

Kwong Fong Industries Corporation

Measures for the Report on Illegal, Unethical and Dishonest Conducts

Revised and approved August 11, 2023

Article 1 (Basis)

This “Measures for the Report on Illegal , Unethical and Dishonest Conducts” (hereinafter, the “Measures”) is hereby established to implement the enforcement of this Company’s rules as specified in “Codes of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles”, and to encourage reports on any illegal act or violation of the foregoing rules.

Article 2 (Purpose)

This “Measures” is to foster employees of this Company to fully comply with internal “Codes of Ethical Conduct” and “Ethical Corporate Management Best Practice Principles”, and to secure both whistleblower and adverse party’s legitimate rights.

Article 3 (Designated Unit)

1. Audit : Hearing of reports by stockholders, investors, suppliers, contractor and other stakeholders.
2. Administration Department : Accept reports from directors, managers, employees, and other internal personnel.

Article 4 (Reporting Access)

Report hotline : 02-27061858

Report mailbox : kfic@kfic.com.tw

Written report : Address “28F., No. 97, Sec. 2, Dunhua S. Rd., Da’an Dist., Taipei City 106, Taiwan” Administration Department

Article 5 (Handling Procedures)

1. The informant must make a report by name through the accepting unit listed in Article 3 of these Measures, and provide sufficient information to facilitate verification, including the name, unit, professional title, date of occurrence of the incident and a description of the content.
2. When receiving a named report, the receiving unit should first confirm the authenticity of the informant, and then further clarify the intent of the report and the specific evidence.
The principle of anonymous reporting is not yet accepted, but the content of the statement can still be handled separately if it is necessary for investigation, and will be used as a reference for internal review.

3. If the report involves a general employee, it should be reported to the department head, and if the report involves a director or senior executive, it should be reported to the independent director. If the reported incident is verified to be true, if there is a risk of violating the law or immoral or dishonest behavior, it shall be punished according to the circumstances of the crime and the relevant regulations of the company, and the evidence and punishment recommendations shall be submitted to the chairman for approval.
4. In order to protect the rights of the person who reports the case and avoid retaliation against it, the Company shall provide the person being reported with an opportunity to state his or her opinions or appeal.
5. If the report is verified to be true and the circumstances are serious, the Company shall immediately make a report and notify the independent directors in writing, in addition to handling it in accordance with legal orders or relevant internal regulations.
6. The acceptance of the report, the investigation process, and the results of the investigation shall be kept in writing and kept for five years, and their preservation may be made electronically. Before the expiration of the retention period, in the event of litigation related to the content of the report, the relevant materials shall be retained until the conclusion of the litigation.
7. If the report is verified to be true, the relevant units of the company should be responsible for reviewing the operating procedures of the relevant internal control system and proposing improvement measures to prevent the recurrence of the same behavior.

Article 6 The case is verified to be true and will be disposed of in accordance with the law and relevant regulations of the company. However, if the case is verified to be fabricated by the informant, it will also be dealt with in accordance with the provisions of the previous opening.

Article 7 Whistleblower Rewards

If the whistleblower is confirmed to be true after investigation, the whistleblower will be rewarded appropriately according to the degree of contribution of the whistleblower to the company.

Article 8 Whistleblower protection

The safety of the whistleblower shall be protected, and if the whistleblower is an employee of the Company, the Company is committed to protecting the whistleblower from improper punishment as a result of the report. The relevant personnel undertaking the whistleblowing case shall keep the identity of the whistleblower and the content of the report strictly confidential. Violation of the provisions of the preceding two paragraphs shall be subject to internal punishment

depending on the severity of the circumstances.

Article 9 Report investigation avoidance system

If the person undertaking the report has a second-degree relationship with the whistleblower or the person being reported, has an interest in the matter being reported, or has other circumstances that may affect the fair investigation and handling of the reported case, the person undertaking the report shall take the initiative to recuse himself, and the person who reports or the person being reported shall also have the right to request the person to recuse himself.

Article 10 This "Measures" shall be implemented after the chairperson grants approval; the same shall apply when this "Measures" is to be amended.