

Ethical Corporate Management Management Policy And Clearly Defined Practices and Measures to Prevent Unethical Conduct

The Company has established the “Ethical Corporate Management Best-Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” both of which have been approved by the Board of Directors and serve as the Group’s governing policies for ethical and integrity-based operations across all affiliated entities and organizations. These policies clearly set out prohibitions and preventive measures against unethical conduct, including anti-corruption and anti-bribery practices, confidentiality mechanisms, anti-monopoly and unfair competition, prohibition of insider trading, and whistleblowing and oversight mechanisms.

On January 16, 2020, the policies were amended to establish a risk assessment mechanism for unethical conduct, and to stipulate that the internal audit unit shall formulate audit plans based on the results of such risk assessments and implement reporting procedures for audit findings. These measures further strengthen the Company’s culture of integrity and its ethical management framework.

To ensure that the directors, officers, and employees of the Company and its subsidiaries fully understand, promote, and comply with the Group’s ethical and moral standards, the Company promulgated the “Code of Ethical Conduct for Directors and Managers” and the “Employee Code of Ethical Conduct” in November 2014. These codes cover, among others, prevention of conflicts of interest and prohibition of outside employment, avoidance of improper benefits or undue advantage, fulfillment of confidentiality obligations and prevention of insider trading, fair trade and anti-monopoly/anti-competitive conduct, protection and proper use of company assets, compliance with laws and regulations, encouragement of reporting illegal or unethical conduct, prohibition of bribery and improper payments, creation of an equal employment environment, maintenance of workplace health and safety, and whistleblowing and reporting mechanisms.

All directors, officers, and employees of the Company and its subsidiaries are required to sign these codes upon appointment and prior to the end of each fiscal year. In 2025, the signing rate reached 100% across the Company and its subsidiaries.

The Company has also established external stakeholder communication and reporting channels to ensure effective implementation. Since its establishment through 2024, the Company has not experienced any incidents of corruption or bribery, nor has it been subject to any penalties imposed by competent authorities for violations of ethical management or anti-corruption regulations in recent years.

In addition, the Company established the “Supplier Social Responsibility Best Practice” in 2015, requiring suppliers to sign the updated “Corporate Social Responsibility Declaration” (which includes periodic and ad hoc feedback regarding Yingzheng Yushun’s integrity practices). Suppliers must warrant that they will not offer bribes or provide any improper benefits to Company personnel, nor engage in any direct or indirect acts of undue advantage. Any such conduct must be immediately reported to the Company.

If a supplier engages in unethical conduct, it shall be deemed a material breach of contract, and Yingzheng Yushun reserves the right to terminate or rescind relevant contracts or purchase orders, and, in serious cases, revoke the supplier's qualification.

Integrity and Ethical Management Training

In Fiscal Year 2025, the Company conducted internal and external training programs related to ethical management, including compliance with ethical management regulations, accounting systems, and internal control-related courses, with a total of 270 participants and 540 training hours.