

China Boqi Environmental (Holding) Co., Ltd. Code of Conduct on Anti-Corruption

1. Ethical Commitments

Honesty, integrity and fairness are the core values of the Company and all directors and employees of the Company must uphold them at all times. The Company is committed to maintaining high integrity and determination in anti-corruption and adopts a zero-tolerance attitude towards corruption and fraud. This Code of Conduct sets out basic standards of conduct to be observed by directors and employees as well as policies on accepting benefits and declaring conflict of interests in handling the Company's affairs.

2. Prevention of Bribery

The Company prohibits any forms of corruption and bribery. All directors and employees, whether in Hong Kong or elsewhere, shall not solicit, accept or offer bribes from or to any person in handling the Company's affairs. While carrying out any affairs of the Company, directors and employees shall strictly abide by the *Prevention of Bribery Ordinance* and shall not:

- (a) solicit or accept benefits from other person as a reward for or an inducement to any act in relation to the Company's affairs or to favor other person in the Company's affairs; or offer any benefits to an agent of other person as a reward for or an inducement to any act in relation to his principal's business or to favor other person in his principal's business;
- (b) offer any benefits to a public servant (including employees of the government and public bodies) as a reward for or an inducement to any act in relation to his capacity as a public servant or to favor or assist in the affairs of his governmental department or public body); or
- (c) offer benefits to its members or employees in the business contact with any governmental department or public body.

(For the provisions of the *Prevention of Bribery Ordinance*, please refer to **Appendix I**.)

3. Accepting Benefits

3.1 The Company prohibits directors and employees from soliciting or accepting any benefits for themselves or others from any person, companies or institutions, or their subordinates with business contact with the Company.

3.2 However, they may accept (but not solicit) the following benefits voluntarily presented by the giver:

- (a) gifts or souvenirs for publicity or promotion with symbolic value only; or
- (b) gifts for traditional festivals or special occasions with a value of not exceeding HK\$5,000; or
- (c) Discounts or other benefits offered by any person or company to the directors or employees of the Company with the terms and conditions of use also applicable to other general customers.

3.3 Gifts or souvenirs referred to in paragraph 3.2(a) received by directors or employees in business affairs shall be deemed as gifts to the Company. The recipient shall report to Ms. Qian Xiaoning, the Company Secretary, by filling in *Form A* (see Appendix II) and ask for the handling of the gift or souvenir. Where directors or employees want to receive any other benefits not referred to in paragraph 3.2, they should also specify the benefits in *Form A* and apply for approval from Ms. Qian Xiaoning, the Company Secretary.

3.4 Where accepting benefits would affect the objective attitude of directors or employees in handling the Company's affairs or cause them to act against the interests of the Company or accepting benefits would be deemed as or accused of misconduct, they shall refuse.

3.5 If directors or employees are required to act on behalf of the Company's clients in handling the Company's affairs, they shall also comply with additional restrictions imposed by the clients on accepting benefits (for example, governments and public bodies generally prohibit the directors and employees of contractors responsible for the execution of the contracts of the government/public bodies from accepting benefits in connection with the matters under the contracts).

4. Offering Benefits

When executing the Company's affairs, directors or employees shall not directly or indirectly offer benefits to any directors, employees or agents of another company or institution through a third party to affect that person in his business decision or offer benefits to any member or employee of government department or public body in any dealings with such government department or public body. Even if the benefits offered are not motivated by undue influence, directors or employees shall make sure that the intended recipient has obtained the approval of his employer or principal to receive the benefits before offering such benefits.

5. Entertainment

Although entertainment is an acceptable business and social activity in the ordinary course of business, directors or employees should refuse extravagant or frequent entertainment from persons who have business contact with the Company (such as suppliers or contractors) or their subordinates to prevent owing favors to those offered the entertainment.

6. Records, Accounts and other Documents

Directors and employees shall ensure that all records, receipts, accounts or other documents submitted to the Company truthfully report the events or business transactions contained therein. Where directors or employees deliberately use documents containing false information to deceive or mislead the Company, they may be guilty of an offence under the *Prevention of Bribery Ordinance* regardless of whether they have obtained any gains or advantages.

7. Complying with the Laws of Hong Kong and other Jurisdictions

When directors or employees handle the Company's affairs in Hong Kong or other jurisdictions, they shall abide by Hong Kong/local laws and regulations and other applicable laws and regulations.

