



CHINA WANTIAN HOLDINGS LIMITED

中國萬天控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1854)

(the “Company”)

ANTI-FRAUD AND CORRUPTION POLICY

1. Objective

- 1.1 The Company is committed to protecting its reputation, revenues, assets and information from any attempt of fraud, corruption, deceit or related improper conduct by employees or third parties.
- 1.2 This Policy is to outline the Company’s expectations and requirements relating to the prevention, detection, reporting and investigation of any suspected fraud, corruption and other similar irregularities.
- 1.3 This Policy forms an integral part of the Company’s corporate governance framework. It complements and should be read in conjunction with the Whistleblowing Policy.

2. Scope of Application

- 2.1 This Policy applies to all personnel of the Company and its subsidiaries (collectively, the “**Group**”), including employees at all levels and others who may provide services to or act on behalf of the Group.

3. Definition

- 3.1 The term “fraud” generally refers to unfair or unlawful conduct with the intention of making some form of personal gain, or making another person suffer a loss including but not limited to, conspiracy, misappropriation, theft, money laundering, collusion, extortion and corruption.
- 3.2 The term “corruption” as referred to the definition from Hong Kong Independent Commission Against Corruption (“**ICAC**”): “An individual abuses his authority for personal gain at the expense of other people. If erodes fairness and the rule of law, and in some cases, puts lives and property at risk.”
- 3.3 Examples of general types of fraudulent or corrupt activity that may compromise the Company’s interest including, but not limited to:

- a. Misrepresentation in the Group's publicly released financial statements or other public disclosures;
- b. Misappropriation, skimming or theft of the Group's assets, such as cash, inventory, equipment, supplies, etc.;
- c. Unlawfully obtained revenue and assets, or unlawful avoidance of costs and expenses;
- d. Commercial bribery or bribery of a government official (including facilitation payment) or other violation of anti-corruption laws;
- e. Improper payment schemes such as the employees of the Group seeking or accepting from, paying or offering to, suppliers or business partners, kickbacks or gifts intended to or which may appear to influence business judgment; and
- f. Fraudulent disbursement or reimbursement such as payment for fictitious or inflated invoice, expenses, payroll, etc.

4. Policy

- 4.1 The Company has zero tolerance towards fraud and corruption of any form.
- 4.2 All personnel covered by this Policy are required to comply with all applicable laws and regulations related to anti-bribery and corruption, including but not limited to the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong) and other similar laws and regulations in other jurisdictions when conducting business there or where applicable.
- 4.3 The Group conducts risk assessment regularly to identify and evaluate corruption risks. Internal control systems are designed and established to maintain effective monitoring and/or elimination of corruption risks. An effective whistleblowing system is in place to enable concerns can be raised without fear.

5. Reporting and Responsibility

- 5.1 All employees should familiarize themselves with and comply with the general principles of the Prevention of Bribery Ordinance (Cap. 201 of the laws of Hong Kong) and all other risk management and internal control policies and guidelines.
- 5.2 All employees are responsible for resisting fraud and helping the Company defend against corrupt practices.
- 5.3 The Company shall maintain effective reporting channels for the employees and stakeholders to report any suspicions of fraud, all employees and stakeholders are expected and encouraged to report immediately any suspected cases of fraud and related misconduct via various reporting channels below.

- 5.4 Suspected cases of fraud should be reported promptly, whether it is known who may be responsible for the fraud or how it may have occurred. They should be reported to the direct supervisor, department manager or through the whistleblowing channel confidentially if one feels appropriate (refer to the Company's Whistleblowing Policy for the Reporting Form, confidential email and mailing address for reporting).

6. Fraud Response

- 6.1 All reported fraud cases will be treated seriously and investigations will be performed with the approach as stipulated in the Whistleblowing Policy.
- 6.2 The Company will make every effort to treat all disclosures in a confidential and sensitive manner after an employee or a relevant party reports concern about any of the above matters. The identity of the individual employee or relevant party making genuine and appropriate allegation under this Policy is assured of fair treatment. In addition, employees are also assured of protection against unfair dismissal, victimisation or unwarranted disciplinary action.
- 6.3 If there is sufficient evidence to suggest that a case of possible criminal offence or corruption exists, legal professional advice may be sought and the matter may be reported by the Group to the relevant local authorities. In such case, the investigation will be taken over by the local authorities.
- 6.4 Anyone found committing fraud or corruption will be subject to disciplinary action which may include dismissal.
- 6.5 Records shall be kept for all reported misconducts, malpractices, and irregularities by the relevant parties in the Group. If a reported irregularity leads to an investigation, the party responsible for leading the investigation shall ensure that all relevant information relating to the case is retained, including details of corrective action taken in accordance with the Company's Policy (or whatever other period may be specified by any relevant legislation).

7. Approval and review of this Policy

- 7.1 This Policy has been approved by the Board. The Audit Committee is responsible for monitoring and regular review of this Policy. Any subsequent amendment of this Policy shall be reviewed by the Audit Committee and approved by the Board.

(November 2022)