

CHINA FOODS LIMITED

中國食品有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: **506**)

ANTI-CORRUPTION AND BRIBERY POLICY

Adopted by the Board on 23 August 2022

Table of Contents

1) Introduction.....	2
2) Objective and Scope of Policy.....	2
3) Definitions.....	2
4) Anti-corruption and bribery	3
5) Charitable Donation	4
6) Political Donations.....	4
7) Records, Accounts and Other Documents	4
8) Consequences of Breach	4
9) Duty to Report.....	4
10) Compliance with Law	5
11) Conflicts of Interest.....	5
12) Anti-corruption and bribery Programme	6
13) Execution and Review	6
14) Disclosure of Policy	6

1) Introduction

China Foods Limited (the “Company”) and its subsidiaries (together the “Group”) are committed to upholding and maintaining the highest standards of integrity, honesty, fairness, impartiality, ethic and transparency in conducting its business and operation.

In line with that commitment, the Group strictly prohibits and adopts a zero-tolerance policy against all forms of corruption, including but not limited to bribery and fraud. The Group is committed to the prevention, deterrence, detection and investigation of all forms of corruption.

2) Objective and Scope of Policy

The anti-corruption and bribery policy (the “Policy”) is aim to:

- set out the basic standard of conduct expected of all Personnel (as defined in paragraph 3 below) and anti-corruption and bribery policy of the Group;
- encourage all Personnel to uphold the anti-corruption and bribery principles of the Group in its business dealings and operations; and
- promote a culture of integrity, honesty, fairness, impartiality and transparency within the Group.

The Policy applies to all Personnel (as defined in paragraph 3 below), as well as business partners of the Group and any person acting in an agency or fiduciary capacity on behalf of the Group, including but not limited to agents, consultants and contractors of the Group.

The Policy shall be read and applied in conjunction with all laws and regulations applicable in the jurisdictions where the Group operates, including but not limited to the Prevention of Bribery Ordinance (Cap 201 of the Laws of Hong Kong). Where any conflicts exist between the Policy and applicable laws and regulations, such laws and regulations shall prevail.

3) Definitions

Corruption and bribery include any illicit advantage offered or accepted as an inducement to or a reward for performing or abstaining from performing any duties. Items considered bribes include cash, cash equivalents, loans, commissions, benefits in kind or other advantages, but excluding traditional gifts of nominal value given during festive seasons. In the Policy, the following words shall have the meanings set out below:

“advantage” shall mean paying or giving anything of value directly or indirectly, or any other action, such as any office, employment or contract; any payment or discharge of any loan or other liability; any other service or favour; the exercise or forbearance from the exercise of any right or any power or duty; and any offer, undertaking or promise;

“bribes” shall mean anything of value given in an attempt to affect a person’s actions or decisions in order to gain or retain a business advantage;

“hospitality” shall mean meals, receptions, tickets to entertainment, social or sports events;

“kickback” shall mean the return of a sum already paid or due as a reward for awarding further business; and

“Personnel” shall mean all directors, employees (including temporary, contract, seconded, or work experience staff) and consultants of the Group.

4) Anti-Corruption and Bribery

Personnel are expected to comply with all applicable laws, rules and regulations in relation to anti-corruption and bribery, and adhere to the following:

- 4.1 no acceptance of improper payments, kickbacks and other forms of bribery;
- 4.2 no payment, offer, solicitation, proposal of terms for, or acceptance of, bribes directly or with the assistance of any organization or individual;
- 4.3 no attempt to circumvent any anti-corruption and bribery provisions through the use of agents, partners, contractors, family members or any others acting on someone’s behalf;
- 4.4 no offer or acceptance of any gift, gratuity or hospitality that might be perceived to unfairly influence a business relationship;
- 4.5 no acceptance of lavish or frequent entertainment from persons with whom the Group has business dealings if, by doing so, it might be perceived that the employees are placing themselves in a position of obligation to the offeror; and
- 4.6 Personnel may accept (but not solicit) the following customary business courtesies designed to build goodwill among business partners when offered on a voluntary basis:
 - advertising or promotional gifts or souvenirs of a nominal value;
 - gifts given on festive or special occasions that is reasonable, not excessive, appropriate and consistent with reasonable business practice; or

- discounts or other special offers given by any person or company to them as customers, on terms and conditions equally applicable to other customers in general.
- 4.7 Personnel may accept invitations to business lunches or dinners from persons with whom the Group has business dealing, and Personnel are encouraged to attend such events with other colleague(s) and not alone.

