

# **Cheng Fwa Industrial Co., Ltd.**

## **Procedures Governing the Application of Trading Halt and Resumption**

### Article 1 (Basis)

These procedures are formulated in accordance with Article 13-4, Paragraph 1 of the Taiwan Stock Exchange Corporation (hereinafter referred to as “TPEX”) Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities (hereinafter referred to as “the Procedures”).

### Article 2 (Purpose)

To implement confidentiality and timely disclosure mechanisms for significant information, the Company shall proactively apply to TPEX for a trading halt to provide investors with adequate time to digest information and reduce information asymmetry before 5 pm on a business day or when the Board of Directors resolves specific significant matters. Trading shall be resumed after the relevant information is fully disclosed or clarified.

### Article 3 (Compliance)

The Company's Procedures Governing the Application of Trading Halt and Resumption shall be handled in accordance with the relevant regulations of TPEX and the Procedures.

### Article 4 (Responsible Unit)

The management department of the Company is the responsible unit for handling the halt and resumption of trading (hereinafter referred to as the Responsible Unit), and according to the Company's scale, business conditions, and management needs, a management supervisor and a management personnel are appointed to handle related business.

The Responsible Unit should maintain two-way communication with the service colleagues of TPEX and apply proactively in case of any occurrence requiring halt or resumption of trading.

### Article 5 (Application for Trading Halt and Resumption)

The Company shall apply to TPEX for a trading halt one business day before disclosure or convening a Board of Directors resolution under Article 13-1, Paragraph 1 of the Procedures before 5 pm on a business day.

The Company should apply for resumption of trading with TPEX once the reasons for the trading halt have been fully explained, or there is no longer a necessity to continue the trading halt.

### Article 6 (Procedure and Final Decision-Making Authority for Applying for Trading Halt)

Before the Company prepares the agenda for the board of directors meeting or announces significant

information, the responsible unit should pay attention to whether there are matters in the previous article that should apply for a trading halt. If such situations from the previous article occur and are properly assessed to be significant, the Company should, one business day before publicly announcing or convening a board of directors resolution, attach relevant proof documents, fill out the "Trading Halt Application Form", and after being approved by the General Manager, affix the company and responsible person's seal, and fax it to the TPEX to apply for a trading halt. At the same time, it should notify the TPEX via email and telephone and inform them of the contact person's name and phone number from the Company.

If the Company, due to "emergent circumstances" (referring to special circumstances that the listed company could not reasonably foresee, such as major natural disasters, explosions, or strikes or riots occurring at the factory in the middle of the night), is unable to apply within one business day before publicly announcing or convening a board of directors resolution, it may apply to the TPEX before 7 am on the business day of the announcement or convening and provide documents substantiating the "emergent circumstances" for the TPEX to verify.

#### Article 7 (Procedure and Final Decision-Making Authority for Applying for Trading Resumption)

The Company shall, according to the results of the resolutions of the board of directors or based on the actual circumstances, proceed with the disclosure of information as prescribed by the Procedures. After that, it should attach relevant proof documents and fill out the "Trading Resumption Application Form." After being approved by the General Manager, affix the company and the responsible person's seal, and fax it to the TPEX to apply for the resumption of trading. At the same time, the Company should notify the TPEX via email and telephone and inform them of the contact person's name and phone number from the Company.

#### Article 8 (Principles of Announcement, Reporting, and Information Disclosure)

Before the application process for trading halt and the public disclosure of related information of the case, the directors, supervisors, managerial officers, employees, and others in the Company who are aware of significant internal information shall practice the confidentiality mechanism. The disclosure of significant information to the public should uphold the following principles:

1. The disclosure of information should be accurate, complete, and timely.
2. The disclosure of information should have a basis.
3. Information should be disclosed fairly.

#### Article 9 (Timing of Announcement, Reporting, and Information Disclosure)

After the TPEX notifies or announces the halt or resumption of trading information on the official website (<http://www.tpex.com.tw>), the Company should release significant messages about the halt or resumption of trading within 1 hour.

Article 10 (Board of Directors Resolution Approval and Amendment)

These procedures are implemented after being approved by the board of directors, and the same applies when amendments are made.

These procedures were established on November 9, 2015

The first amendment was on March 23, 2017