CHENG FWA INDUSTRIAL CO., LTD.

Procedures for Handling Material Inside Information

Chapter I General Provisions

Article 1 Purpose

To establish a sound mechanism for the handling and disclosure of the Company's Material Inside Information, prevent improper disclosure of information, and ensure the consistency and accuracy of information released to the public, and to prevent the Company or its insiders from violating the relevant laws and regulations governing insider trading due to unfamiliarity with applicable laws and regulations, these Procedures are hereby established for compliance.

Article 2 Legal Basis and Relevant Procedures

The handling and disclosure of Material Inside Information by the Company shall be conducted in accordance with applicable laws, regulations, orders, the rules of the Taiwan Stock Exchange Corporation, and these Procedures.

Article 3 Scope of Applicability

These Procedures shall apply to the Company's directors, managers, and employees. The Company shall cause any person who, by reason of his or her status, occupation, or controlling relationship, becomes aware of the Company's Material Inside Information to comply with the relevant provisions of these Procedures.

Article 4 Scope of Material Inside Information

The scope of Material Inside Information referred to in these Procedures shall be determined by the unit designated by the Company to handle Material Inside Information. In determining such scope, the Securities and Exchange Act and relevant laws, regulations, orders, and rules of the Taiwan Stock Exchange Corporation shall be taken into consideration.

Article 5 Designated Unit

The Company shall establish a designated unit responsible for handling Material Inside Information. Such unit shall consist of an appropriate number of qualified members in accordance with the Company's size, business operations, and management needs, including the heads of finance and accounting and the spokesperson. Its responsibilities shall be as follows:

1. To be responsible for drafting and amending these Procedures.
2. To be responsible for receiving inquiries regarding the handling of Material Inside Information and matters related to these Procedures, conducting reviews and deliberations, and providing recommendations.
3. To be responsible for receiving reports concerning any leakage of Material Inside Information and formulating appropriate response measures.
4. To be responsible for establishing a retention system for all documents, files, electronic records, and other materials related to these Procedures.
5. To handle other matters related to these Procedures.

Chapter II Confidentiality Procedures for Material Inside Information

Article 6 Information Firewall – Personnel

Persons subject to these Procedures shall perform their duties with the care of a good administrator and in accordance with the duty of loyalty and the principle of good faith, and shall execute confidentiality agreements.

Persons subject to these Procedures shall not disclose any Material Inside Information of which they become aware to any other person.

Persons subject to these Procedures shall not inquire about or collect any undisclosed Material Inside Information of the Company that is unrelated to their duties from any person who is aware of the Company's Material Inside Information. They shall also not disclose to any other person any undisclosed Material Inside Information of the Company obtained other than in the course of performing their duties.

Article 7 Information Firewall – Information

When documents and files containing the Company's Material Inside Information are transmitted in written form, appropriate protection measures shall be adopted. When such information is transmitted by e-mail or other electronic means, appropriate security technologies shall be employed.

Documents and files containing the Company's Material Inside Information shall be backed up and stored in a secure location.

Article 8 Operation of the Information Firewall

The Company shall ensure the establishment of the information firewall prescribed in the preceding two Articles and shall adopt the following measures:

1. Implement appropriate information firewall control measures and conduct regular testing.
2. Strengthen the storage and confidentiality measures for documents and files containing the Company's undisclosed Material Inside Information.

Article 9 Confidentiality by External Organizations or Personnel

External organizations or personnel who participate in the Company's mergers and acquisitions, important memoranda, strategic alliances, other business cooperation projects, or the execution of material contracts shall execute confidentiality agreements and shall not disclose any Material Inside Information of the Company of which they become aware to any other person.

Chapter III Procedures for Evaluation and Handling of the Disclosure of Material Information

Article 10 Principles Governing the Disclosure of Material Information

When the Company releases Material Information, it shall comply with applicable laws, regulations, orders, the **Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies**, relevant FAQs, and these Procedures, so as to ensure the timeliness, accuracy, and completeness of the information.

