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PING AN OVERSEAS HOLDINGS

中国平安资产管理（香港）
PING AN OF CHINA ASSET MANAGEMENT (HONG KONG)

PING AN OF CHINA ASSET MANAGEMENT (HONG KONG) COMPANY LIMITED

Climate Risk Disclosure Statement 2025

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Introduction

Climate-related risks are considered by the Securities and Futures Commission ("**SFC**") as a source of financial risk which may pose potential impact to the value of assets and therefore an investor's investments in a fund. The Amendments to the Fund Manager Code of Conduct on the Management and Disclosure of Climate-related Risks as released in August 2021 requires fund managers to take climate-related risks into consideration in their investment and risk management processes to make appropriate disclosures to investors in funds. According to this requirement, Ping An of China Asset Management (Hong Kong) Company Limited ("**PAAMC HK**", "**Company**") is being classified as a Large Fund Manager and is required to conduct climate risk assessment on an annual basis.

PAAMC HK has now completed a climate-related risk relevancy analysis and materiality assessment of all currently managed funds under its SFC Type 9 License and is hereby pleased to publish its Climate Risk Disclosure Statement. The purpose of this statement is to communicate to all PAAMC HK's stakeholders – clients, investors and peers on how PAAMC HK considers the climate across its business.

This statement summarizes PAAMC HK's key work to date for identifying, assessing, integrating and managing climate-related risks and opportunities in relation to PAAMC HK's investment. PAAMC HK is fully dedicated to promoting sustainable investment and responsible corporate governance practices in order to align with the goals and responsibilities of the Ping An Insurance (Group) Company of China, Ltd. (the "**Group**"). PAAMC HK believes that by contributing and playing an active role in the evolution of environmental, social and governance ("**ESG**") issues, PAAMC HK can create a positive feedback cycle and deliver higher investment returns for clients in the long-run.

This statement is based on three pillars: (1) Governance, (2) Investment Management and Risk Management, and (3) Portfolio Carbon Footprint Disclosure.

(1) Governance

The Board of PAAMC HK provides ultimate oversight of climate-related issues of its funds. PAAMC HK has established an Investment Committee, which is made up of senior management including Chief Investment Officer, Head of Risk Management and Head of Compliance of the Company. The Board delegated authority to the Investment Committee regarding the status and progress of efforts to manage climate-related risks for the Company's investments. The Investment Committee meets up quarterly to oversee the management of climate-related issues.

PAAMC HK has also established an ESG Office to assist the Investment Committee in compliance with the ESG related policies and objectives as well as follow up the ESG requirements set by the Group, develop fund-level climate strategy, and help identify, assess and manage climate risks and opportunities.

The Investment Committee members and ESG Office members will attend PAAMC HK quarterly Risk Management Committee meeting to give an update on the progress of the relevant ESG projects and keep PAAMC HK's management informed of any material climate-related issues.

Climate-related Governance Structure

Board of PAAMC HK

- Take ultimate responsibility of climate-related issues
- Delegate authority and responsibilities for operational process of investment management and risk management to Investment Committee
- Ensure that climate-related oversight is built into board composition, structure and process
- Set the tone for disclosure and stakeholder engagement

Investment Committee

- Assess, review and approve investment opportunities - taking climate risk into consideration and report to Board of Directors in quarterly Risk Management Committee meetings
- Oversee progress against goals for addressing climate-related issues
- Monitor closely the status and progress of efforts to manage climate-related risks for the Company's investments
- Conduct the Company's disclosures - both from a compliance perspective and from a broader climate-related communication strategy perspective

ESG Office

- Establish a guideline/instruction to be regularly informed about the status and progress of efforts to manage climate-related risks
- Develop the fund level climate strategy
- Devote sufficient human and technical resources for the proper performance of the duty to manage climate-related risks
- Set goals for addressing climate-related issues and develop action plans for managing climate-related risks
- Report climate risk management objectives, plans, implementation and progress, ESG issues and risks to Board of Directors in quarterly Risk Management Committee meetings
- Report to the Group's ESG Office on the implementation of climate risk goals and ESG related works as well as achievement on a quarterly basis

The governance structure described above is how PAAMC HK incorporates climate-related risks into the investment process. The steps taken to incorporate relevant and material climate-related risks into the investment management process and the processes for identifying and assessing climate-related risks, including the key tools and metrics used, are described in the following Investment Management and Risk Management section.

