

# Kwong Fong Industries Corporation

## Professional Code of Ethics

Revised and approved March 29, 2021

### Article 1

In order to ensure that the conduct of the directors and managers of the Company is in accordance with ethical standards, and to enable the Company's stakeholders to better understand the Company's ethical standards, this Code is formulated in accordance with the "Reference Examples of Ethical Codes of Conduct for Listed and OTC Listed Companies" published by Taiwan Stock Exchange Corporation.

### Article 2

This standard applies to the directors and managers of the Company, including the general manager and equivalent, the deputy general manager and equivalent, the associate and equivalent, the head of the finance department, the head of the accounting department, and other persons who have the right to manage the company's affairs and sign.

### Article 3

The directors and managers of the Company shall uphold a proactive, conscientious and responsible attitude in the performance of their duties, abandon self-centeredness, pay attention to team spirit, and abide by the principle of good faith.

### Article 4

The directors and managers of the Company shall conduct their official duties in an objective and efficient manner, and shall not use their positions in the Company to cause improper benefits to themselves, their spouses or relatives within the second degree of kinship.

In the event of a fund loan or guarantee between an affiliate of the aforesaid person and the Company, a transaction of material assets, or a transaction of goods (sales), the relevant directors and managers of the Company shall take the initiative to explain to the Company whether they have any potential conflicts of interest with the Company.

### Article 5

The company shall prevent its directors or managerial officers from engaging in any of the following activities:

- (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions.
- (2) Competing with the company. When the company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial

officers to maximize the reasonable and proper benefits that can be obtained by the company.

#### Article 6

The directors and managerial officers of the company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the company or the suppliers and customers.

#### Article 7

Directors and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

In the performance of their duties, directors or managers of the Company shall not request, promise, deliver or accept any form of gifts, entertainment, kickbacks, bribes or other improper benefits for the benefit of themselves, the Company or a third party. However, this does not apply if the gift or service is permitted by social etiquette and Xi or company regulations.

#### Article 8

All directors and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes.

#### Article 9

All directors and managerial officers shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws.

#### Article 10

The company shall raise awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system and make employees aware that the company will use its best efforts to ensure the safety of informants.

#### Article 11

When a director or managerial officer violates the code of ethical conduct, the company shall handle the matter in accordance with the disciplinary measures prescribed in the code, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator,

reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the company establish a relevant complaint system to provide the violator with remedies.

#### Article 12

The code of ethical conduct adopted by a company must require that any exemption for directors or managerial officers from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

#### Article 13

The company shall disclose the code of ethical conduct it has adopted, and any amendments to it, in its annual reports and prospectuses and on the MOPS.

#### Article 14

A company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors, delivered to each supervisor, and submitted to a shareholders meeting.