

The Situation of Integrity Management Operation

Evaluation items	Operational situation			The difference for Integrity Management Act of the listed companies
	YES	NO	Summary	
<p>一、 Establish a honest business policy and plan</p> <p>(一) Does the company show a honest business policy on regulations and external document? Do the board of directors and the management team implement the commitment of the operating policy?</p> <p>(二) Does the company have policy to prevent the dishonest behavior? Besides, does the company define operational procedures, behavioral guidelines, violation penalty, and complaint system? Furthermore, does the company implement them?</p> <p>(三) Does the company have prevention for higher risk of dishonest business activity, which is come from Article 7-</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(一) The company has established “Integrity management Act” and “Ethical behavior management procedure.” When signing the contracts, the company would depend on integrity principle and negotiate the reasonable contents and fulfill the commitments. This principle would ask subsidiaries to implement.</p> <p>(二) The company has stated “Integrity management Act” that substantive controllers have to obey Company Law and Securities Exchange Law, and prohibit any untrustworthy behaviors, such as improperly interest or breaching the fiduciary duty. Besides, the company has also stated “regulation of reporting illegal or unethical behavior” and published it on the company’s website for employee’ searching. If the employee has dishonest behavior, they will be disciplined according to the “reward and punishment method.”</p> <p>(三) The company will issue work rules and pre-employment training for new employees, and advocate that employee should perform their duties</p>	<p>There is no major differences and the relevant systems will be established gradually.</p>

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2 "Integrity Management Act of Listed companies"?			in integrity spirit. Besides, the company also has stated "procedure of managing ethical behavior" to regulate the behavior of interested parties and prevent dishonest business activities, bribery, and provide illegal political contributions. It also has a dedicated reporting channel to report any improperly behavior.	
<p>二、Implement integrity management</p> <p>(一) Does the company evaluate the integrity record of the business partner, and make the contract with them about integrity behavior?</p> <p>(二) Does the company set up a unit to promote integrity and the unit have regularly report to the board of directors?</p>	<p>V</p> <p>V</p>		<p>(一) The company has established an assessment for clients and suppliers to evaluate the legality and business risks. The assessment includes enterprise location, operational condition, and payment terms...etc. When signing the contract with business partner, the rights and obligations of both parties are detailed. At person, 37 suppliers have signed a letter of commitment to maintain the corporate ethics of integrity management.</p> <p>(二) The general manager's office is an assisting unit, which is responsible for assisting management team to formulate and supervise the implement of integrity management policy and prevention plan, and report the implementation status to the board of directors once a year. In current year, the employees didn't</p>	There is no major differences and the relevant systems will be established gradually.

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	V		<p>have violate the integrity of the business. The implementation status refer to the followings.</p> <ol style="list-style-type: none"> 1. Establish integrity management policies and guidelines. <ol style="list-style-type: none"> (1)Review the integrity management policies and guidelines irregularly every year. (2)In the pre-employment training for new employee, the stuff should perform their duties in the spirit of honesty. 2. Implement integrity management <p>Acquired a letter of commitment from 37 suppliers and worked hard to create a friendly workplace and environment. Furthermore, adhere to the corporate ethics of integrity management.</p> 3. Strengthen management <p>It has been implemented audit plan, with total 43 reports and reviewed by chairman.</p> 4. Establish reward and punishment system <ol style="list-style-type: none"> (1)The communication channels of various stakeholders have been published on the website for relevant personnel to report any improper behavior. (2)There is nothing happened in 2019. 	

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<p>(三) Does the company have a policy to prevent conflicts, provide appropriate complaint system and implement them?</p> <p>(四) In order to implement integrity, does the company establish effective accounting system, internal controls system, and have internal audit or entrust accountant to audit?</p> <p>(五) Does the company hold internal and external training of integrity management?</p>			<p>(三) The company has stipulated in Integrity Management Act, that directors, supervisors, managers, and other interested parties can't join the discussion or vote once the issues are relevant to themselves or their legal persons and the interests would be harmful the company. Besides, the interested parties can't represent other directors to exercise their voting rights.</p> <p>(四) The company has established an effective accounting system and internal controls system. Internal auditors perform audits and report to the board of directors according to the audit plan. In case of special situation, special check will be arranged. There is no significantly unusual result in the inspection of 2019.</p> <p>(五) New employees will issue work rules, have pre-employment training, and publicize the company's Integrity Management Act. In addition, the internal and external education training of integrity management is held irregularly.</p>	
<p>三、 The operation of reporting system</p> <p>(一) Does the company have specific reporting & reward system, establish a convenient reporting way, and assign</p>	V		<p>(一) The company has a "handling regulation of reporting illegal or unethical behavior," and personnel can report to the following units.</p>	There is no major differences and the relevant systems will

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appropriate personnel to the reporting people?			<p>1. Spokesperson and agent spokesperson: accept reports from outsiders, such as shareholders and investors.</p> <p>2. Audit supervisor: Accept reports from internal colleagues of the company, customers, suppliers, and subcontractors... etc.</p> <p>When the accepting unit receives the reporting events, it shall report it to general manager for submitting the responsibility unit to carry out the verification work.</p>	be established gradually.
(二)For reporting events, does the company have standard operating procedures and confidentiality dealing?	V		(二)The company has set up “regulation of reporting illegal or unethical behavior” and “regulation of employee complaints.” The relative units will conduct evidence collection and deeply investigation upon receipt of the report. The cases are handled in a confidential dealing.	
(三)Does the company protect the reporting person not to suffer improperly disposal?	V		(三)The company has stated in “regulation of reporting illegal or unethical behavior” and “regulation of employee complaints” that the company shall not disclose the name, title, and other identity information of reporting personnel, and relative documents shall be confidential processing.	

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<p>四、 Strengthen information disclosure</p> <p>Does the company disclose the content of integrity management and the effectiveness of operation on the website or public information observation?</p>	V		(一)The company has disclosed relevant information on integrity management on the website and uploaded relevant regulations to the public information observation.	There is no major differences
<p>五、 If the company has its own policy in accordance with “Integrity Management Act of Listed companies,” please describe the difference between its operation and policy: It has been handled in accordance with relevant regulations.</p>				
<p>六、 Other important information that helps understand the company operation of integrity management: (such as company reviews and amends its established policy of integrity management.)</p> <ol style="list-style-type: none"> 1. The company complies with the company law, the securities exchange law, commercial accounting law, relevant regulations for listed company, and other Acts of relevant commercial behavior, as the basis for the implementation of integrity management. 2. The “Director’s rules and regulations” of the company have a system to avoid directors’ interests. Once the issue listed in the Board of Directors have interest in themselves or the legal person and the interest would be harmful the company, they can state the opinion, but can’t join the discussion and vote. The interested parties also can’t represent other directors to exercise their voting right. 3. The company has established “Internal major information processing procedure”, in which directors, supervisors, managers and employees are not allowed to disclose any internal significant information to others. It is also not allowed to inquire and collect information from the person who is aware of the internal significant information if the personal duties is not relevant. Once knowing unrevealed internal information, it can’t be disclosed to others. 				