(2) Investment Management and Risk Management

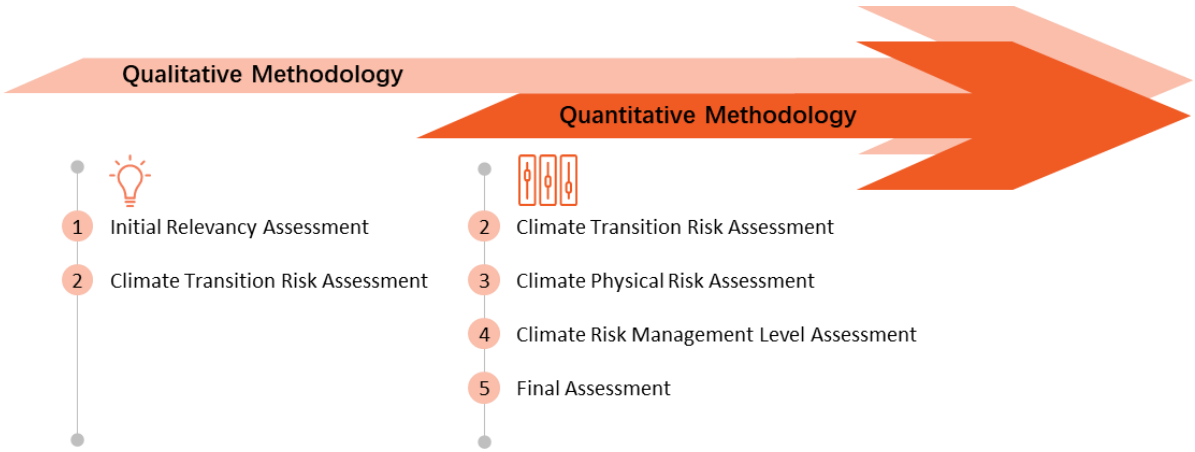
PAAMC HK has performed a climate-related risk assessment, which consists of a relevancy analysis and a materiality assessment, for all funds in which it has discretionary management ("**Managed Funds**").

According to the climate related risks assessment conducted in October 2025, 73% of the managed funds is considered to be climate risk relevant, while 13% of the managed funds are deemed to have potential material climate-related risks (Only SFC-authorized funds are disclosed below):

Fund Name	Fund Label	Relevancy	Climate Transition Risk Level	Climate Physical Risk Level	Materiality
Ping An of China Asset Management Fund - China Green Bond Fund	C	Relevant	LOW	LOW	N
Ping An of China Select Investment Fund Series - Ping An of China SIF - RMB Bond Fund	F	Relevant	HIGH	LOW	Y
Hang Seng Investment Series - Hang Seng Ping An Asian Income Fund (Bond Portfolio)	I	Relevant	MODERATE	LOW	N
Ping An of China Trust - Ping An of China CSI HK Dividend ETF (3070/9070)	J	Relevant	HIGH	LOW	Y
Ping An of China Asset Management Fund - China A-Shares AI Multi-Factor Fund	L	Irrelevant	Irrelevant	Irrelevant	Irrelevant
Ping An of China Select Investment Fund Series - Ping An Money Market Fund	M	Irrelevant	Irrelevant	Irrelevant	Irrelevant
Ping An of China Select Investment Fund Series - Ping An Stable Fund	V	Relevant	LOW	LOW	N
Ping An of China Select Investment Fund Series - Ping An Hong Kong Dollar Money Market Fund	O	Irrelevant	Irrelevant	Irrelevant	Irrelevant

We re-assessed the climate-related risk relevance and materiality of private funds, applying the methodology and process outlined in Climate Risk Disclosure Statement. However, considering clients' information privacy and confidentiality, detailed portfolio-level climate risk assessment of private funds will be exclusively disclosed to respective clients.

