

Policy on Preventing Fraud and Corruption

1 Purpose

- 1.1 Positive advocacy the trend of promoting what is beneficial and abolish what is harmful, combating corruption. Establish the image of ethical management of company.
- 1.2 Create a standard clean process for risk prevention and control with warning early and timely improve company level of management
- 1.3 Promote of “Keeping sincerity and honesty, combating corruption” work.

2 Scope

- 2.1 Applicable personnel: All employees (include mainland and Taiwan) in Zhen Ding Technology Holding Limited(Hereinafter referred to as the company or ZHEN DING) Prevention and treatment of combating corruption and promoting integrity
Applicable legal representative : ZHEN DING and forthcoming or subsidiaries and affiliated companies to be established 、 offices and other business organizations ,including but not limited to Zeng Ding Tech Co., Limited 、 Qi Ding Tech Qinhuangdao Co., Limited 、 BoardTek Electronics Corporation.
- 2.2 Scope of case: Including but not limited to employee's improper behavior.
 - 2.2.1 ZHEN DING`s employees or relatives of the company participate in dinners, karaoke and other banquets or entertainment places of trading partners;
 - 2.2.2 ZHEN DING`s employees or relatives receive or agree to receive and deliver benefits to trading partners, including but not limited to cash, entertainment, red envelopes, commission, gifts, gift cards, shopping cards and kick-backs;
 - 2.2.3 ZHEN DING`s employees or relatives have capital loans with trading partners;
 - 2.2.4 ZHEN DING`s employees or relatives sell, rent or purchase at a low price, house, car and other articles to the trading partner at a high price;
 - 2.2.5 ZHEN DING`s employees request or accept the transaction partner to arrange work for relatives and friends, but get salary without actual work;
 - 2.2.6 ZHEN DING`s employees or relatives gambling with trading partners;
 - 2.2.7 ZHEN DING`s employees or relatives gamble with the trading partner (such as playing golf) or go to Macao and other places to gamble;
 - 2.2.8 ZHEN DING`s employees or relatives have direct or indirect investment in the trading partner, including actual investment in holding shares and dividends, holding performance shares to receive dividends or cooperative investment to establish the company;
 - 2.2.9 ZHEN DING`s employees or relatives entrust trading objects (such as

- securities, futures, gold, foreign exchange investment) to obtain income without actual investment, or obtain income significantly higher than the due return of capital contribution although the actual contribution is made;
- 2.2.10 ZHEN DING`s employees or relatives exchange of foreign currency by the trading partner;
- 2.2.11 ZHEN DING`s employees of the company hold positions at trading partners;
- 2.2.12 ZHEN DING`s employees or relatives work for the trading partner but fail to report to the company;
- 2.2.13 ZHEN DING`s employees or relatives work for the trading partner but fail to report to the company;
- 2.2.14 ZHEN DING`s employees or relatives introduce the trading partner to the business department they are in charge of or handle, and take commission from them;
- 2.2.15 ZHEN DING`s employees purchase at unreasonable high prices;
- 2.2.16 ZHEN DING`s employees or relatives embezzling, misappropriating, occupying or stealing ZHEN DING`s funds or property;
- 2.2.17 ZHEN DING`s employees taking advantage of their positions to ask for or illegally accept the property of the trading partner;
- 2.2.18 ZHEN DING`s employees or relatives use the name of a third party (including company, enterprise or natural person) or conspire with a third party to commit the above-mentioned act;
- 2.2.19 ZHEN DING`s employees take advantage of their authority to accept the improper interests of subordinates or colleagues in other departments, or use their powers to eat, take, card or demand from subordinates or colleagues of other departments;
- 2.2.20 ZHEN DING`s employees provide improper convenience for the trading partner, including but not limited to: importing the trading partner according to the normal process, providing improper convenience for the trading partner in the bidding process, purchasing from the trading partner at an obviously unreasonable high price or selling to the trading partner at an obviously unreasonable low price, etc;
- 2.2.21 ZHEN DING`s employees retaliate against the informants (complainants) or make difficulties by taking advantage of their work;
- 2.2.22 ZHEN DING`s employees retaliate against other employees who refuse to bribe and / or voluntarily declare their interests or make trouble by taking advantage of work convenience.

