



ANTI-MONEY LAUNDERING POLICY



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1. Policy Statement

- 1.1 EcoCeres, Inc. and its subsidiaries, joint ventures, affiliates or companies in which it holds a controlling interest (hereinafter referred to as the “Group”, or “EcoCeres”) strictly adheres to the ethical standards associated with our business practices and are committed to participate in international efforts to combat money laundering and financing of terrorist and criminal activities. The Group follows all applicable laws and regulations that prohibit money laundering or financing of illegal or illegitimate purposes.
- 1.2 *The Anti-Money Laundering Policy* (“the Policy”) sets out the responsibilities of those working for the Group, in observing and upholding our position on Anti-Money Laundering (“AML”) and Counter-Terrorist Financing (“CTF”) and provides information and guidance on how to deal with AML and CTF issues.
- 1.3 Employees and stakeholders of the Group shall observe and abide by the Policy, and are encouraged to report immediately any suspected cases of fraud, breach, misconduct, malpractice or irregularity as stipulated in the *Section 7 Reporting* of this Policy.

2. Scope

- 2.1. This Policy applies to the Group. Overseas subsidiaries may establish policies that are substantially consistent with the principles of the Policy and in accordance with applicable laws and regulations. In jurisdictions where local laws or regulations set stricter rules than those set out in this Policy, the stricter rules shall prevail and such rules shall be incorporated into the policies (if any) of the relevant jurisdiction. When in doubt, please contact the Legal & Compliance Department of the Group.
- 2.2. This Policy applies to all directors, employees (including full-time, part-time and contract staff) of the Group (collectively referred to as the “Employees”), as well as any business partners and third party service providers it engages (“Third Party Service Providers”) (as further described in the *Appointment of Third Party Service Provider Policy*).

3. Roles and Responsibilities

3.1. The table below provides an overview of the various roles and responsibilities associated with the Policy.

Roles	Responsibilities
Board of Directors of the Group (“the Board”)	<ul style="list-style-type: none"> Has overall responsibility for ensuring that the Policy complies with all legal, regulatory and ethical obligations.
Audit Committee of the Group (“Audit Committee”)	<ul style="list-style-type: none"> Vested by the Board with full power to implement, monitor and review the Policy. Oversees the auditing and internal control systems and procedures to ensure that they are effective in AML and CTF. Reports the summary of investigated, substantiated, and material fraud cases to the Board.
General Counsel of the Group	<ul style="list-style-type: none"> Holds primary responsibility for the effective implementation, monitoring of the use and application of the Policy, dealing with queries about it.
Legal & Compliance Department of the Group	<ul style="list-style-type: none"> Update on regulatory development, conduct regular review and update of the Policy, and provide advice on matters under the Policy.

4. What is Money Laundering and Terrorist Financing

4.1. Money Laundering (“ML”) and Terrorist Financing (“TF”) means the process of engaging/involving in transactions that:

- (a) are unlawful; or
- (b) involve property derived from illegal conduct attempted to come from a legitimate source; or
- (c) support crime or terrorism.

- 4.2. The broad definition of ML and TF means that anybody (including any employee of the Group) could be in violation of the law if he/she becomes aware of, or suspects, the existence of criminal property within the business and becomes involved in or continues to be involved in a matter which relates to that property being linked to the business without reporting his/her concerns.
- 4.3. Property can be criminal property where it derives from any criminal conduct, whether the underlying criminal conduct has taken place in the country where you are situated or overseas.
- 4.4. TF may not involve the proceeds of criminal conduct, but rather an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes.
- 4.5. The following types of activities are considered to be ML and/or TF and are prohibited under this Policy:
 - (a) the conversion or transfer of property (including money), knowing or suspecting that such property is derived from criminal or certain specified unlawful activity ("criminal property"), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his/her action;
 - (b) conducting a financial transaction which involves criminal property;
 - (c) the concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to ownership or control of criminal property;
 - (d) the acquisition, possession or use of criminal property;
 - (e) promoting the carrying on of unlawful activity; and
 - (f) participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing points.

5. General Policy

- 5.1 Key integrity and conduct requirements for Employees are included in the *Code of Conduct*, which has been distributed throughout the Group. The *Code of Conduct* is also available in the Group's employee portal for access.