(2.1) Summary of Climate Related Risk Assessment



In this year's climate-related risk identification and assessment process, **PAAMC HK adopted an integrated approach that combines both qualitative and quantitative methodologies** to ensure comprehensive and robust risk evaluation.

During **the relevance-screening stage**, we first examined each product's fundamental characteristics—such as investment horizon, trading strategy, and underlying asset types—to determine whether the product exhibits material linkage to climate-related risks. This stage relies primarily on qualitative judgment and aims to identify products whose investment logic or asset attributes may be affected by transition risks or physical climate hazards, thereby determining whether they should enter the subsequent materiality-assessment phase.

For **the transition risk assessment**, we applied multiple qualitative analytical tools, including the SASB industry materiality framework, industry-level climate-related risk and opportunity assessments, and analyses of sectoral policy pressure and low-carbon technology

pathways. These methods allowed us to evaluate the structural transition risk exposure of all investee entities and their respective industries, and to assign transition-risk sensitivity ratings at both security and portfolio levels. In parallel, we employed the Youji CRMS model to calculate transition-risk VaR for all investee securities under NGFS climate scenarios. Through percentile ranking, portfolio-weighting and other statistical processes, we generated a series of quantitative indicators capturing the potential financial loss under transition-related shocks.

For **the physical risk assessment**, we likewise relied primarily on Youji CRMS to quantify the physical climate-risk VaR of all investee securities. The model covers a wide range of climate hazards—including flooding, heatwaves, drought, wildfires, and landslides. By aggregating and processing the scenario-based loss estimates, we derived a set of indicators measuring physical vulnerability and exposure levels, enabling a comparable assessment of how each portfolio may be affected by extreme climate events.

During **the final materiality determination stage**, we normalized and integrated all qualitative and quantitative indicators to ensure comparability across metrics. By combining structural exposure, scenario-based financial loss, industry sensitivity, and portfolio-level vulnerability, we arrived at the final judgement on the climate-risk materiality of each product. This integrated approach not only enhances transparency and internal consistency but also accommodates the long-term, structural, and uncertain nature of climate risks—resulting in an assessment output that is both analytically sound and operationally meaningful for risk management.

(2.2) Qualitative Segment of Climate Risk Assessment

In PAAMC's climate risk assessment work for the current year, we have utilized a combination of qualitative and quantitative analytical methods—including desk research and financial quantification—at various stages of climate risk identification and assessment. These methodologies were applied in accordance with the latest guiding policy documents, industry standards, and internationally recognized databases.

(2.2.1) Relevancy Assessment

Funds Relevancy Initial Screening

The investment strategies, asset classes, investment horizons, and other characteristics of PAAMC's products are first categorized and summarized, classifying them into traits with low climate risk relevance and those with high climate risk relevance. Subsequently, an initial screening of the products is conducted based on these relevance traits. After excluding those with no climate risk relevance, further climate risk relevance and materiality assessments are performed on the remaining products.

(2.2.2) Materiality Assessment

Funds Transition Risk Assessment

The transition-risk assessment integrates both industry materiality and qualitative risk classification to form a comprehensive measure of portfolio exposure. First, using the SASB Industry Materiality Map, we identify whether Greenhouse Gas Emissions and Energy Management are material topics for each holding's industry and derive an Industry Materiality Score through portfolio-weighted aggregation. This is complemented by a qualitative evaluation grounded in detailed industry research, regional policy signals, regulatory requirements, the fund's risk-management strategy, and issuer-level characteristics, through which each holding is classified into low, moderate, or high transition-risk levels. Weighted scores for high- and moderate-risk exposures are then calculated at the portfolio level, with high-risk industries assigned a three-times weight to reflect their substantially greater transition sensitivity. To account for variations within the same industry, risk classifications may be refined at the individual security or issuer level to ensure accuracy. The resulting Transition Risk Score provides an absolute measure of the portfolio's structural exposure to transition risks and can be further normalized using percentile ranking to derive the Peer Transition Risk Level, enabling meaningful comparison across all assessed portfolios.

