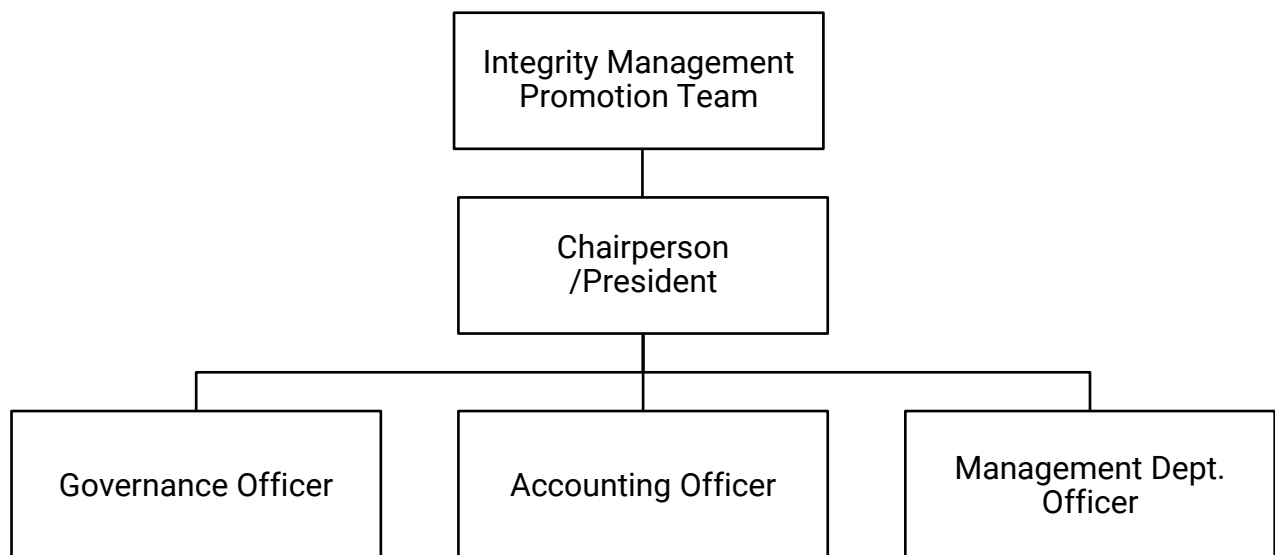


Kwong Fong Industries Corporation

Integrity Management Executive Report

To implement the Code of Integrity Management, the company has gathered the "Integrity Management Promotion Team" and the President were appointed as Team Chairperson. The team is responsible for formulating and overseeing integrity policies and preventive measures. Team Chairperson reports to the Board of Directors the implementation status and effectiveness annually. The team includes Governance, Accounting, and Management Officers. Upholding principles of integrity, transparency, and responsibility, the company formulates integrity-based policies, strengthens corporate governance and risk management, and build a sustainable development and operation environment. The company promotes these practices in compliance with the Board-approved "Code of Employee Conduct", "Ethical Corporate Management Best Practice Principles", and "Procedures for Ethical Management and Guidelines for Conduct".

Integrity Management Promotion Team Structure



1. Integrity operation policy

The company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement the integrity operation policy and actively prevent dishonest behaviors, in compliance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the relevant regulations of the corporate and group companies' operating locations. The "Ethical Corporate Management Best Practice Principles" specific the matters noticed of personnel when executing duties.

Based on the operating philosophy of integrity, transparency and responsibility, the company formulates integrity basis policies and establishes good corporate governance and risk control mechanisms to create a sustainable development operation environment.

2. Dishonest Behavior Prevention Program

The company's dedicated unit should organize internal propaganda regularly and arrange for the Chairperson, President, or Senior Management to convey the importance of integrity to Directors, Employees, and Appointees. The company

should incorporate honest management into employee performance appraisal and human resources policies, to establish a clear and effective reward/punishment and grievance system.

To prevent dishonest behaviors, the company has formulated " Measures for the Report on Illegal, Unethical and Dishonest Conducts" and " Procedures for Ethical Management and Guidelines for Conduct", and founded a reporting mechanism that was accepted by the Spokesperson and Audit Supervisor with clearly operating procedure.

