

Code of Ethical Conduct

XU YUAN PACKAGING TECHNOLOGY CO., LTD.

Revised by the Board of Directors on May 14, 2015

Reported to the Shareholders' Meeting on June 30, 2015

Chapter 1: Purpose and Basis

Article 1: Establishment and Compliance

This Code is established to build a sound ethical behavior model within the company, comply with ethical standards, and help all stakeholders understand the company's ethical guidelines. It is formulated in accordance with **Article 1 of the “Ethical Conduct Guidelines for Publicly Listed Companies”** and serves as the basis for compliance.

Chapter 2: Ethical Conduct Guidelines

Article 2: Prevention of Conflicts of Interest

A **conflict of interest** arises when **personal interests interfere or may interfere with the overall interests of the company**. This may occur when directors or managers cannot objectively and efficiently perform their duties, or when they **improperly benefit themselves, their spouses, parents, children, or relatives within the second degree of kinship** due to their positions in the company.

The company must **pay special attention** to financial transactions, guarantees, major asset transactions, and procurement/sales activities involving related parties of directors or managers. The company shall **prevent conflicts of interest** and provide appropriate channels for directors and managers to proactively disclose potential conflicts of interest.

Article 3: Avoidance of Personal Gain

Directors and managers must **avoid**:

1. Taking advantage of **company property, information, or their position** for personal gain.
2. Using **company resources or their position** for **private benefits**.
3. Engaging in **competition with the company**.

When the company has profit opportunities, **directors and managers have a duty to maximize the company's legitimate and lawful interests**.

Article 4: Confidentiality Obligations

Directors and managers **must maintain the confidentiality** of any **non-public** information related to the company or its **customers, suppliers, and partners**, except when disclosure is authorized or required by law.

Confidential information includes **any data that, if disclosed, could benefit competitors or harm the company or its clients**.

Article 5: Fair Transactions

Directors and managers shall **treat customers, competitors, and employees fairly** and shall not:

1. Manipulate or conceal information.
2. Misuse privileged information.
3. Provide false statements about key matters.
4. Engage in unfair business practices to obtain improper benefits.

Article 6: Protection and Proper Use of Company Assets

Directors and managers **must protect the company's assets** and ensure that they are **legally and effectively used for business purposes**.

Theft, negligence, or waste of company resources **directly affects the company's profitability**.

Article 7: Compliance with Laws and Regulations

The company strengthens its employees' awareness and compliance with:

- **Securities laws**
- **Other applicable laws and regulations**

The company also establishes **Employee Conduct Guidelines** to regulate all employees' behaviors accordingly.

Article 8: Encouraging Reporting of Violations

The company promotes **ethical awareness** and encourages employees to **report any suspected violations** of laws, regulations, or this Code to the **Audit Committee, managers, internal auditors, or other appropriate personnel**.

To **protect whistleblowers from retaliation**, the company shall establish a **clear reporting mechanism** and ensure that employees are aware of the protection measures.

Article 9: Disciplinary Actions

If a director or manager **violates this Code**, the company shall take **appropriate disciplinary action** based on the provisions of the Code.

The company must publicly disclose the violation details on the **Market Observation Post System (MOPS)**, including:

- **Date of violation**
- **Reason for the violation**
- **The violated provisions**
- **Actions taken by the company**

The company shall also **establish an appeal system** to provide a remedial channel for those who have violated the Code.

Chapter 3: Exemption Procedures

Article 10: Conditions for Exemption

If a director or manager is **exempted** from compliance with this Code, the exemption must be **approved by the Board of Directors** and immediately disclosed on the **Market Observation Post System (MOPS)**.

The disclosure must include:

- Date of board approval
- Opposing or reserved opinions from independent directors
- Period of exemption
- Reason for exemption
- Specific provisions exempted

This allows shareholders to **assess whether the board's decision is appropriate** and ensures that any exemption is **well-regulated to protect the company**.

Chapter 4: Disclosure

Article 11: Public Disclosure

This Code shall be publicly disclosed on the company's:

- Website
- Annual report
- Public offering prospectus
- Market Observation Post System (MOPS)

Any amendments to this Code shall also be publicly disclosed.

Chapter 5: Implementation

Article 12: Implementation and Amendments

This Code shall take effect upon **approval by the Board of Directors** and shall be distributed to all **independent directors and reported to the Shareholders' Meeting**.

Any amendments shall follow the same approval and reporting procedures.