Part of the Qualitative Assessment Rationale includes:

Qualitative Steps	Assessment Description
SASB Mapping	81 industries were categorized based on their materiality linkage to SASB materiality maps, specifically issues of GHG Emissions and Energy Management.
Industry Analysis	57 industries were conducted in-depth desk research with reference to updated policies and identified as low. Moderate/High transition risk level.
Industry Taxonomy Screening	Multiple major policies/taxonomy drivers were identified in the asset's operating region, acting as back up of industry transition risk analysis.
Climate Opportunity Analysis	6 Major Environmental impact issues were assessed, to identify the solidness of climate/sustainability opportunity of corresponding securities, to act as mitigation/effort on climate transition risks.

(2.3) Quantitative Segment of Climate Risk Assessment

During this year's climate risk assessment, various quantitative analytical methods were extensively employed throughout the relevance and materiality analysis of investment holdings. These methods included the Sectoral Scoring Matrix, regional climate readiness valuation (ND-GAIN-Readiness), financial impact quantification of climate transition risks/Carbon Value at Risk (CVaR), and financial impact quantification of physical climate risks.

(2.3.1) Materiality Assessment

In this year's climate risk assessment, PAAMC HK further applied climate risk models to financially quantify both transition risks and physical risks for funds identified as having climate risk relevance. By integrating climate scenario assumptions from NGFS and IPCC and utilizing a suite of economic and climate science factors—including industry factors, corporate carbon emission factors, regional factors, policy factors, and historical disaster factors—the study derived the Value at Risk (VaR) and its proportion attributable to climate transition and physical risks for investment targets across different time horizons.

This analysis produced a series of evaluation metrics, including:

Indicators	Description
Transition Percent	Using the Youji CRMS, and integrating NGFS and IPCC climate scenario assumptions, we apply a set of economic and climate-science factors—including industry factors, corporate carbon emission factors, regional factors, policy factors, and historical disaster factors—to derive the climate transition and physical risk VaR and ratios for investment assets under the NGFS Current Policy and Below 2°C scenarios at the 2050 time point. (Due to standard updates and data availability, green revenue is not defined at this stage.) These values are denoted as Transition Percent and Physical Percent. By weighing these values according to portfolio weights, we obtain the Transition Risk Indicator and Physical Risk Indicator. All of the above can be used to demonstrate the transition and physical risk exposure levels of the investment assets.
Physical Percent	
Transition Risk Indicator	
Physical Risk Indicator	
Percentile Transition Risk Percent	For the previously calculated transition/physical risk VaR (Transition/Physical Risk Percent), percentile ranks (linear interpolation) are computed against VaR values of all investment assets to obtain the Percentile Financed/Non-Financed Transition/Physical Risk Percent. Since the percentile method normalizes values onto a consistent scale, the transition and physical risk values can be directly aggregated to derive the Coefficient of Climate Risk Exposure (CCRE).This is used to compare financed and non-financed relative climate risk exposure levels across all investment assets included in this assessment. The aggregated CCRE represents the unweighted cross-portfolio risk exposure and can be used to evaluate risk exposure in cases where attribution logic fails.
Percentile Physical Risk Percent	
CCRE	
CPRE	By applying portfolio weights to the CCRE, we obtain the Coefficient of Portfolio Risk Exposure (CPRE), which measures the cross-portfolio-normalized risk exposure level of assets within the portfolio. $$\mathrm{CPRE} = \frac{\sum_{i=1}^{n} CCRE * Wi}{\sum_{i} Wi}$$ This value can also be further aggregated to evaluate the overall cross-portfolio climate risk exposure of the entire portfolio.
CMRM	Based on the regional distribution of portfolio holdings, the Readiness indicator from the ND-GAIN climate risk exposure database is directly applied, and a weighted average is calculated to generate the Coefficient of Macro Climate Risk Management (CMRM). The coefficient ranges from 0 to 1. $$\mathrm{CMRM} = \frac{\sum_{i=1}^{n} ND\_READINESS * Wi}{\sum_{i} Wi}$$ *Note: ND-GAIN does not include Macau and Hong Kong; CHN is used as a substitute for this assessment.*
CRVI	Using the formulas below, the Climate Risk Vulnerability Index (CRVI) is ultimately calculated to evaluate the portfolio's overall climate risk vulnerability under different climate scenarios. $$\mathrm{CRVI} = \mathrm{CPRE} * (1 - \mathrm{CCRM})$$