3. Implementation status in 2024

(1) Executives attend seminars for competent authorities

Course	Organizer	Hours of refresher training	Number of people attending refresher training
AI application, legal issues and auditing	Taiwan Corporate Governance Association	3	1
How to Fully Launch Corporate Innovation Growth	Taiwan Corporate Governance Association	6	2
Discussing Integrity Management and Anti-Corruption from a Sustainable Governance Perspective	Taiwan Corporate Governance Association	3	1
The Strategic Thinking about Reorganization of Group Companies.	Taiwan Corporate Governance Association	3	1
The roles and responsibilities of the Board of Directors/ Senior Managers in ESG governance	Taiwan Corporate Governance Association	3	1
Corporate Governance Forum	Taiwan Academy of Banking and Finance	3	1
Building a New Carbon Era with Sustainable Knowledge Power(1)(2)	Co-organized by the TWSE and TSISDA	13	1
(ESG) Fair Customer Treatment Principles Assessment Briefing	Taiwan Securities Association	9	3
Domestic and International AML/CFT Laws, Regulations, and Risk Trends	Taiwan Securities Association	9	3
Cybersecurity Threat Trends and Crisis Management	Taiwan Securities Association	3	1
Corporate Governance - Inclusive Finance Standards and Services for People with Disabilities	Taipei Foundation of Finance	2	1

(2) External education and training (integrity management regulations, accounting systems, and internal control systems)

Course	Organizer	Hours of refresher training	Number of people attending refresher training
Workshop on the Identification of Climate Risk and Seminar on the Net Zero Emissions	Taiwan Corporate Governance Association	9	1
2024 Insider Trading Prevention Campaign	Securities and Futures Institute	3	1
Professional Training Program for Accounting Supervisors	Accounting Research and Development Foundation	12	1
Using Digital Technology for Operational Process Improvement and Fraud Detection: An Audit Practice Discussion	The Institute of Internal Auditors-Chinese Taiwan	6	1
Enhancing Corporate Sustainability and Strengthening Risk Management	The Institute of Internal Auditors-Chinese Taiwan	6	1
Self-Assessment Practice	The Institute of Internal Auditors-Chinese Taiwan	6	1
Internal Audit, Internal Control, and Personal Data Protection Practice	The Institute of Internal Auditors-Chinese Taiwan	6	1
Safety and health education and training for class-1 manager of Occupational safety and health affairs	The Collection of Occupational Safety and Health	42	1

(3) Internal education and training (integrity management regulations, accounting systems, and internal control systems)

Course	Organizer	Hours of refresher training	Number of people attending refresher training
Securities Reporting and Investment Control Mechanism Awareness	Governance Unit	6	6
Insider Trading Prevention and Internal Information Handling Procedures	Governance Unit	7	7
Amendment of Securities Exchange Act Article 43-1: New Reporting System for Large Share	Governance Unit	7	7

Course	Organizer	Hours of refresher training	Number of people attending refresher training
Acquisition			
Corporate Governance Regulations Amendments and Practices	Governance Unit	8	8
Fraud Prevention Frontline: AI Smart Finance Analysis Awareness	Governance Unit	7	7
FCN - Derivative Financial Instruments Overview	Investment Dept.	7	7
Gender Equality Employment Act Awareness	Governance Unit	8	8
Personal Data Security Management Guidelines Awareness	Information Office	4.5	9

- (4) The company provides grievance channels for employees, and external parties such as customers, suppliers, or investors may contact emails on the official website to report issues.
- (5) The reported cases accepted as of the year 2024: 0

Note:

- (1) Integrity management execution status is reported to the Board annually, with this year's report presented on November 8, 2024.
- (2) On November 8, 2024, the Board presented with the "2025 Meeting Schedule", and pre-announced the quarterly financial report releasing dates and pre-announcement lock-up periods.
- (3) The Directors received reminder emails of the lock-up period before the 2024 financial report review.