- 2.2.23 ZHEN DING`s employees or relatives` other behaviors involving incorruptibility or corruption.
- 2.3 Exceptions
- 2.3.1 In case of gifts or entertainment are involved in the process of external business activities, a gift / entertainment declaration form must be filled in and the gifts that should be turned in should be turned over to the gift management department. For details, please refer to the 「 Declaration Form of Gifts/Receptions 」 (Appendix 7).
- 3 Reference
- 3.1 N/A
- 4 Definition
- 4.1 Affiliated company: refers to any form of business organization that directly or indirectly controls or is controlled by other enterprises, or is controlled by the same enterprise, or is the same as the legal representative or shareholders holding more than half of the shares of other enterprises.
- 4.2 "ZHEN DING": Refers to ZHEN DING and forthcoming or subsidiaries and affiliated companies to be established ` offices and other business organizations, including but not limited to Zhen Ding Tech Co., Limited ` Qi Ding Tech Qinhuangdao Co., Limited ` BoardTek Electronics Corporation.
- 4.3 "Trading partner" includes but is not limited to suppliers and customers of ZHEN DING.
- 4.3.1 Supplier: including the party which provides products or services (including company, branch, subsidiary, office, factory, affiliated enterprise or any other form of organization or individual) of ZHEN DING. Including suppliers, third parties, contractors, joint partners, agents and intermediaries of the above organizations or individuals. It is not necessary to judge the boundary or scope of suppliers based on whether the transaction or cooperation is concluded.
- 4.3.2 Customers: including individuals or enterprise organizations like ZHEN DING who purchase enterprise products or services. Customers are not only consumers, but all customers related to enterprise operation.
- 4.3.3 The boundary or scope of the trading partner shall not be determined by whether the transaction or cooperation is completed.
- 4.4 Critical departments: supply chain management department, business department, R & D department, engineering department, quality assurance department, quality assurance system department, planning department, mechanical and electrical department, general affairs department, environmental

protection and energy conservation department, and relevant units responsible for the procurement and storage of raw materials / Consumables / equipment / molds.

4.5 Critical position: the position directly responsible for and participating in external business in important departments.

4.6 Critical personnel: supervisors' level and direct operators of important posts in each unit.

4.7 "Close relatives" refer to spouse, parents, children, brothers and sisters.

4.8 Investigation team: after the case is confirmed and filed by the Audit Dept., the Audit Dept. shall form an investigation team from the Legal affairs Audit Dept., HR Dept. and relevant departments according to the needs of the case.

5 Responsibility

5.1 Investigation team:

5.1.1 All members of the investigation team cooperate with each other in investigating the case or following the case.

5.1.2 In case of any of the following situations, the member of the investigation team shall withdraw by themselves or the senior supervisor shall decide to:

5.1.2.1 Relatives of the person who be complained or informer;

5.1.2.2 The person or his close relative has a serious relationship with the matter under investigation;

5.1.2.3 Having other relations with the complained or the informer, which may affect the fair handling of the case.

5.2 Audit Department.

5.2.1 Confirm the complaint and whether the reported case (hereinafter referred to as the case) should be filed;

5.2.2 Organize and coordinate relevant units to participate in or assist in case investigation and handling;

5.2.3 To organize and carry out investigation plan deployment and distribution of specific investigation items;

5.2.4 Prepare and sign the case closing report;

5.2.5 Case statistics, summary and filing.

5.3 Economic management unit

5.3.1 According to the deployment of the investigation team, carry out the physical inventory of items related to the case, verify the material requisition, provide relevant resource data, etc.