Article 11 Evaluation and Approval Procedures for the Disclosure of Material Information

Where a material decision resolved by the Company or a significant event that has occurred meets the requirements of the **Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Listed Companies**, the responsible unit shall, on the date of occurrence of the event, complete the **Application Form for the Release of Material Information** (Appendix 1) and the **Material Information Evaluation Checklist** (Appendix 2).

After obtaining the approval of the head of the responsible unit, the documents shall be submitted to the Company's designated unit responsible for Material Information for review and verification, and then submitted to the Company's spokesperson for approval. The Material Information shall be released after obtaining the approval and final decision of the General Manager within the time limit prescribed by applicable laws and regulations.

Article 12 Implementation of the Spokesperson System

Unless otherwise provided by law or regulation, disclosure of the Company's Material Inside Information shall be handled by the Company's spokesperson or acting spokesperson, and the order of succession of the acting spokesperson shall be confirmed.

Where necessary, the Company's responsible person may directly handle the matter, or an authorized person may be specifically designated to handle the matter.

The statements made by the Company's spokesperson and acting spokesperson shall be limited to the scope authorized by the Company. Except for the Company's responsible person, spokesperson, acting spokesperson, and specifically designated authorized person, no personnel of the Company may disclose Material Inside Information to external parties without authorization.

Article 13 Retention of Review and Approval Records for Material Information Disclosure

The Company's Administration Department shall serve as the designated unit responsible for Material Information and shall be responsible for the evaluation, review, approval, and release of Material Information.

Except in cases of emergency, outside business hours, or force majeure, the **Application Form for the Release of Material Information** (Appendix 1) and the **Material Information Evaluation Checklist** (Appendix 2) shall be prepared and recorded electronically and submitted to the General Manager for final approval.

The aforementioned evaluation records, approval documents, and related materials shall be retained for at least five years.

When the Company releases Material Information, the following records shall be retained:

1. The content of the evaluation.
2. The signatures or seals of the personnel responsible for the evaluation, review, and final approval, together with the relevant dates.
3. The content of the Material Information released and the applicable legal and regulatory basis.
4. Other relevant information.

Article 14 Response to False Media Reports

If the content of a media report is inconsistent with the information disclosed by the Company, the Company shall immediately clarify the matter through the **Market Observation Post System (MOPS)**.

Chapter IV Handling of Abnormal Circumstances

Article 15 Reporting of Abnormal Circumstances

If any director, manager, or employee of the Company becomes aware of any leakage of Material Inside Information, he or she shall promptly report the matter to the designated unit and the internal audit department.

Upon receiving the report referred to in the preceding paragraph, the designated unit shall formulate appropriate response measures and, where necessary, may convene the internal audit department and other relevant departments to discuss the handling of the matter.

The results of such handling shall be documented for future reference, and the internal audit department shall conduct an investigation in accordance with its responsibilities.

Article 16 Handling of Violations

In any of the following circumstances, the Company shall pursue the responsibility of the relevant personnel in accordance with these Procedures and take appropriate legal measures:

1. Any personnel of the Company disclose Material Inside Information to external parties without authorization, or violate these Procedures or other applicable laws and regulations.
2. The Company's spokesperson or acting spokesperson makes statements to external parties beyond the scope authorized by the Company, or violates these Procedures or other applicable laws and regulations.
3. Where an external person or organization leaks the Company's Material Inside Information, thereby causing damage to the Company's property or interests, the Company shall pursue the relevant legal liability through appropriate channels.

Chapter V Internal Control Procedures and Internal Education and Training

Article 17 Internal Control Mechanism

These Procedures shall be incorporated into the Company's internal control system. Internal auditors shall periodically review compliance with these Procedures and prepare audit reports in order to ensure the effective implementation of the procedures for handling Material Inside Information.

Article 18 Education and Training

The Company shall provide education and training on these Procedures and relevant laws and regulations to persons subject to these Procedures.

Education and training shall be provided to newly appointed directors, managers, and employees in a timely manner.

Article 19

These Procedures shall take effect upon approval by the Board of Directors. The same shall apply to any amendments thereto.

These Procedures were established on August 7, 2026.