

Anti-Corruption and Anti-Money Laundering Policy

I. Purpose and Scope of Application

Dong Fang Offshore Co., Ltd. (the "Company") fully supports and voluntarily adheres to the principles outlined in the United Nations Convention against Corruption (UNCAC). The Company is committed to complying with all anti-corruption regulations relevant to its business operations and locations. This policy is designed to set forth corporate governance standards and risk management mechanisms for upholding corporate social responsibility. It formally declares the Company's zero-tolerance policy towards bribery and aims to guide stakeholders in preventing bribery and corrupt activities.

Given the increasing global focus on anti-money laundering, the Company aims to mitigate risks associated with money laundering, tax evasion, and violations of sanctions. This policy is crafted to safeguard the Company against financial losses stemming from involvement in money laundering activities and to prevent harm to societal well-being. It demonstrates the Company's commitment to combating financial crimes, promoting sustainable business practices, and fulfilling its obligations as a responsible global entity.

The scope of this Policy applies to the Company.

II. Policy Explanation

The Company and stakeholders shall strictly adhere to the Company's "Code of Conduct," "Ethical Corporate Management Best Practice Principles," and "Operational Procedures and Behavioral Guidelines." The following framework is established to achieve the objectives of anti-corruption and anti-money laundering:

I. Anti-Corruption

- (1) Directly or indirectly providing, promising, requesting, or accepting any form of undue advantage, including kickbacks, commissions, facilitation payments, or through other means to clients, agents, contractors, suppliers, public officials, or other stakeholders to establish business relationships or influence commercial transactions is strictly prohibited.
- (2) Directly or indirectly providing donations to political parties or individuals involved in political activities must comply with political donations laws and internal procedures. It must not be used to seek commercial advantages or transactional preferences.
- (3) Charitable donations or sponsorships must comply with relevant laws and internal procedures. They must not be used as a means of bribery.

II. Anti-Money Laundering

The Company adheres to anti-money laundering regulations, prohibiting and combating money laundering, tax evasion, violations of sanctions, and other criminal activities. The Company adopts a zero-tolerance policy towards money laundering crimes and is committed to strengthening anti-money laundering mechanisms. It cooperates with financial institutions by providing necessary identity verification documents and enhances employees' awareness and vigilance against money laundering and fraud.

III. Definitions

1. The term "stakeholders" in this policy refers to directors, supervisors, executives, employees, agents, suppliers, contractors, consultants, and legal or natural persons with substantial control within the Company and its affiliated enterprises and organizations.
2. The term "benefit" in this policy refers to any form of monetary or non-monetary gain, including but not limited to money, gifts, presents, commissions, positions, services, privileges, kickbacks, facilitation payments, hospitality, entertainment, and other valuable items.
3. Money laundering, as defined in the Money Laundering Control Act, refers to the following conduct:
 - (1) Knowingly disguises or conceals the origin of the proceeds of specified unlawful activity, or transfers or converts the proceeds of specified unlawful activity to help others avoid criminal prosecution.
 - (2) Disguises or conceals the true nature, source, the movement, the location, the ownership, and the disposition or other rights of the proceeds of specified unlawful activity.
 3. Accepts, obtains, possesses or uses the proceeds of specified unlawful activity committed by others.

IV. Assessments Before Establishing Business Relationships

Prior to establishing business relationships, the Company and stakeholders shall assess the legality and integrity policies of agents, suppliers, customers, or other business counterparts. This assessment aims to ensure that business operations are conducted fairly, transparently, and without soliciting, providing, or accepting bribes.

The Company and its stakeholders shall avoid engaging in business transactions with agents, suppliers, customers, or other business partners involved in unethical conduct. Upon discovering any unethical behavior or misconduct by such business partners, the Company shall immediately cease all business dealings with them and categorize them as prohibited entities, thereby enforcing the Company's integrity policy.

V. Training and Assessment

The Company should regularly conduct education, training, and awareness programs for relevant stakeholders to emphasize the importance of compliance with anti-corruption and anti-money laundering policies. This ensures stakeholders fully understand the Company's integrity policies, determination, behavioral management guidelines, and the consequences and risks of violating the Ethical Corporate Management Best Practice Principles.

The Company should integrate integrity policies with employee performance evaluations and human resources policies, establishing clear and effective reward and disciplinary systems.

VI. Reporting and Handling Violations of This Policy

Upon becoming aware of any behavior or activity that may violate the Company's Code of Conduct, Ethical Corporate Management Best Practice Principles, Operational Procedures and Behavioral Management Guidelines, or relevant regulations, the Company and stakeholders should promptly report such incidents to the Company's Administration Department. Individuals may report through whistleblower channels, providing sufficient information for appropriate follow-up actions.

Individuals who report in good faith about potential ethical breaches, suspected violations of securities laws, anti-money laundering laws, or other misconduct will not face any form of retaliation or threat. If anyone risks retaliation, threat, or harassment due to such actions, they should immediately report to their direct supervisor or the Company's Administration Department. Violators of this Policy will be subject to severe disciplinary action, including appropriate disciplinary measures. The most serious consequences may include termination of employment contracts, along with potential civil liability for damages, administrative penalties, or criminal prosecution.

This Policy shall be officially announced and implemented upon approval by the CEO; the same procedures shall apply to any subsequent amendments.

Polin Chen

Chief Executive Officer
01.2024