5.4 HR Department.

5.4.1 Should carry out the propaganda of combating-corruption and integrity, and establish the mechanism of risk prevention;

- To organizing all department to carry out personal integrity commitments;
- 5.4.2 To organizing all department to carry out personal integrity commitments;
- 5.4.3 Be responsible for organizing individual employees of all units to actively declare matters; and data audit, summary and filing.
- 5.4.4 According to the deployment of the investigation team, collecting, sort out and provide the basic information like: recording of rewards and punishments, performance, attendance, income and other information of the investigated personnel and other relevant personnel, and carry out rewards and punishments or other personnel processing for relevant personnel.
- 5.5 Purchase Department
- 5.5.1 Be responsible for the implementation of integrity commitment and the active declaration of manufacturers;
- 5.5.2 According to the deployment of the investigation team, provide the contract awarding, price negotiation, purchase, warehousing, outbound, requisition and other related processes of relevant materials, engineering and equipment, as well as relevant account books and registration data.
- 5.5.3 Be responsible for the implementation of the unit's employees to fill in the information voluntarily;
- 5.5.4 Issue the summary report of employees' active declaration, and improve the abnormal matters.
- 5.6 Work safety Department
- 5.6.1 According to the deployment of the investigation team, key monitoring and inspection shall be carried out for the employees or manufacturers who may be involved in the case, and assistance shall be provided to report the case to the police.
- 5.7 The Department which the complaint is filed:
- 5.7.1 According to the deployment of the investigation team, arrange interviews and talks between the investigated personnel and other relevant personnel (employees, manufacturers, customers, etc.).
- 5.8 Other relevant Department(important departments listed in 4.4 and key personnel listed in 4.5)
- 5.8.1 Be responsible for the implementation of the unit's employees to fill in the information voluntarily;
- 5.8.2 Issue the summary report of employees' active declaration, and improve the abnormal matters.
- 5.8.3 Cooperate with the investigation team in case investigation;

5.9 Legal affairs Department

5.9.1 Provide suggestions for the investigation process in accordance with laws, regulations and company rules;

5.9.2 If the investigation is true, confirm whether it violates the laws and regulations and the company's rules, and submit the case to the internal punishment or transfer to the judicial authority.

6 Process Description

6.1 Prevention mechanism: establish a systematic risk prevention mechanism, including the following aspects:

6.1.1 System prevention: establish and improve the company's integrity prevention system to make the integrity risk prevention have rules to follow, mainly including:

6.1.1.1 Staff integrity commitment system: human resources units lead departments to sign integrity commitment;

6.1.1.2 Employee active declaration system: each department (especially the important departments listed in 4.4 and the important personnel listed in 4.5 of the measures) shall regularly carry out the internal employee declaration work every year, fill in 「Active declaration of Employee (to customers)」 (Appendix 1) or 「Active declaration of Employee (to suppliers)」 (Appendix 2), and It shall be completed by the important departments listed in article 4.4 「Active declaration summary report of Employee (to customers)」 (Appendix 3) or 「Active declaration summary report of Employee (to suppliers)」 (Appendix 4), If there is any violation of the company's integrity requirements, it shall be reviewed by the Department to which it belongs, And put forward 「Prevention and Improvement measures of Corruption and Incurruptibility」 (Appendix 5), After being approved by the head of the Department, it shall be submitted to the human resources department for filing; if the case is serious, it shall be transferred to the audit department for filing, and an investigation team shall be set up for investigation;

6.1.1.3 Active declaration system of manufacturers: Purchase Department. carry out active declaration, and ask manufacturers to fill in the active declaration of manufacturers;

6.1.1.4 Active investigation system: the Auditing Office. is responsible for joint audit of all departments;

6.1.1.5 Employee's refusal to bribe and declaration of interest protection

system: when an employee refuses to bribe and declare his / her interest, he / she shall truthfully declare it in the employee's active declaration. After verification, if the declarant may suffer retaliation or work difficulties as a result, the high-level supervisor may take positive protective measures such as talking and admonition to relevant personnel and changing departments. The ones against those who refuse to bribe or declare their interests shall be investigated and severely punished in accordance with this measure;

6.1.1.6 Protecting system: any person who retaliates against the informant (or complainants) or makes difficulties by taking advantage of his work shall be investigated and severely punished in accordance with the measures. Those who violate relevant laws and regulations shall be transferred to the public security organ for handling.

