



TIANDE CHEMICAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(the “Company”)

ANTI-CORRUPTION POLICY

(Adopted by the Company on 25 March 2022)

(Amended and reviewed by the board of directors of the Company on 24 June 2022)

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CHAPTER 1 PURPOSE

The Company and together with its subsidiaries (collectively the “Group”) are committed to upholding high standards of business fairness, integrity, honesty and transparency in all their business dealings. The Group commits to comply with local laws and regulations of anti-corruption in the countries where it operates. The commitment requires the Group and all its employees to comply with all applicable laws and regulations on anti-bribery and anti-corruption and other applicable laws and regulations.

The Group places the obligation of anti-corruption above its business interests and will continue cultivating a culture of integrity in the course of business operations.

Corruption hinders economic, social and political development and progress. Any breach of the laws and regulations in relation to anti-corruption, wherever and however this takes place, is a serious offence and may expose the Group to significant fines and other penalties, and individuals to imprisonment. Even the appearance of a breach of anti-corruption laws can cause very significant damage to the Group’s reputation.

This purpose of the policy is to set out the prohibitions against bribery and corruption in all of the Group’s operations and demands all relevant persons, entities or individuals, who have dealings with the Group must comply with all applicable laws and regulations in relation to anti-corruption which they are subject. This policy sets out the standards of behavior expected from the Group and the anti-corruption compliance procedures adopted by the Group.

CHAPTER 2 SCOPE

Employees of the Group and the relevant persons, entities or individuals, who have dealings with the Group (for example: customers, suppliers, public officials, etc.) and those acting in an agency or fiduciary capacity on behalf of the Group, all of them are required to comply with and uphold this policy and must conduct business within the framework of fair competition as well as comply with all applicable laws of anti-bribery and anti-corruption.

PROHIBITED AND RESTRICTED PAYMENTS

The Group does not allow the provision of money or anything else of value, driven by a corrupt intent, to public officials, relevant persons of counterparty or relevant persons that can exert influence over a transaction for the purpose of soliciting, obtaining, exchanging or retaining business, or securing any other improper advantages.

Under no circumstances should all employees of the Group, motivated by a corrupt intent, be allowed to directly or indirectly offer gifts or hospitality to public officials, customers, or partners, or solicit gifts or hospitality from partners. All employees of the Group must always bear in mind this policy and evaluate if the Group's reputation will be affected when giving or accepting gifts and hospitality.

The public officials mentioned in this policy include individuals who perform public services in accordance with applicable laws, individuals who perform duties on behalf of government entities; employees of government agencies, state-owned or state-controlled enterprises, or international organisations; candidates of political parties etc. When dealing with public officials, the employees of the Group must be mindful of adhering to all applicable laws and regulations, honesty and integrity requirements for public officials, and this policy.

The prohibition covers cash payments, benefits and favours. In certain circumstances, it also covers otherwise legitimate business expenditures such as gifts, entertainment, travel, donations, sponsorships or training.

PERMISSIBLE PAYMENTS

2.1 Gifts and Hospitality

Make sure the following requirements are met before giving or accepting gifts and hospitality:

- Legitimate purpose: The purpose should be solely for establishing and maintaining a good business relationship. Gifts and hospitality should not be used to obtain or retain business, secure any other improper advantages, or influence normal business processes or decisions.
- Appropriate timing: Avoid giving or accepting gifts and hospitality during sensitive periods, such as during a bidding process or almost before an important decision is to be made, as giving or accepting gifts and hospitality at such times may unfairly influence decision making.
- Reasonable value: Comply with common business practices and do not give or accept excessively generous gifts, cash, or cash equivalents and other types of prohibited gifts.
- Compliance with laws and regulations: Give or accept gifts and hospitality openly and transparently in compliance with all applicable local laws and the anti-corruption regulations of the counter party.

Employees of the Group should also exercise sound judgment and practise moderation in giving or accepting gifts. Gifts and hospitality should not be in form of cash, cash equivalents or loans. Excessive gifts in terms of value or frequency should not be offered to potential or existing customers. Gifts bearing the Company logo are

preferred.

2.2 Entertainment and Corporate Hospitality

Although entertainment is an acceptable form of business and social behaviour, the relevant persons should not accept lavish or frequent entertainment from persons with whom the Group has business dealings if, by doing so, it might be perceived that they are placing themselves in a position of obligation to the offeror.

When giving entertainment, corporate functions are normally preferable to entertaining individuals, though this does not preclude meals and similar entertainment of moderate expense for individuals with whom the Group has dealings. All entertainment and corporate hospitality should have on record their business purposes.

Employees of the Group should turn down invitations to meals or entertainment that are excessive in nature or frequency and appear to have no or minimal business purpose. It should be noted that any free trips or travelling expenses are considered as obtaining advantages improperly. Without the prior consent of the director of the Company, acceptance of these advantages is strictly prohibited.

2.3 Travel Expenses

Travel expenses incurred on behalf of a person or company (including a public official or a government entity) that are directly related to promoting, demonstrating, explaining, or certifying the Group's products or services, or that are directly related to executing or performing a contract with the Group, may be proper.

In practice, for purposes of promoting, demonstrating or explaining its products or services, the Group may occasionally invite a person or company (including a public official) to travel to its facilities, offices and site tours, product demonstrations or business meetings at the Group's expenses. The Group may reimburse such persons or organisations for reasonable and bona fide expenditures directly related to any such purposes, such as travel or lodging expenses. Reimbursed travel expenses may include the reasonable cost of such persons or organisations' transportation, meals, lodging and entertainment.

The payment of travel expenses to any public officials, within or outside their home country, requires the prior written consent of the directors of the Company and ensure consistency with this policy and any applicable laws of the public official's country.