8. Conflict of interests

8.1 Directors or employees should avoid any conflict of interests (i.e. any conflict of individual interests and the interests of the Company) or any situations that would be considered having conflicts of interest. They shall declare to Ms. Qian Xiaoning, the Company Secretary, by filling in *Form B* (see Appendix III) in the event of an actual or potential conflict of interests.

8.2 Some common examples of conflict of interests are set out as follows (with not all conflict of interests covered):

- (a) Employees participating in the procurement work where they have close relationship with one of the suppliers considered by the Company or have financial interests in such company.
- (b) Employees responsible for the employment or promotion are family members, relatives or have personal friendship with one of the candidates or employees proposed to be promoted.
- (c) A director has financial interests in one of the companies participating in bidding and being considered by the Company.
- (d) A full-time or part-time employee holds part-time positions in one of contractors under his supervision.

9. Abuse of Power, Assets and Information of the Company

9.1 Directors and employees shall not seek personal benefits by abusing their power. Personal benefits shall include the financial and personal benefits of directors and employees and their family members, relatives or others with personal friendship.

9.2 Directors and employees authorized to manage or use the assets of the Company (including capitals, properties, materials and intellectual property rights) shall only use the assets in handling the business affairs of the Company. The Company strictly prohibits directors and employees from using the assets of the Company for unauthorized purposes, such as seeking personal benefits through the abuse of assets.

9.3 Directors and employees shall not disclose any confidential information of the Company or abuse any information of the Company (for example, sale of information without authorization) without authorization. Directors and employees authorized to look up or manage such information, including the information in the computer system of the Company, shall take confidential measures all the time to prevent the abuse or authorized disclosure of such information. They shall pay extra attention for the use of personal information of any directors, employees and customer to ensure that they comply with provisions of the *Personal Data (Privacy) Ordinance*.

10. Part-time Work

If employees want to hold part-time positions out of the Company, they shall make a written application to Ms. Qian Xiaoning, the Company Secretary, in advance. Ms. Qian Xiaoning, the Company Secretary, shall consider if such position constitutes conflict of interests with the position of the applicant in the Company or the interests of the Company.

11. Relationship with Suppliers, Contractors and Customers

11.1 Gaming activities

Directors and employees shall prevent frequent gaming activities, such as playing mahjong, with persons having business contact with the Company.

11.2 Loans

Directors and employees shall not accept any loans from persons or institutions having business contact with the Company or obtain loans through their assistance. However, the loans from licensed banks or financial institutions are not subject to such restrictions.

12. Complying with the Code of Conduct

12.1 Each director and employee of the Company, no matter whether he executes the Company's affairs in Hong Kong or elsewhere, shall be obliged to understand and comply with the contents of the Code of Conduct. The management shall ensure that their subordinates fully understand and comply with the standards and requirements set out in the Code of Conduct.

12.2 Any directors or employees in violation of the Code of Conduct shall be subject to disciplinary punishments, including the termination of office. In case of any inquiries or doubts about this Code of Conduct or the reporting of illicit activities, they shall be proposed to Ms. Qian Xiaoning, the Company Secretary. If they doubt that such illicit activities involve corruption or other criminal offence, they shall report to relevant law enforcement agencies.

China Boqi Environmental (Holding) Co., Ltd.

25 March 2022

Appendix I

Extracts from the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)

Clause 9 Corrupt transactions with agents

(1) Any agent who, without lawful authority or reasonable excuse, solicits or accepts any advantage as an inducement to or reward for or otherwise on account of his—

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favor or disfavor to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(2) Any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's—

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favor or disfavor to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

(3) Any agent who, with intent to deceive his principal, uses any receipt, account or other document—

- (a) in respect of which the principal is interested; and
- (b) which contains any statement which is false or erroneous or defective in any material particular; and
- (c) which to his knowledge is intended to mislead the principal,

shall be guilty of an offence.

(4) If an agent solicits or accepts an advantage with the permission of his principal, being permission which complies with subsection (5), neither he nor the person who offered the advantage shall be guilty of an offence under subsection (1) or (2).

(5) For the purposes of subsection (4) permission shall—

- (a) be given before the advantage is offered, solicited or accepted; or
- (b) in any case where an advantage has been offered or accepted without prior permission, be applied for and given as soon as reasonably possible after such offer or acceptance,

and for such permission to be effective for the purposes of subsection (4), the principal shall, before giving such permission, have regard to the circumstances in which it is sought.