6.1.2 Management decision-making: the decision-making of major issues of all important departments shall be carried out in strict accordance with the company's process, and feasibility analysis shall be conducted for all expenditure volumes, and bidding, price negotiation shall be carried out in accordance with the company's process, and submitted to the high-level supervisor for approval. Through the implementation of decision-making and system, we can play the role of guarantee, restriction and supervision.

6.1.3 Management and Implementation: improve the evaluation of rewards and punishments, incentive mechanism, strengthen the implementation discipline, investigate the relevant responsibilities of those who are unfavorable to the implementation, encourage those who abide by the rules and regulations, educate those who do not follow the rules, deter those who commit duty crimes, and promote the implementation of the system.

6.1.4 Education and training: strengthen the integrity system advocacy, strengthen the integrity awareness of supervisors and employees through regular meetings within the Department and company training courses.

6.1.5 Early warning and punishment: implement the policy of "simultaneous punishment and prevention, and pay attention to prevention". It is possible to have violations of laws and disciplines, i.e. major violations have occurred, or there are bad signs and tendentious problems, which need to be prevented and stopped. It is necessary to implement early warning, focus on prevention, take legal system advocacy, honest talk management and supervision, and implement reports, tests or supervision in combination with specific reality Measures.

6.2 Source of case:

6.2.1 Direct reporting of complaints:

6.2.1.1 The employee directly reports or complains to the department level unit or the top director of the audit unit where the informant is located;

6.2.2 Indirect report, channel for complaints:

6.2.2.1 President's mailbox: each park has a president's mailbox in the public area to receive complaints from employees, customers and manufacturers;

6.2.2.2 Complaint hotline: Taiwan+886 3383 5678, Shenzhen local line:5068-62222,Qinhuangdao local line: 5075-15000;

6.2.2.3 Email: set email to accept internal and external email complaints, email address: zdt-report @zdtco.com.

6.2.3 Group transfer case

Cases transferred by the group to the company for investigation after receiving reports or clues

6.3 Process requirements :

6.3.1 Acceptance management: employees, manufacturers, customers make complaints, report incidents, and the Reception Supervisor is responsible for reception;

6.3.1.1 Rules for complaint, report and acceptance:

6.3.1.1.1 Complaints and reports should respect the facts and be supported by facts. Complaints and reports should not be used as a means of personal retaliation;

6.3.1.1.2 For complaints, the informant shall use the real name. For anonymous informants, please provide the contact information. The report shall have clear facts and provide evidence or trace clues.

6.3.1.1.3 The company arranges the investigators to treat all the reports confidentially by the high-level supervisor, and prevents the person who had been reported from knowing the source of the reports.

6.3.1.1.4 The receptionist should take every reporter's statement seriously;

6.3.1.1.5 The receptionist shall record the statement fairly and objectively, and shall not take advantage of his work to retaliate;

6.3.1.1.6 The receptionist shall sign for the evidence submitted by the informant and keep it properly.

6.3.1.2 Record management :

6.3.1.2.1 Complaints and reports collected by all channels shall be recorded according to the facts;

6.3.1.2.2 The receptionist shall record the informant (complainant), the informant (complainant) and the informant (complaint) on the "Statistic Report of Corruption Allegations," (Appendix 6)

6.3.1.2.3 Record requirements: in the record of reported matters, the date and specific details of the incident shall be recorded in detail.

