

Statement of Compliance with the “Stewardship Principles for Institutional Investors”



Shin Kong International Securities Co., Ltd. (hereinafter referred to as "the Company") is primarily engaged in the businesses of securities brokerage, proprietary trading, and underwriting, and acts as an asset owner. As an institutional investor, the Company hereby declares its adherence to the “Stewardship Principles for Institutional Investors.” A summary of its compliance with each of the following principles is provided below:

Principle 1: Establish and Disclose Stewardship Policies

The Company aims to maximize shareholder value through securities brokerage, proprietary trading, and underwriting. To this end, the Company has established internal management regulations in compliance with laws and regulations for securities and futures. The Company has also contemplated its role within the investment chain and has formulated stewardship policies. The Company discloses its annual business objectives and key management policies in its annual report, thereby fulfilling its responsibilities as an institutional investor.

Principle 2: Establish and Disclose Policies on Managing Conflicts of Interest

To safeguard the best interests of the Company and its shareholders, the Company has established a Conflict of Interest Management Policy in its “Stewardship Principles for Institutional Investors.” The policy sets forth the various forms of potential conflicts of interest and the corresponding management approaches. It is implemented pursuant to the Company’s internal control systems and relevant corporate regulations to ensure effective oversight.

Principle 3: Regularly Monitor Investee Companies

To ensure sufficient, accurate information supports investment decisions, the Company continuously monitors investee companies. This includes reviewing news, financial performance, industry outlook, business strategies, and ESG factors. In determining the information and details to be focused on, the Company comprehensively considers the purpose, cost, and benefit of each investment.

Principle 4: Maintain an Appropriate Dialogue and Interaction with Investee Companies

The Company maintains an appropriate interaction with investee companies to understand management's views on the risks faced by the industry and the corresponding strategies for addressing them, and seeks to reach consensus with the investee companies on long-term value creation.

The Company carries out these interactions annually through means such as conference calls, participation in institutional investor briefings, or representation at shareholders' meetings to facilitate communication with the management of investee companies.

When significant governance concerns arise or when the value of the Company's shareholders' interests is at risk, the Company will seek clarification from management regarding the measures taken to address these issues. Joint action with other investors may also be considered where appropriate.

Principle 5: Establish and Disclose Clear Voting Policies and Voting Results

In order to safeguard the interests of the Company and its shareholders, the Company exercises its voting rights at shareholders' meetings of investee companies—whether in person, electronically, or by proxy—with prudence, independence, and due diligence. Where appropriate, the Company will engage in prior dialogue with the investee company's management. The Company does not necessarily support proposals submitted by the management. Voting records are disclosed on the Company's official website.

Principle 6: Periodically Disclose the Status of Fulfilment of Stewardship Responsibilities

The Company annually discloses the implementation of its stewardship responsibilities through its annual report or corporate website, including among other material matters, attendance and voting activities at the shareholders' meetings of investee companies.

For more information on the Company's stewardship disclosure, please refer to:
<https://www.skis.com.tw/Stewardship>

Signature:

Shin Kong International Securities Co., Ltd.

Original Signing Date: June 22, 2018

Updated Compliance Statement Date: August 31, 2021

