



Code of Ethical Business Conduct

Purpose

Delton Technology promotes fairness, justice, and integrity in all business activities. Participants must adopt the zero-tolerance policy that prohibits bribery, corruption, extortion, and embezzlement. The goal is to achieve the 'six non-compliance' principles: no related-party transactions, no bribery, no inferior quality, no cutting corners, no falsification, no frauds, and honoring commitment.

To ensure that the principles are achieved, we have issued the 'Code of Ethical Business Conduct' to regulate the behaviors of all Employees at all times. This ensures that we not only do the right thing but also do it right.

Scope of the Code

This policy applies to all directors, officers and employees of all departments and subsidiaries of Delton Technology, as well as business partners.

After the publication of these Guidelines, the company will update and revise this policy according to changes in external environment, laws, and regulations.

The Correct Way

Doing the right thing in the right way is not easy, so we encourage all of us and our partners to adhere to the following principles in our daily operations and cooperation.

(1) Avoid conflicts of interest

Do not promise, offer, grant, give, or accept bribes or any other form of advantage for the purpose of obtaining illegal or improper benefits.

The commitment of our employees to suppliers, customers and government units must be legally authorized by the company.

Employees of the Company or their close relatives who have private interests with suppliers, customers, or government units should declare to the Company and follow the principle of avoidance during operation.



(2) Information security and privacy protection

The company's procurement, customer information and important data must be handled in strict accordance with the confidentiality and non-competition agreement signed by its employees.

(3) Intellectual property

Intellectual property rights must be respected. The transfer of technology or experiential knowledge shall be carried out in a manner that protects intellectual property rights. The information security of customers and suppliers shall be protected.

(4) Fair trade, advertising, and competition

The company is committed to upholding standards of fair business, advertising, and competition. We shall not publish advertisements that are untrue or inconsistent with the fact of the company so that we can maintain a fair and just competitive environment.

(5) Identity protection and anti-retaliation policies

Ensure that supplier and employee whistleblowers are protected and that their reports are confidential and anonymous. Participants should establish communication procedures for their workers so that employees can raise any concerns without fear of retaliation.

(6) Anti-embezzlement and anti-money laundering

Every colleague has an obligation to maximize company's interest and prevent any loss or diminishment of those interests within the boundary of laws and regulations.

Employees must not collude with suppliers, issue false delivery notes, or defraud the company's payment for goods.

Employees must comply with all laws and regulations and shall not illegally collude, usurp or steal the company's equipment and property.

Employees must truthfully declare all expenses and quantities, including travel expenses and overtime hours. They must not act alone or collude with others to make false or conceal the superior.



Anyone must not abuse their position or collude with others to gain improper benefits or engage in malpractice. They must not take or steal company equipment or property.

The company must comply with all applicable laws and regulations related to anti-money laundering. It is also required to report any criminal activities related to illegal collusion, conspiracy, and money laundering to the local public security authorities once they have been verified.

(7) Fair, impartial, and responsible sourcing

When selecting suppliers, we shall adhere to the principles of good faith and fairness. This involves considering the quality of their products or services, price, and delivery. We shall conduct comprehensive evaluations of the suppliers, including their selection processes and evaluation comments or results. Suppliers approved for onboarding shall sign the company's letter of honesty and integrity commitment.

It is strictly prohibited for colleagues and their families to accept gifts, cash or any other disguised goods from suppliers. If you are unable to refuse or return such gifts, please forward such gifts to the company's Group Human Resources Department that coordinates such matter.

We shall communicate to our suppliers that they must not engage in any form of bribery with relevant customers and government personnel, including but not limited to those mentioned above.

(8) Conflict minerals management

The company ensures that it does not use minerals that are improperly mined in conflict areas, nor does it purchase products containing such minerals. We shall conduct a five-stage assessment of mineral risk in the responsible supply chain from conflict-affected and high-risk areas, in accordance with Appendix II of the OECD guidelines.

For further details, please consult the Procurement Policy on Conflict Minerals.

(9) Sunny, standardized customer relationship

The Company must conduct its business dealings with customers in good faith and impartiality.



Any gift in the form of cash to individual clients and government entities are prohibited.

To improve mutual relationships and establish business contacts with enterprises, institutions, government agencies, customers and other personnel, relevant departments may apply for approval by general manager if the reception of important customers exceeds the standard. Additionally, gifts given during traditional festivals should be within a reasonable range.

Colleagues of the company should have the ability to distinguish between right and wrong when it comes to integrity. Avoid doing things that are not allowed and establish a clean atmosphere.

If you receive gifts or items from suppliers, they must be sent to the Group Human Resources Department for registration and management. The Human Resources Department of the Group will arrange for the use in staff activities. Failure to hand in a gift will be considered as embezzling of company property and will be dealt with according to the relevant provisions of the Employee Manual.

Audit and inspection

At the beginning of each year, the company creates an audit plan for business ethics management standards, including honesty and integrity. This plan determines the audit items, scope, and control points, which are the risk points. After reporting to the company's management for approval, internal audit work is carried out.

Report and Investigation Processing

Any person with information of a breach of business ethics requirements shall make a complaint and report, complaint channels are posted on the company's official website and public account. (<http://www.delton.com.cn/>)

Group General Manager *Ruby Zeng*