6.3.2 Investigation and handling:

6.3.2.1 The receptionist shall preliminarily review the case to confirm whether the reported (complaint) information is true;

6.3.2.2 The audit unit shall confirm whether the reported (complained) information is true, and whether it belongs to the acceptance scope specified in article 2.2. If it does not belong to the acceptance scope, the audit unit shall timely make an investigation report, explain the reason for the non-acceptance and give feedback to the informant (complained). If it belongs to the acceptance scope, the audit unit shall file a case;

6.3.2.3 The registered cases shall be investigated jointly by an investigation team composed of the audit unit and other units;

6.3.2.4 The audit unit shall be responsible for promoting the investigation and completing the case investigation and evidence collection;

6.3.2.5 Members of the investigation team shall actively carry out investigation and provide information according to the organization and division of work of the investigation team;

6.3.2.6 The unit to which the reported (complained) person belongs shall actively assist in the investigation, and shall not be Shield the person and lure witness to make false statements;

6.3.2.7 The unit to which the reported (complained) person belongs shall actively assist in the investigation, and shall not be Shield the person and lure witness to make false statements;

6.3.2.8 In the process of case investigation, the audit unit shall collect, investigate and handle the case information in time, which involves the operation process of each unit, internal control audit, data analysis and real-time information audit;

6.3.2.9 When the case investigation involves the resource management and

control of each unit, the physical inventory of accounts and the transfer of in plant resource data such as relevant equipment, materials, consumables and fixed assets, the economic management unit shall timely collect, investigate and handle the case information;

6.3.2.10 When the basic information, rewards and punishments, performance, attendance, income and other personnel information of the investigated or other relevant personnel are involved in the case investigation process, the HR unit shall timely collect, investigate and handle the case information;

6.3.2.11 Each assisting investigation unit shall designate a special person to handle the case investigation affairs, actively cooperate with the investigation team, and timely feedback the information and analysis to the investigation team;

6.3.2.12 The investigation team may ask the relevant units to explain the abnormalities found in the investigation; if the operation process is found unreasonable in the case investigation, it shall propose improvement suggestions to the relevant units.

6.3.2.13 In the process of investigation and handling, unnecessary personnel should be avoided from participating in or accepting the investigation, so as to avoid the complication of the situation;

6.3.2.14 In the investigation stage, the reported (complained) person shall be kept confidential and shall not disclose the information the witness;

6.3.2.15 Sufficient evidence is required to determine whether the complaint is true, and each evidence shall not contradict each other, and evidence chain shall be formed;

6.3.2.16 The investigation conclusion and handling plan of the case shall be decided by the member units of the investigation team through collective discussion, and the investigation result shall be reported to the higher-level supervisor for approval.

6.3.3 Case closed

6.3.3.1 Report (complaint) issue is not true: fill in the investigation report to close the case.

6.3.3.2 The report (complaint) is not true:

6.3.3.2.1 In case of violation of the company's relevant policies and regulations, it shall be confirmed to the reported (complained) person, who shall issue a confession, prepare a case investigation report, and handle relevant units and personnel in

accordance with the company's regulations;

6.3.3.2.2 Report (complaint) issue is suspected of criminal offence, whether it is necessary to report to the police by reporting to the senior supervisor.

6.3.4 The investigation team implements the project investigator responsibility system. The project investigator is responsible for coordinating all departments, following up the overall progress and reporting the investigation and handling results of the investigation report to the supervisor in time. The relevant units verify and manage the sources, facts and results.

6.3.5 In order to protect the interests of the reporting (complaining) employees and prevent the informant from retaliating of the reporting (complaining) person or making difficulties by taking advantage of work, during the investigation and handling process, the company keeps the identity of the complainant confidential, and records of the basic data such as the job number and name of the complainant should be kept exclusively by the investigators.

6.3.6 Document Filed: the audit unit shall file and seal all the source documents of the closed complaints in time.

7 Appendix

Appendix 1 「Active declaration of Employee (to customers)」

Appendix 2 「Active declaration of Employee (to suppliers)」

Appendix 3 「Active declaration summary report of Employee (to customers)」

Appendix 4 「Active declaration summary report of Employee (to suppliers)」

Appendix 5 「Prevention and Improvement measures of *Corruption* and
Incorruptibility」

Appendix 6 「Statistic Report of combating-Corruption and malpractices cases」

Appendix 7 「Declaration Form of Gifts/Receptions」