5) Charitable Donations

The Group shall only make contributions to programmes, which have a positive impact on community development, are commensurate with the Group's values and sustainability strategy.

All donations or sponsorships must be legal and ethical under applicable laws and practices and approved pursuant to the relevant approval policy of the Group. The Company shall keep proper records of such donations or sponsorships for inspection by regulatory authorities.

Personnel shall avoid making contributions or sponsorships, whether charitable in nature or otherwise, on behalf of the Group to organisations or entities that may be considered as disguised vehicles or arrangements for obtaining bribes or corrupt payments. Care must be taken to ensure that such activities do not create, or appear to create, an improper advantage to any party.

6) POLITICAL DONATIONS

The Group's general policy is not to make any form of political donations.

7) RECORDS, ACCOUNTS AND OTHER DOCUMENTS

All Personnel should ensure that all records, receipts, accounts or other documents they submit to the Group give a true representation of the facts, events or business transactions as shown in the documents. Intentional use of documents containing false information to deceive or mislead the Group, regardless of whether there is any gain or advantage involved, is prohibited.

8) Consequences of Breach

Corruption damages a company's reputation and undermines its relationship with its regulators, customers, business partners and competitors. It may lead to criminal prosecution of or regulatory action against a company and/or its Personnel, resulting in the imposition of

criminal or civil penalties, including fines and imprisonment, and could damage a company's reputation and business.

It is the responsibility of each Personnel to understand and comply with the Policy. Any Personnel in breach of the Policy will be subject to disciplinary action, including termination of appointment.

9) Duty to Report

If a Personnel becomes aware of any actual or suspected breach of the Policy and/or actual act of corruption by the Group, its Personnel or third party with whom the Group conducts or anticipates to conduct business, such Personnel is under a duty to report such incidents to the Company in accordance with procedures of the Whistleblowing Policy of the Company, which may be accessed from the Company's website (<http://www.chinafoodsltd.com>). The Group will investigate the reported matter.

The Group will make every effort to keep your identity confidential and prohibits any retaliation against an individual who, acting in good faith, makes a disclosure about alleged corrupt activities involving the Group.

All Personnel must cooperate fully and openly with any investigation into alleged or suspected corrupt activity or breach of the Policy. Failure to cooperate or to provide truthful information may lead to the Personnel being subject to disciplinary action, up to and including dismissal, and may be reported to the appropriate law enforcement agency or authority where appropriate.

10) Compliance with Law

The Group strictly complies with, and all Personnel should observe and comply with, laws and regulations pertaining to anti-corruption in the jurisdictions where it operates.

11) Conflict of Interest

All Personnel must maintain objectivity in the performance of their duties and responsibilities for the Group. To achieve this, they must be impartial and free of conflict of interest.

All Personnel must disclose their interests in which a conflict may arise and must not participate in any activity or relationship that would constitute a conflict of interest.

12) Anti-corruption Programme

Each company within the Group shall ensure that its Personnel are informed of and understand the Policy and the procedures for reporting actual or suspected breaches of the Policy and suspicious conduct, behavior or activity.

Each company within the Group is to make the Policy available to its Personnel (whether in hard copy or online) and to provide briefings to new Personnel thereon. Regular trainings relating to the fraud and bribery risks faced by the organisation, as well as the relevant laws, regulations and standards of conduct shall also be available to its Personnel.

The Group's zero-tolerance approach on bribery and corruption will, where appropriate, be communicated to clients, suppliers, contractors and business partners.

The Group conducts periodic internal monitoring and risk assessments to identify, assess and prevent bribery and corrupt activities and ensure compliance with the Policy.

13) Implementation and Review

The Audit Committee has overall responsibility for implementation, monitoring and periodic review of the Policy. The Audit Committee has delegated the day-to-day responsibility for administration of the Policy to the Internal Audit Department of the Group.

The Policy is reviewed every two years or more frequently as necessary to ensure its relevance and effectiveness, and any revisions that may be required will be reported to the Board by the Audit Committee.

14) Disclosure of Policy

A full version of the Policy shall be accessible from the Company's website: <http://www.chinafoodsltd.com>.