Clause 4 Bribery

(1) Any person who, whether in Hong Kong or elsewhere, without lawful authority or reasonable

excuse, offers any advantage to a public servant as an inducement to or reward for or otherwise on account of that public servant's—

- (a) performing or abstaining from performing, or having performed or abstained from performing, any act in his capacity as a public servant;
- (b) expediting, delaying, hindering or preventing, or having expedited, delayed, hindered or prevented, the performance of an act, whether by that public servant or by any other public servant in his or that other public servant's capacity as a public servant; or
- (c) assisting, favoring, hindering or delaying, or having assisted, favored, hindered or delayed, any person in the transaction of any business with a public body,

shall be guilty of an offence.

- (2) If a public servant other than a prescribed officer solicits or accepts an advantage with the permission of the public body of which he is an employee being permission which complies with subsection (4), neither he nor the person who offered the advantage shall be guilty of an offence under this section.

Clause 8 Bribery of public servants by persons having dealings with public bodies

- (1) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with the Government through any department, office or establishment of the Government, offers any advantage to any prescribed officer employed in that department, office or establishment of the Government, shall be guilty of an offence.
- (2) Any person who, without lawful authority or reasonable excuse, while having dealings of any kind with any other public body, offers any advantage to any public servant employed by that public body, shall be guilty of an offence.

Clause 2 Interpretation

“Advantage” (利益) means—

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description;
- (b) any office, employment or contract;
- (c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) any other service, or favor (other than entertainment), including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted;
- (e) the exercise or forbearance from the exercise of any right or any power or duty; and
- (f) any offer, undertaking or promise, whether conditional or unconditional, of any advantage within the meaning of any of the preceding paragraphs (a), (b), (c), (d) and (e),

but does not include an election donation within the meaning of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554), particulars of which are included in an election return in accordance with that Ordinance;

“Entertainment” (款待) means the provision of food or drink, for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time as, such

provisions;

Clause 19 Custom not to be a defence

In any proceedings for an offence under this Ordinance (i.e. *Prevention of Bribery Ordinance*), it shall not be a defence to show that any such advantage as is mentioned in this Ordinance is customary in any profession, trade, vocation or calling.

**China Boqi Environmental (Holding) Co., Ltd.
Declaration of Gifts/Benefits Accepted**

Part A—To be filled by employees accepted gifts/benefits

To: Ms. Qian Xiaoning, the Company Secretary

Information on the giver of gifts/benefits:

Name and title: _____

Company: _____

Relations (business/private): _____

Occasions where gifts/benefits are/to be accepted: _____

Information and valuation/value of gifts/benefits: _____

Proposed disposal:

- Retained by employees accepted gifts/benefits
- Deposited in office for display or as souvenirs
- Shared with other employees of the Company
- Used as lottery in staff activities
- Donated to charities
- Returned to the provider of gifts/benefits
- Others (Please note):

Notes

(Name of employee accepted gifts/benefits)
(Title/Position)
(Date)

Part B—To be filled by approvers

To: (employees accepted gifts/benefits)

The above proposed disposal has been * accepted/ refused. * Such gifts/benefits will be disposed in the following manner: _____

Qian Xiaoning
Company Secretary
(Date)

* Please delete the inappropriate one

**China Boqi Environmental (Holding) Co., Ltd.
Declaration of Conflict of Interests**

Part A—Declaration of Interests *(to be filled by the declarant)*

To: Ms. Qian Xiaoning, the Company Secretary, via (the immediate superior of the declarant)

I hereby declare the actual/potential* conflict of interests in performing my duties as follows:

Persons/Companies with business contract in performing my duties
My relationship with the above persons/companies (e.g.: relatives)
Relationship between the Company and the above persons/companies (e.g.: suppliers)
Summary of my duties performed with the above persons/companies (e.g.: handling matters on tendering)

(Name of the declarant)
(Title/Department)
(Date)

Part B—Reply Slip *(To be filled by approvers)*

To: (the declarant) via (the immediate superior of the declarant)

Reply Slip on Receiving the Declaration of Conflict of Interests

Your Declaration of Conflict of Interests submitted on _____ (Date) _____ has been received. It is hereby determined that:

- You are not required to perform or participate in performing the work with possible conflict of interests as mentioned in Part A.
- You may continue to handle the work as mentioned in Part A if there are no changes in the information submitted provided that you shall safeguard the interests of the Company will not be affected by your private interests.
- Others (Please note): _____

Qian Xiaoning
Company Secretary
(Date)

* Please delete the inappropriate one