

Anti-Corruption and Bribery Policy

1.Purpose

To strengthen corporate governance and internal control, prevent and control fraudulent acts, resolutely curb bribery and corruption, safeguard the legitimate rights and interests of the Company and its shareholders, reduce operational risks, ensure the achievement of the Company's operational goals and its sustained, stable and healthy development, this policy is formulated in conjunction with the actual situation of the Company.

2.Scope

This policy applies to the staff and employees (collectively referred to as "employees") of SMOORE International Holdings Limited and its subsidiaries, associated companies (hereinafter referred to as "the Company").

3.Definitions

3.1 Bribery: Refers to the act of giving property to employees of the Company or other relevant personnel, or adopting other improper means to win over and corrupt relevant personnel for the purpose of seeking improper benefits, to obtain commercial opportunities, preferential conditions and other improper benefits; it also includes the act of employees of the Company or other relevant personnel illegally accepting property or improper benefits from others and seeking benefits for others.

3.2 Corruption: Refers to illegal and irregular acts of seeking improper benefits for oneself or others by taking advantage of one's position or influence, damaging the interests of the Company, shareholders or the public, including but not limited to embezzlement, misappropriation, occupation, abuse of power, etc.

3.3 Fraud: Refers to improper acts by internal or external personnel

of the Company to seek their own interests by means of deception and other illegal and irregular means, causing damage to the interests of the Company and shareholders, including various improper acts related to bribery and corruption.

4.Responsibilities

4.1 Audit Committee

The Audit Committee established under the Board of Directors is responsible for the oversight of ethics issues, bribery and corruption.

4.2 Internal Audit Committee

An Internal Audit Committee is established under the authorization of the Chairman to assist in managing internal control and audit work. Its responsibilities include making decisions on investigation plans and solution plans for general bribery, corruption and fraud cases, reviewing investigation plans and solution plans for major bribery, corruption and fraud cases, and providing decision-making support to the Chairman.

4.3 Internal Control and Audit Center

4.3.1 Responsible for the specific implementation of anti-bribery, anti-corruption and anti-fraud work, including accepting reports of bribery, corruption and fraud, collecting relevant information, investigating and obtaining evidence, reporting matters and handling responsible personnel;

4.3.2 Carry out anti-bribery, anti-corruption and anti-fraud prevention and publicity activities to enhance the awareness of all employees in this regard;

4.3.3 Regularly inspect and evaluate the implementation of the Company's anti-bribery, anti-corruption and anti-fraud policy, and put forward improvement suggestions;

4.3.4 Regularly report to the Audit Committee on the overall situation of the Company's anti-bribery, anti-corruption and anti-fraud efforts.

4.4 Responsibilities of Heads of Departments, Subsidiaries, Business Units (Groups) of the Company

4.4.1 Undertake management responsibility for the occurrence of bribery, corruption and fraud, and are the "first responsible persons" for anti-bribery, anti-corruption and anti-fraud;

4.4.2 Establish and improve the internal control environment of the departments, business units (groups) and subsidiaries under their responsibility to prevent the risks of bribery, corruption and fraud;

4.4.3 Organize employees, suppliers and contractors to learn the relevant policy and knowledge of anti-bribery, anti-corruption and anti-fraud to ensure that they are aware of and comply with the relevant regulations.

5.Content

5.1Circumstances of Bribery, Corruption and Fraud

The Company prohibits all acts of bribery, corruption and fraud, including but not limited to:

- 1) Demanding or accepting bribes, kickbacks, improper gifts, entertainments and other benefits from suppliers, customers and other relevant institutions or individuals in any form;
- 2) Taking advantage of one's position to seek improper benefits for suppliers, customers and other relevant institutions or individuals and accepting benefits from them;
- 3) Paying or promising to pay bribes to suppliers, customers and other relevant institutions or individuals in business transactions to obtain improper commercial opportunities, preferential conditions, etc.;
- 4) In the process of business negotiation, contract signing and performance with suppliers, contractors and other partners, failing to abide by the principles of fairness, justice and openness, and engaging in corrupt acts by using power or influence;
- 5) Transferring transactions that can bring profits to the Company to others;
- 6) Illegally using Company assets, embezzling, misappropriating funds, stealing Company assets;
- 7) Causing the Company to pay for false transactions or assume debts;
- 8) Intentionally concealing or misreporting transactions;
- 9) Forging or altering accounting records or vouchers, resulting in false records, misleading statements or major omissions in financial accounting reports and information disclosure, etc.;
- 10) Disclosing the Company's commercial secrets or technical secrets;
- 11) Failing to declare situations involving conflicts of interest with the Company;
- 12) Organizing or participating in bid rigging, collusive bidding, disclosing quotations, reserve prices and other unfair competition

activities that damage the Company's interests;

- 13) Other acts that damage the interests of the Company and shareholders.

