

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE POLICY

Xiang He Management Services, Inc. and the investment funds managed by it and/or its affiliates (collectively, “Xiang He”) are committed to making sustainable investments in innovative technologies and emerging markets, primarily in the sectors of technology, media and telecommunications across China (including Taiwan, Hong Kong and Macau). Xiang He believes that venture capital sponsors can actively engage in environmental, social, and corporate governance (“ESG”)-related initiatives and, at the same time, achieve superior investment results for its investors. Xiang He also believes that embracing ESG-related initiatives enhances the reputation of the venture capital industry, which will benefit both the industry as a whole and its investors. On this basis, Xiang He has developed an Environmental, Social and Corporate Governance Management System (“ESGMS”) which will be the key mechanism through which this ESG policy is implemented.

Xiang He will observe the following principles:

- Evaluate and manage ESG impacts when developing any policy, system, service or major change initiative.
- Improve our investee companies’ operations and activities for long-term sustainable growth. Working with investee companies through board representation or other governance structures, with the goal of improving performance, building on ESG opportunities and minimizing ESG risks.
- Evaluate and take into consideration ESG risks and opportunities associated with an investee company’s operations and supply chains into the investment review and decision-making processes, to ensure ESG considerations are addressed consistently across all investments.
- Screen potential investee company’s operations against the Fund’s Exclusion List and exclude from financing those business activities that do not meet the Fund’s ESG principles.
- Review and ensure investee companies manage ESG risks in their operations in compliance with the Fund’s ESG criteria and seek opportunities to maximize sustainable outcomes. The ESG criteria include host country ESG laws and regulations as well as internationally recognized standards and guidelines.
- Monitor and evaluate ESG performance of investee companies, and regularly report on the overall ESG performance of the Fund to the Fund’s investors.
- Promptly report all ESG incidents of a material nature in its investee companies to the Fund’s investment committee.
- Communicate the ESG Policy to all Fund staff to ensure effective implementation, to all investee companies, to all Fund investors, and externally, as necessary.
- Ensure qualified staff or external experts are used to carry out the review, assessment, management, surveillance and monitoring of the Fund’s investee companies in compliance with the ESG criteria.
- Build Fund ESG capacity and train relevant Fund staff on the ESG criteria, and their roles in implementing the ESG Policy and ESGMS.
- Monitor and review the implementation of the ESGMS on a regular basis so as to assure compliance of the Fund’s operation with the ESG Policy.



Hesong Tang
Director of Xiang He Management Services, Inc.