- 5.2 This Policy shall be effectively communicated to all levels of Employees and stakeholders, and the procedures for reporting alleged fraud, breach, misconduct, malpractice or irregularity by Employees and stakeholders who deal with the Group (e.g. customers, contractors, suppliers, creditors and debtors, etc.) are also clearly communicated through our *Whistleblowing Policy*.
- 5.3 Control activities are designed and continuously enhanced to mitigate ML and TF risks, while risk-based audits to monitor the effectiveness of these controls are also to be performed regularly.
- 5.4 Trainings on the *Code of Conduct*, and relevant AML and CTF laws and regulations will be regularly conducted for employees.

6. Due Diligence

- 6.1 To prevent and mitigate ML and TF risks, the Group should undertake reasonable and proportionate due diligence on an entity or individual (collectively “Third Party”) before entering into any form of business relationship, such as supply and service contracts, mergers and acquisitions, joint ventures, appointments of agents and intermediaries, etc.
- 6.2 To perform due diligence, Employees should follow the general principles listed in the *Third Party Due Diligence and Onboarding Guidelines*.
- 6.3 Employees should exercise due care by ensuring the authenticity of the information or documents obtained during the third party due diligence exercise. When in doubt, please contact the Legal & Compliance Department.

7. Reporting

- 7.1 Any concerns in relation to AML and CTF issues within the Group should be reported to the Head of Internal Audit (copy to the General Counsel) of the Group in any of the following ways:

- a) by post in a sealed envelope clearly marked “Private and Confidential – To be opened by addressee only” to EcoCeres, Inc., Unit 2302-2303, 23/F, Tower 2, The Quayside, 77 Hoi Bun Road, Kwun Tong, Hong Kong
- b) by email to report.legalandcompliance@ecoceres.com ; or
- c) by online whistleblowing platform at <http://eco-ceres.ethicspoint.com/>.

7.2 Confidentiality, prompt handling, and non-retaliation will be assured for any received complaints / reports.

7.3 For further details regarding the reporting procedures, please refer to the Group’s *Whistleblowing Policy*.

8. Documentation

8.1 All Employees are responsible for making proper documentation and records of all important transactions and decisions to enable tracing of events and irregularities, including all documentation and records obtained or prepared during third party due diligence exercise, thereby helping deter or identify malpractice.

8.2 All received reports regarding suspected irregularities, their handling procedures, investigations taken, and results shall be properly documented.

8.3 Where there are any concluded legal case regarding ML and TF brought against the Group or its Employees, the investigation records and outcomes of the cases are to be properly retained.

9. Implementation and Review

9.1 The Audit Committee shall ensure that the implementation of the AML and CTF programme is effective and up-to-date through regular audits, monitoring, reviews, and controls. Independence of the internal audit function and any other monitoring review functions from the management shall be ensured. The frequency and scope of audits and reviews made shall be properly documented for disclosure purposes.

- 9.2 All business processes and operations are subject to regular audit in respect of the risk of AML and CTF. Owners of these business processes and operations are responsible for addressing any irregularities or weaknesses that are identified.
- 9.3 The Legal & Compliance Department will review and update this Policy as and when needed to ensure its effectiveness and compliance with all applicable legal and regulatory requirements.

10. Applicable Laws and Regulations

- 10.1 This Policy has been designed and implemented based on applicable AML and CTF laws and regulations, as amended from time to time:

Examples of applicable laws and regulations are:

- Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405 of the Laws of Hong Kong);
- Organised and Serious Crimes Ordinance (Cap. 455 of the Laws of Hong Kong);
- United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575 of the Laws of Hong Kong);
- Anti-Money Laundering Law of the People's Republic of China;
- Anti-Organized Crime Law of the People's Republic of China;
- Administration of Activities of Overseas Non-Governmental Organizations within the Territory of China Law of the People's Republic of China (2017 Amendment);
- Combating Telecom and Online Fraud Law of the People's Republic of China;
- Counterterrorism Law of the People's Republic of China (2018 Amendment);
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (Act 613 of the Laws of Malaysia);
- Corruption, Drug Trafficking and other Serious Crimes (Confiscation of Benefits) Act 1992 of the Laws of Singapore;
- Anti-Money Laundering Act of 2020 of the United States of America;
- Directive (EU) 2018/843 of The European Parliament and of The Council of the European Union;

11. Applicable Guideline

11.1 Specific guideline has been designed for this Policy, please refer to:

- LC-TPDD Guideline-01 (Third Party Due Diligence and Onboarding Guidelines)

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