

Concord International Securities Co., Ltd.
**Statement of Compliance with the “Stewardship Principles for
Institutional Investors”**

Concord International Securities Co., Ltd. (the “Company”) is principally engaged in securities brokerage, proprietary trading, and securities underwriting and operates as an asset owner. The Company hereby declares its compliance with the “Stewardship Principles for Institutional Investors.” Its implementation of the six principles is described below:

Principle 1 Establish and Disclose a Stewardship Policy

The Company seeks to maximize shareholder interests through its securities brokerage, proprietary trading, and underwriting activities. To this end, the Company has established a stewardship policy that sets forth its responsibilities to shareholders, as well as the implementation and disclosure of its stewardship activities. The Company also considers environmental, social, and corporate governance (ESG) factors as part of its investment process and incorporates such considerations into its investment decision-making.

Principle 2 Establish and Disclose a Conflict of Interest Management Policy

To ensure that the Company conducts its business in the interests of its shareholders, except as otherwise required by applicable laws and regulations, the Company has established policies and regulations to prevent and manage conflicts of interest, including the “Code of Ethical Conduct” and the “Internal Personnel Trading Management Regulations.” These policies and regulations specify the types of conflicts of interest and the measures for managing them. The principal measures are as follows:

1. The Company has established the “Internal Personnel Trading Management Regulations,” the “Management of Material Inside Information and Prevention of Insider Trading,” and the “Integrity Management Operating Procedures and Guidelines for Conduct.” These regulations prohibit Company personnel from using non-public information concerning the Company or other investors that comes to their knowledge, or information that may materially affect the trading price of securities, in any transaction or other activity involving a conflict of interest. Company personnel are also prohibited from disclosing known transaction information to any other person, thereby preventing others from using such non-public information to engage in insider trading.

2. The Company's "Code of Ethical Conduct" expressly provides for the prevention of conflicts of interest. The Company's directors and managers shall perform their duties in an objective and efficient manner and shall not use their positions with the Company to obtain improper benefits for themselves, their spouses, parents, children, or relatives within three degrees of kinship.
3. Pursuant to the Company's "Related Party Transaction Policy," personnel at all levels who handle transactions with interested parties shall act in accordance with the principle of fairness and shall avoid any situation in which their personal interests interfere, or may interfere, with the overall interests of the Company, including: a. Being unable to handle matters in an objective and efficient manner; b. Obtaining improper benefits for themselves or any person with whom they have an interest by reason of their positions with the Company; c. In addition, personnel at all levels who handle transactions with interested parties shall proactively disclose whether any potential conflict of interest exists between themselves and the Company.
4. In performing their duties, Company employees shall comply with applicable policies, regulations, and operating procedures for the prevention of conflicts of interest. The Company shall prevent conflicts of interest through measures including education and awareness initiatives, segregation of responsibilities by level, information controls, information firewall mechanisms, and supervisory and control mechanisms.
5. Through its website or annual report, the Company shall periodically or as appropriate provide shareholders with a summary of any material conflict of interest events that have occurred, including the circumstances giving rise to such events and the measures taken to address them.

Principle 3 Continuously Monitor Investee Companies

To ensure that the Company obtains sufficient and effective information to assess the nature, timing, and extent of its dialogue and engagement with investee companies, and to provide a sound basis for its investment decisions, the Company continuously monitors investee companies with respect to relevant news, financial performance, industry conditions, business strategies, environmental protection, social responsibility, labor rights, corporate governance, and other relevant matters.

Principle 4 Engage in Appropriate Dialogue and Interaction with Investee Companies

Through appropriate dialogue and engagement with investee companies, the Company seeks to gain a deeper understanding of, and communicate with, their management

regarding the risks and strategies facing their respective industries, with the aim of reaching a certain degree of consensus with investee companies regarding long-term value. Each year, the Company engages in dialogue and communication with the management of investee companies through attendance at shareholders' meetings or material special shareholders' meetings, exercise of voting rights, participation in investor conferences, and communication by telephone or in person. If an investee company materially violates corporate governance principles with respect to a particular issue or there is a risk that such conduct may impair the long-term value of the Company's shareholders, the Company will, as appropriate, inquire with the investee company's management regarding the measures taken to address the matter. The Company may also join with other investors to jointly express its concerns and demands.

Principle 5 Establish and Disclose a Clear Voting Policy and Voting Record

To maximize shareholder interests, the Company has established a clear voting policy and actively participates in voting on proposals submitted to shareholders' meetings of investee companies. The Company does not automatically support proposals submitted by management. Before attending an investee company's shareholders' meeting and exercising its voting rights, the Company shall evaluate and analyze the substance of the proposals and prepare a written report. Where necessary, the Company may engage in dialogue and communication with the investee company's management before the shareholders' meeting. Each year, the Company shall disclose a summary of its voting record with respect to investee companies, together with the reasons for voting for, against, or abstaining from each proposal. Such information shall be disclosed on the Company's website.

Principle 6 Regularly Disclose the Implementation of Stewardship

Each year, the Company shall disclose on its website information regarding its implementation of stewardship, including this Statement of Compliance and its stewardship report. The report shall include relevant stewardship information, including the Company's Statement of Compliance with the Stewardship Principles, explanations of any principles that the Company is unable to comply with, its voting activities at shareholders' meetings of investee companies, including votes for and against proposals, and other material matters.



Signatory: Concord International Securities Co., Ltd.

Date: September 29, 2020