their close relatives take advantage of their position to accept "performance shares" from customers, suppliers, distributors, project contractors or to ask for "performance shares" and year-end dividends from the aforementioned organizations.

Engraving the seals of the Company and its management personnel, or imitating their signatures, forging documents or reports of the Company or departments.

Deliberately reconciling and whitewashing statements, including but not limited to financial statements and all types of analytical management statements from departments and subsidiaries;

Falsifying and misrepresenting performance appraisal data, bonus declarations, project declarations and other data;

Falsely listing personnel and inflating attendance data, thereby falsely increasing salary data, and obtaining benefits therefrom;

Intentionally withholding information about the business and legal risks outlined in the contract, resulting in substantial financial losses for the company.

Failure to strictly fulfill the contract, causing economic loss to the company or significant negative impact on the company's reputation.

False invoicing, reimbursement of fictitious items to the Company; private expense bulletins or reimbursement beyond the prescribed scope.

Disclosing bidding information, resulting in bid-rigging, abortive bidding, bid-rigging, bid-accompanying, etc. bringing negative impact on the company's economic activities or causing economic losses.

Leakage of the company's commercial secrets, financial statement data, technical secrets, testing data, and experimental data, etc.

Abuse of power, dereliction of duty, and violation of the company's processes, have resulted in significant economic losses for the company.

Any Part-time job in other organizations without the approval of the company.

To engage in entertainment activities that clearly exceed the normal standard on multiple occasions without any reason, without being able to state a reasonable cause.

Other fraudulent behaviors that harm the company's economic interests or violate the company's Confidentiality Management Regulations.

4. Fraud Prevention and Control

4.1 The management of EVE will consistently promote a corporate culture of honesty and integrity, improve the Company's business ethics compliance system, create an anti-fraud corporate culture environment, assess the risk of fraud and establish specific control procedures and mechanisms to minimize the occurrence of fraudulent activities.

The company has set up the Audit and Supervisory Department, a permanent organization dedicated to combating fraud. This department is responsible for receiving, investigating, reporting, and providing recommendations on how to handle fraud reports. It also accepts supervision from the Board of Directors, the Supervisory Committee, and the Audit Committee.

4.2 EVE promotes a corporate culture of honesty and integrity, including but not limited to the following ways:

The directors, supervisors, and management of the Company insist on setting a good example by complying with laws, regulations and all company rules and regulations. They strive to maintain cleanliness, honesty, and uphold business ethics.

All employees are required to sign the Personal Integrity Commitment and participate in oath-taking activities.

The company's anti-fraud policies and related measures are publicly available on the official website and effectively communicated or trained through various channels within the Company (including the employee handbook, the Company's website, OA, SRM, WeChat official account, bulletin boards, etc.). This ensures that employees receive training on relevant laws, regulations, and codes of ethics, enabling them to understand the concepts outlined in the Code of Conduct. It also helps employees differentiate between lawful and unlawful behavior, as well as between behaviors that demonstrate integrity and morality versus those that do not.

Provide anti-fraud training and education on laws, regulations, and ethical integrity to all new employees.

Encourage employees to exhibit law-abiding and ethical behavior, assist them in effectively managing conflicts of interest that may arise in the workplace, and resist the allure of improper benefits. Additionally, ensure the protection of employees who may face retaliation.

Inform social parties (customers, suppliers, regulatory bodies, and shareholders, etc.) that have direct or indirect relationships with the company about its commitment to

legal compliance and ethical and moral integrity in an appropriate manner.

In response to unethical and dishonest behavior, individuals can report such incidents through reporting channels, either using their real name or anonymously.

The Company shall develop and implement effective education and punishment policies to resolutely combat fraudulent behavior.

4.3 The Company assesses the risk of fraud and establishes specific control mechanisms to minimize the occurrence of fraud, mainly through the following means:

Management conducts fraud risk identification and assessment at both the corporate and the business unit level. This assessment includes evaluating the significance and likelihood of fraud risks.

Management shall establish and adopt measures related to the identification, prevention, and mitigation of fraudulent financial reporting or misuse of company assets. These measures include approval, authorization, review, audit, segregation of duties, and protection of company assets.

The company shall establish the necessary internal control measures for high-risk areas, such as false financial reporting and management overreach, as well as in the area of information systems and technology, where fraud occurs. These measures include mapping of business processes and developing management systems that link the risk of business fraud and financial fraud to control measures, so that control mechanisms can be established and function at the source of fraud occurrence.

4.4 Ongoing monitoring of fraud by the Company's management should be integrated into daily control activities, including day-to-day management and monitoring activities. The main person in charge of each business activity of the Company shall study and master the relevant provisions of this system. They shall also gather relevant information on various anti-fraud prevention mechanisms in a timely manner. This will improve their the ability to identify fraud risks, control fraud prevention, respond

promptly to instances of fraud, and to prevent fraud from occurring in within their department.

4.5 During the fraud investigation conducted by anti-fraud investigators, all employees of the Company are required to cooperate fully and must not impede the investigation, create obstruct, provide false statements, or try to hide the truth.

4.6 The Company shall conduct background investigations, including educational background, work experience, and criminal records, etc., for individuals who are being considered for employment or promotion to significant positions. The background investigation process should be formally documented and retained in the file by the Human Resources Center.

