Ching Feng Home Fashions Co., Ltd.
Operating Procedures for Handling Material Internal Information

CHAPTER 1 GENERAL PRINCIPLES

Article 1 (Purpose of these Procedures)

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by this Corporation, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by this Corporation to the public.

Article 2 (Material inside information shall be handled in accordance with applicable laws and regulations and these Procedures)

This Corporation shall implement its handling and disclosure of material inside information in accordance with applicable laws and regulations, the rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, and these Procedures.

Article 3 (Scope of application)

These Procedures shall apply to all directors, supervisors, managerial officers, and employees of this Corporation.

This Corporation shall ensure that any other person who acquires knowledge of this Corporation's material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.

Article 4 (Scope of material inside information)

For the purposes of these Procedures, the term "material inside information" refers to information that, with reference to the Securities and Exchange Act, other applicable laws and regulations, and the applicable rules and regulations of the Taiwan Stock Exchange Corporation or the GreTai Securities Market, is defined as material inside information by the responsible unit in charge of handling of such information and is further approved by a resolution of the board of directors.

Article 5 (Responsible unit in charge of the handling of material inside information)

This Corporation shall establish a unit charged with handling material inside information. The responsible unit shall be composed of an adequate number of competent members in accordance with the size, business conditions, and management needs of this Corporation and shall be approved by the board of directors. The unit shall have the following functions and authorities:

1. Responsibility for formulating the drafts of these Procedures and any amendments to them.
2. Responsibility for receiving inquiries in connection with the methods of handling material inside information, and for consultation, review, and recommendations relating to these Procedures.
3. Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
4. Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
5. Other activities related to these Procedures.

CHAPTER 2 MATERIAL INTERNAL INFORMATION CONFIDENTIALITY POLICIES

Article 6 (Confidentiality firewall operations - Personnel)

This Corporation's directors, supervisors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements.

No director, supervisor, managerial officer, or employee with knowledge of material inside information of this Corporation may divulge the information to others.

No director, supervisor, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.

Article 7 (Confidentiality firewall operations - Documents and information)

Proper protection of confidentiality shall be given to files and documents containing this Corporation's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as encryption or electronic signatures.

Files and documents containing this Corporation's material inside information shall be backed up and stored in a secure location.

Article 8 (Operation of confidentiality firewalls)

This Corporation shall ensure that the firewalls specified in the preceding two articles are established, and take the following additional steps:

1. Adopt adequate control measures for the firewalls and perform periodic testing.
2. Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of this Corporation.

Article 9 (Confidentiality obligations of outside organizations and persons)

Any organization or person outside of this Corporation that is involved in any corporate action of this Corporation relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material inside information of this Corporation's thus acquired.

CHAPTER 3 MATERIAL INTERNAL INFORMATION DISCLOSURE POLICIES

Article 10 (Principles of disclosure of material inside information)

The Company’s material information disclosures shall be governed by applicable laws, regulations, the TWSE Procedures for Verification and Public Disclosure of Material Information by Listed Companies, its FAQs, and these Procedures, ensuring information is provided in a timely, accurate, and complete manner.

Article 11 (Implementation of the spokesperson system)

1. Unless otherwise prescribed by law, all disclosures of the Company's material internal information shall be managed by the designated spokesperson or deputy spokesperson, with a clear order of succession established for the deputies. If necessary, the Company's chief responsible executive may directly handle the matter.
2. The communication by the spokesperson and deputy spokesperson must strictly remain within the scope of authority granted by the Company. No other company personnel, except for the responsible executive, spokesperson, and deputy spokesperson, are permitted to disclose material internal information to any outside parties without proper authorization.

Article 12 (Record of disclosure of material inside information)

The Finance Department of the Company shall be the dedicated unit in charge of material information, responsible for the evaluation, review, and submission for approval of material information. The "Application Form for the Publication of Material Information" and the "Material Information Evaluation Checklist" shall be documented in writing and submitted to the Chairman for final decision. If the evaluation or submission is conducted electronically, it shall subsequently be archived as paper documents, and the aforementioned evaluation records, approval documents, and relevant materials shall be preserved for at least five years.

The Company shall retain the following records for its external information disclosures:

1. Contents of the evaluation.
2. Signatures or seals, dates, and times of the evaluating, reviewing, and final decision-making personnel.
3. The contents of the published material information and its applicable regulatory basis.
4. Other relevant information.

Article 12-1 (Evaluation and Sign-off Process)

Where a major decision resolved or a material event encountered by the Company complies with the provisions of the "Taiwan Stock Exchange Corporation Procedures for Verification and Public Disclosure of Material Information by Listed Companies," or where it is determined through further materiality assessment that the decision or event has a material impact on the Company's finances, business, shareholders' equity, or securities prices, the responsible unit shall, on the date of occurrence of the event, fill out the "Application Form for the Publication of Material Information" and the "Material Information Evaluation Checklist." After being signed and approved by the unit supervisor, these documents shall be submitted to the Company's dedicated unit in charge of material information for review and verification, and subsequently forwarded to the Company's spokesperson for review. Upon being signed and approved by the Chairman for final decision prior to the legally mandated publication time limit, the material information shall be published as soon as possible within the legally mandated time limit.

Article 13 (Response to false media coverage)

If a media agency releases information that is in any respect inconsistent with material information disclosed by this Corporation, this Corporation shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

CHAPTER 4 PROCEDURES FOR HANDLING EXTRAORDINARY EVENTS

Article 14 (Reporting of unusual events)

1. Any director, supervisor, managerial officer, or employee of this Corporation that becomes aware of any unauthorized disclosure of this Corporation's material inside information shall report to the responsible unit and the internal audit department of this Corporation as soon as practicable.
2. Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

Article 15 (Disciplinary measures)

Should any of the following circumstances occur, the Company shall hold the responsible personnel accountable and pursue appropriate legal action pursuant to the Company's Procedures for the Prevention of Insider Trading, Code of Ethical Conduct, and applicable employee disciplinary policies.

1. Personnel of this Corporation disclose material inside information without authorization to any outside party, or otherwise violate these Procedures or any other applicable law or regulation.
2. A spokesperson or deputy spokesperson of this Corporation communicates to any outside party any information beyond the scope authorized by this Corporation, or otherwise violates these Procedures or any other applicable law or regulation.
3. If any person outside this Corporation divulges any material inside information of this Corporation, thereby causing damage to any property or interest of this Corporation, this Corporation shall pursue appropriate measures to hold the person divulging the information legally liable.

CHAPTER 5 INTERNAL CONTROL FRAMEWORK AND COMPLIANCE TRAINING

Article 16 (Internal controls)

These Operating Procedures shall be incorporated into the Company’s internal control system. Internal audit personnel shall assess the compliance status and prepare audit reports, so as to ensure the effective implementation of the operating procedures for handling material internal information.

Article 17 (Awareness campaigns)

At least once per year, this Corporation shall conduct educational campaigns to promote awareness among all directors, supervisors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

This Corporation shall also provide educational campaigns to new directors, supervisors, managerial officers, and employees in a timely manner.

CHAPTER 6 MISCELLANEOUS PROVISIONS

Article 18

These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

These Operating Procedures were amended on December 20, 2019.

The first amendment was made on November 9, 2022.