

Kingdom Holdings Limited

Code of Business Ethics

(October 2018)

1. Purpose and Applicable Targets

Kingdom developed this Code of Business Ethics in order to establish a corporate culture with business integrity and for its sustainable development. This Code is applicable to Kingdom Holdings Limited, its subsidiaries and all of its employees. All are expected to adhere to the principles contained in the Code.

2. Ethics and Business Integrity

Employee must conduct all our businesses with integrity and committed to pursuing sublime business ethics. All business shall be handled in an honest and impartial manner, even if the law allows it.

3. Prohibit Non-Ethical Behavior

Employees of the Company shall not directly, or indirectly, provide, promise, demand or accept any improper benefits in the course of engaging in commercial activities, or make other acts that violate the integrity, are illegal or breach of fiduciary duty in order to obtain or maintain the interests.

4. Conflicts of Interest

The Company is committed to conducting its business without conflicts of interest. The Code requires employee to disclose in writing, and obtain prior written consent, before engaging in any business, investment or activity that might pose or appear to pose a conflict of interests between the individual and the Company. Employees are expected to avoid participating in any external activities and transactions that could interfere with the performance of his/her duties and responsibilities, affect the independent and objective judgment, or discredit or divert business opportunities away from the Company without the prior written consent of management.

5. Bribery

The Company is committed to abiding by all laws and regulations or if necessary to exceeding them, to prevent bribery wherever we do business. We interpret the term 'bribe' broadly to include any illicit advantage offered or accepted as an inducement to or reward for performing or abstaining from performing any Company duties. Items considered bribes include cash, cash equivalents, loans, commissions, benefits in kind or other advantages. Bribery does not include traditional gifts of nominal value given during festive seasons. Anyone who discovers or suspects that any employee accepted a bribe must immediately report it to the Company (see complaint channels at paragraph 5.2).

5.1 The Code demands any employee:

- prohibitive from paying, offering, asking for, proposing terms for, or accepting, bribes;
- prohibitive from discussing terms with people who ask for or offer bribes;
- prohibitive from evading the rules of bribery clauses through the assistance of agents, partners, contractors, family members or other representatives.

5.2 Complaint channels:

Email: complain@kingdom-china.com

Telephone: +86-573-86780067 / +86-573-86789135

6. Moderation in Gift and Entertainment

In the course of conducting our business, there will be occasions when it is appropriate, out of courtesy and relationship building, to give or receive small gifts of nominal value or business entertainment to or from our business associates. The Code requires employees to exercise good judgment and practise moderation in giving and receiving business gifts and entertainment. Commercial gifts and entertainment expenses must be properly budgeted and approved and appropriate accounting and documentation procedures must be in place.

We must decline entertainment, gifts or other benefits that could in any way influence, or appear to influence, business decisions in favour of any person or organization with whom the Company may have business dealings, unless they are of nominal and non-cash value, such as promotional or advertising souvenirs.

Gifts or other benefits with a value of more than RMB200 must be reported to the Company.

7. Political Contributions

It is the Company's general policy to remain politically neutral and avoid making political contributions (donations). However, the Company's policy in no way restricts an employee, as an individual, from making political contributions or participating in local or national politics.

8. Charitable donations

The charitable donation or sponsorship of the Company shall comply with relevant laws and internal procedures and no bribery in disguise.

9. No Alcohol and Drug Abuse

The Company is committed to a safe, healthy and productive workplace for its employees. The Company recognises that alcohol or drug abuse can impair and affect health and job performance. It is also hazardous to our workplace safety, employees' well being and productivity. Therefore, it is not allowed to work under the influence of excessive alcohol or drugs. Use or possession of illegal substances or drugs on our premises is strictly prohibited. Smoking is strictly prohibited in the production area.

10. Protection and use of Company's assets, information and records

10.1 Assets of Company

Each of us has a duty to safeguard Company assets and resources entrusted to our care – from loss, theft or misuse. Company assets and resources may include but are not limited to physical property, facilities, equipment, materials, inventories, Company records and customer information. Use of Company's assets or resources, other than for company business purposes, requires prior authorization and proper justification.

10.2 Information and Records of Company

Use of Company records, customer and shareholder information should follow Company procedures / practices and local regulations in relation to personal data privacy. Employee must also protect business information or assets held by customers, partners and shareholders from abuse. In general, matters not publicised or released to the public domain by the Company may be sensitive. This would include business dealings, financial arrangements, transactions or accounts relating to the Company, its suppliers, customers or shareholders and any computer system and building security passwords issued by the Company and employee should handle this information with reasonable care and security.

10.3 Intellectual property

Employees must protect the Company's intellectual property rights in accordance with the relevant Company requirements as well as the applicable laws and regulations. Any intellectual property and technology developed by an employee in the course of their employment is the property of the Company, including patents, copyrights, inventions, programs and other documentation.

10.4 Use computer, email and the Internet of Company

The computer, email and internet are provided to employees as tools to carry out their employment duties. All messages created, sent or retrieved using those facilities remain the property of the Company. Users each have a responsibility to ensure these facilities are used in an ethical and lawful manner in accordance with the relevant laws and Company policies and procedures in each respective jurisdiction. Failure to abide by such laws or policies and procedures can result in disciplinary action, including termination of employment. The Company has the right to monitor, audit and inspect all computers, email, and data-retrieval equipment.

11. Safeguarding stakeholders

In the R&D, procurement, manufacturing, supply or sales process of the products, employees shall abide by relevant laws and international standards, ensure the transparency of the information and safety of the products, implement them into the operation activities, in order to prevent the products from directly or indirectly harming the rights, health and safety of the consumers or other stakeholders concerned.

If there is any evidence that the goods are harmful to the safety and health of consumers or other stakeholders, as a guiding principle, the sale of the products should be stopped and the products to be recalled.

12. Fair competition

The company shall engage in business activities in accordance with relevant competition regulations.

13. Financial Controls and Reporting Requirements

Company books, invoices, records, accounts, funds and assets must be properly prepared and maintained to reflect fairly and accurately and in reasonable detail the underlying transactions and businesses.

The Code prohibits:

- any employee makes false or misleading statements and records in books, accounts, records, financial statements or other documents.
- any employee uses the Company's name to open, hold or use any off-balance-sheet accounts in banks or any other third-party agency.
- any report that deliberately conceals or disguises the true nature of any Company transactions.

14. [Compliance with Laws and Regulations](#)

The Company's activities are subject to the laws of different jurisdictions, regulations and statutory codes. Employees are required to adhere strictly to all applicable laws, regulations and statutory codes, and expected to co-operate fully in the investigation of any alleged violation of the law or Company policy.

15. [Punishment](#)

Any employee violates this Code to be dealt with according to the laws or relevant regulations of the Company. If an employee uses his or her own position and intends to seek the improper benefits of himself or others, resulting in loss of the company, in addition to the dismissal of the duties, the Company shall be unconditionally compensated for all losses suffered.

16. [Responsibilities](#)

The Company is committed to conducting its business responsibly and professionally. The Code requires all of us to maintain our fitness for work and perform the duties attached to our jobs. Employee is under an obligation to take reasonable care to ensure the Company meets its commitments to all stakeholders.