5. Fraud Case Investigation

5.1 Fraud Investigator Duties and Responsibilities

Inspect on-site the annual plans, monthly plans, contractual agreements, accounting vouchers, books of accounts, accounting statements, engineering information, meeting records, documents, invoices, and other types of paper and electronic information, certificates, assets, and other matters being investigated of the units and departments being investigated; and to make an inventory of assets such as cash, bills, inventories, fixed assets and other assets.

Request relevant units and individuals to provide supporting materials on relevant matters, and the right to photocopy, duplicate, on-site photographs and archives of relevant documents, information and physical objects;

Take measures to hold the relevant personnel responsible for obstructing anti-fraud investigations, refusing to provide information, or being in the process of seriously harming the company's interests, violating financial laws and disciplines, or committing serious wasteful acts, and to stop the further occurrence of their behavior that harms the company;

Request the departments and personnel involved in the prevention of corruption to

provide explanations and clarifications on the matters involved in the investigation;

For meritorious persons who accuse or report major corruption cases, they may submit applications for rewards in accordance with relevant regulations;

Investigate or temporarily detain or seal documents, information, financial accounts and other relevant materials that can prove acts of corruption;

Request the Information Management Department to recover and replace office equipment such as office computers and cell phones allocated to fraud suspects by the Group; the right to request the Information Management Department to restrict fraud suspects from backing up, disseminating, destroying, or deleting information, documents, and data on office equipment; the right to request fraud suspects not to destroy or transfer office equipment; and the right to request the Information Management Department to restrict the authority of information systems of fraud suspects.

Order suspected fraud units and personnel not to sell, transfer, conceal, or destroy items, electronic data, and documents related to the case during the investigation;

Request the adjustment and suspension of the duties of personnel suspected of serious fraud; and to request the recusal of the personnel concerned;

Second personnel from relevant professional departments according to work requirements in the course of carrying out case investigation;

Request the corresponding departments to cooperate with the anti-fraud personnel to enter the relevant information system and access and retrieve the relevant information and data during the investigation of the case.

5.2 Fraud investigation procedures

After conducting a preliminary assessment of a fraud case, the Supervisory Department categorizes it as either a general case, based on the severity of the circumstances, or a

major case, which may have a significant or special impact on the assessment. If the case is assessed as a major case, the Supervisory Department must report it to the head of the Audit and Supervisory Department initially. The Head of the Audit and Supervisory Department will then request the formation of an appropriate special investigate.

The Supervisory Department is responsible for the investigating of general cases. The entire investigation process should be documented and the investigation reports and other materials should be stored appropriately .

- (1) A special investigation team consisting of specific personnel from the Audit and Inspection Department, Security Department, Legal Center, HRBP of the department, and other relevant personnel is responsible for the investigation of major cases. Anti-fraud interviews are conducted by the investigation team or other temporarily designated personnel, the number of interviews should in principle be no less than two, and make relevant transcripts, recordings, and save the relevant process information, the case investigation report needs to be approved by the head of the Audit and Inspection Department, the Board of Directors Audit Committee. In principle, the time limit for handling cases shall not exceed 30 working days, and may be extended for 30 working days under special circumstances with the approval of the person in charge. If the fraud case involves the above personnel, the above personnel shall recuse themselves, and if they do not recuse themselves, the head of the department shall decide to do so.
- (2) For fraud cases that may involve directors, supervisors or senior management of the Company, The audit and Supervisory Department of the Company shall report to the Board of Directors within 2 working days after receiving the corresponding case. After the Board of Directors decides to conduct further investigation, a special investigation team may conduct a joint investigation, applying the investigation procedures for major cases, and may also engage external experts to assist in the investigation as necessary.
- (3) Anti-fraud staff handling cases in which they or their relatives have an interest that may affect the fair handling of the case shall take the initiative to report and recuse

themselves after confirmation by the person in charge of the Audit and Supervisory Department. For fraud cases involving the Company's directors, supervisors, senior management, the Audit and Supervisory Department and Special Investigation Team personnel, the relevant personnel shall recuse themselves after confirmation by the Board of Directors.

5.3 Handling of fraud cases after completion of investigation

Upon completion of the investigation of the fraud incident, the Company's Audit and Supervisory Department shall submit a written investigation report to the management or the Board of Directors and its Audit Committee in a timely manner, and its corresponding department shall carry out an assessment of the incident. The investigation report of the fraud case shall include the time of acceptance of the fraud event, the composition of the investigators, the investigation and verification of the event, the conclusion of whether it is true or not, and the treatment recommendations for the relevant personnel. If there is any relevant evidence, exhibits or testimony, it should be noted in the appendix of the fraud case investigation report. All investigators shall sign the written investigation report.

The Company shall promptly investigate and implement corrective actions for cases of fraud. As part of these actions, a written report on the evaluation and enhancement of internal control shall be prepared. Additionally, appropriate measures will be taken against the offenders to prevent the reoccurrence of fraudulent activities.

According to the severity of the fraudulent activities, the Company will, in accordance with the provisions of the "Reward and Punishment Management Regulation," require the reimbursement of financial losses and impose appropriate administrative penalties on the individuals involved. If criminal laws are violated, the matter will be referred to the judicial authorities in accordance with the law.

Cases to be referred to the judicial authorities shall be examined and evaluated by the Legal Affairs Center in accordance with the law.

6. Others

This Policy has been approved by the Board of Directors for implementation.

This Policy, managed by the company's the Audit and Supervisory Department, is responsible for the interpretation and supplementation.

EVE Energy Co., Ltd.

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