2.4 Procurement

The Group has established monitoring systems to ensure proper performance of contractual obligations to provide reasonable assurance that fraudulent or bribery activities are prevented. For further details, please refer to the “Procurement Policy” of the Group.

2.5 Third Party Management

Third parties include service providers, suppliers, downstream distributors, agents, consultants, and other partners etc.

No individual or entity may be employed to pay or participate in any bribery activities on behalf of the Group.

When engaging services provided by a third party on behalf of the Group, special attention should be paid if the third party is engaged to assist in developing business with potential clients or involve in obtaining any approvals or actions granted by the government. The Group shall take steps to ensure that such third party has fully complied with or will comply with all the applicable local laws in relation to anti-corruption in its jurisdiction and even comply with the scope set out in this policy is encouraged if appropriate. Before engaging the representative of the Group, i.e. an agent or consultant, such third party must meet the "Engaging an Agent or a Consultant" requirements of the Group:

- Exercising due diligence, integrated agreement clauses, and corresponding control procedures are placed to be key measures to ensure that third parties comply with this policy.
- Any means of aiding, abetting, inducing third parties or conspiring with third parties to engage in corruption, are forbidden.
- Third parties are forbidden from paying bribes or corrupts on behalf of the Group or when in capacity of cooperation with the Group. This prohibition includes bribes in the form of gifts or hospitality offered to the employees of the Group, when the gift or hospitality offered does not comply with common business practices.

Employees of the Group shall not turn a blind eye to suspected violations of this policy by third parties or disregard otherwise suspicious circumstances.

The Group may refuse to continue or work with the third party if it has any corruptive practices or have been involved in any corruption offences.

2.6 Loans

Relevant persons should not grant or guarantee a loan to, or accept a loan from or through the assistance of, any individual or organisation having business dealings with the Group. For instance, a conflict of interest would arise when a supplier acts as a guarantor on a bank loan for an employee of the Group. There is, however no restriction on normal bank lending made on normal commercial terms by banks which provide banking services to the Group.

2.7 Facilitating Payments

The Group does not allow the use of facilitating payments. Such payments may be considered a customary way of conducting business in some countries, but it is important to note that the anti-corruption laws of many countries/regions prohibit such payments. Employees of the Group and third parties, in particular third-party intermediaries, are prohibited from making any facilitating payments on behalf of the Group.

2.8 Charitable Contributions and Donations

The Group has always pursued balanced growth and committed to fulfilling its social responsibilities rather than solely maximising its commercial interests and scale.

When the Group donates or raises funds to charities or other organisations, it must comply with the requirements of the Group under “Charitable Contributions and Donations” definition. The charity or other organisation must have a legally registered licensed institution or organisation. Donations or sponsorships to individuals are prohibited.

It's forbidden to use charitable contributions and donations to disguise corrupt activities. Reasonable measures must be taken to verify that any such contribution does not constitute an illegal payment to be in violation of this policy or contravention of the applicable local laws and regulations.

It may be permissible to make donations directly to a government agency (rather than to an individual public official) as part of a charitable effort or to promote goodwill through actions such as providing free products for a government-sponsored celebration.

The Group does not directly or indirectly participate in political activities of any political party, nor does the Group sponsor local political parties, their candidates, associated persons, or affiliates.

All donations must not be used as a means to improperly influence business decisions.

CHAPTER 3 BOOKS AND RECORDS

Appropriate documents should be provided in a transparent and honest manner to support commercial decisions and archived as required.

It is required that all financial expenditures and assets disposed of be recorded in account books and financial records in an authentic, complete, and accurate manner in line with the document retention policy, and be available for inspection if necessary.

Secret, unrecorded or unreported transactions are prohibited.

CHAPTER 4 TRAINING

The employees of the Group who are likely to be exposed to risks of bribery, corruption, and money laundering are encouraged to attend anti-corruption training regularly, either internally and/or externally, in order to recognise and avoid the risks of violation of applicable anti-bribery and anti-corruption laws and regulations.

CHAPTER 5 DISCIPLINARY ACTIONS

The Group and its employees may be investigated by regulatory bodies in different jurisdictions, depending on the circumstances, prosecuted administratively, under civil law or criminal law, which could result in severe fines and penalties, debarment and imprisonment if a violation of applicable anti-bribery and anti-corruption laws and regulations.

Any employee of the Group found to be in violation of this policy will be subject to disciplinary actions, up to including immediate termination of employment, in accordance with applicable laws and this policy.

Distributors, customers, suppliers, agents and other third parties working for the Group who are found to be in violation of this policy will be subject to termination of the business relationship as well as any other legal and remedial actions available to the Group under applicable laws.

CHAPTER 6 REPORTING AND REVIEW

It is the responsibility of all employees of the Group to ensure compliance with this policy. Any employee of the Group who witnesses a breach of this policy is obliged to promptly report to the head of legal department of the Group or the directors of the Company.

Any employee who is in doubt or suspects that this policy has been breached or has concerns about past or proposed actions by anyone in the Group, or any third party working with the Group in any capacity, should contact the head of the legal department of the Group directly.

Once a report is received, the head of legal department of the Group will review the matter to assess what action should be taken appropriately. This may involve an internal investigation or a step to be taken in the certain circumstances, including disciplinary action or referral to law enforcement regulators for serious breaches.

If the head of legal department of the Group is in conflict with the reported matter or unable to handle the report, the investigation will be handled by the directors of the Company who is impartial.

The audit committee of the Company has overall responsibility for this policy.

The board of directors of the Company will review this policy periodically to ensure that it is operating effectively and to determine if any update is required.