5.2 Report Management

5.2.1 Reporting Channels

The Company has set up reporting channels such as reporting phone number, mailboxes, email addresses, WeChat and official website platforms. Employees and all sectors of society that have direct or indirect economic relations with the Company can report acts violating professional ethics, and report or expose actual or suspected bribery, corruption and fraud through the above channels.

- 1) Reporting phone number: 18123940661 (same as WeChat number)
- 2) Reporting email: antifraud@smooretech.com
- 3) Reporting mailboxes: Reporting mailboxes are set up in each factory area.

5.2.2 Reporting Acceptance Agency

The Internal Control and Audit Center is the centralized acceptance department for anti-bribery, anti-corruption and anti-fraud work.

5.2.3 Confidentiality Mechanism

- 1) Strictly keep confidential the reporter's name, department, home address and other relevant information as well as the content of the report, and manage the report materials as confidential documents.
- 2) When accepting a report from a reporter or verifying information with a reporter, it shall be done under the condition that confidentiality is ensured.

5.2.4 Incentive Mechanism

The Internal Control and Audit Center shall, as appropriate, give the reporter a certain economic incentives based on the help or contribution of the clues or evidence provided by the reporter to the investigation of bribery, corruption and fraud.

5.2.5 Protection Mechanism

Complainants and reporters shall be protected when assisting in the

investigation. Individuals who illegally disclose the information of complainants or reporters or take retaliatory actions against them shall be given sanctions such as warning, dismissal or even termination of labor contract by the Company. If the act violates the law, the Company shall transfer it to the relevant government departments or judicial organs for handling in accordance with the law.

5.3 Investigation and Handling

5.3.1 After receiving a report, the Internal Control and Audit Center shall conduct a preliminary verification of the content of the report. For those within the scope of reporting and with clear clues, an investigation shall be carried out in a timely manner; for those not within the scope of reporting or with unclear clues, the reporter shall be informed of the situation.

5.3.2 In the investigation process, evidence shall be collected in accordance with laws and regulations to ensure that the investigation procedures are legal and the evidence is conclusive. Investigators shall abide by confidentiality regulations and shall not disclose investigation information.

5.3.3 After the completion of the investigation, the Internal Control and Audit Center shall put forward solutions based on the investigation results. For cases involving bribery, corruption and serious fraud, they shall be reported to the Internal Audit Committee in a timely manner for decision-making.

5.4 Consequences of Bribery, Corruption and Fraud

For employees who commit acts of bribery, corruption and fraud, the Internal Control and Audit Center shall comprehensively put forward solutions based on the nature of the act, the severity of the circumstances, the attitude of the perpetrator, etc. Significant matters and those involving transfer to judicial handling shall be implemented after approval by the Internal Audit Committee.

Penalties include but are not limited to demotion, removal from current position, termination of labor contract, and transfer to judicial organs for handling.

For those who have obtained property rights such as stocks and options granted by the Company, the Company has the right to cancel the unvested rights and interests of the person who committed bribery,

corruption and fraud, and has the right to recover all economic benefits obtained by the person who committed bribery, corruption and fraud from the stocks and options granted by the Company that have been vested.

For external institutions or individuals such as suppliers and contractors who have business dealings with the company, if they commit acts of bribery, corruption and fraud and cause losses to the Company, the Company will pursue their legal liability in accordance with the law, and take measures such as terminating cooperation and pursuing compensation according to the severity of the circumstances.

6.Reference Documents

None

7.Relevant Forms

None

8. Appendices

None

9.Supplementary Provisions

9.1 This policy shall be interpreted by the Internal Control and Audit Center.

9.2 This policy shall come into force as of the date of issuance.