Finally, thresholds were established to conduct an assessment of climate risk materiality based on **absolute risk exposure levels** of the funds.

Funds Transition Risk Assessment

In this assessment, PAAMC HK utilized the YoujiCRMS climate risk model to measure the transition risk of investment targets. The YoujiCRMS model, aligned with national and international carbon neutrality goals, calculates carbon emission pathways for industries and companies under various scenarios. It assesses risk exposures under different combinations of RCPs and SSPs as well as NGFS scenarios, examining the impacts of transition risks stemming from short-, medium-, and long-term carbon reduction measures in phases. The model ultimately applies projected carbon prices to quantify the financial impact of transition risks on companies.

$$Transition\ Risk = Carbon\ Emission * Projected\ Carbon\ Price$$

Funds Physical Risk Assessment

During this assessment, PAAMC HK utilized YoujiCRMS to measure the climate physical risks of its investment targets. The YoujiCRMS climate risk model is an advanced tool that integrates various meteorological data, disaster data, and geo-economic data. The model is supported by a series of scientific models and theories, including General Circulation Models (GCMs) series, Regional Climate Models (RCMs) series, CMIP5 & CMIP6, Extreme Value Theory (EVT), Network Theory, Asset Pricing Theories (e.g., CAPM, Black-Scholes Model), Impact Assessment Model.

By combining satellite imaging and downscaling techniques, the model provides high-resolution analysis (industry-leading: 5m × 5m), achieving precision down to specific operational sites, outputs the Climate Physical Value at Risk (VaR) and its percentage contribution for the investment targets at the portfolio scale.

Funds Climate Risk Management Assessment

Using the geographic distribution of portfolio holdings, we directly reference the ND-GAIN Climate Risk Readiness Index, which is averaged on a weighted basis to produce the Coefficient of Macro Climate Risk Management (CMRM). The index ranges from 0 to 1. **In this Assessment, Coefficient of Climate Risk Management (CCRM) = Coefficient of Macro Climate Risk Management (CMRM).**

$$\mathrm{CMRM} = \frac{\sum_{i=1}^{\mathrm{n}} ND\_READINESS * W\mathrm{i}}{\sum_{\mathrm{i}} Wi}$$

(2.4) Scenario Analysis

In accordance with the enhanced standards applicable to Large Fund Managers whose funds are assessed to be exposed to material climate-related risks, Ping An Asset Management (Hong Kong) Company Limited (PAAMC HK) hereby assesses the relevance and utility of scenario analysis.

In this assessment, the Youji CRMS model was applied to quantify transition and physical risk VaR using 2050 as the common analysis horizon, reflecting international scenario-design practices and providing a consistent basis for evaluating long-term climate impacts. VaR was calculated under both the NGFS Current Policy and Below 2°C scenarios to capture a realistic range of transition pathways. The Current Policy scenario represents a business-as-usual trajectory, while the Below 2°C scenario reflects an accelerated decarbonization pathway with stronger policy and technology shocks. Assessing both scenarios enables us to evaluate the portfolio's sensitivity to varying transition intensities and to identify potential vulnerabilities under more stringent climate actions. Using a unified 2050 endpoint also ensures comparability between transition and physical risks, which evolve on different timescales but must be assessed within a coherent long-term framework. Overall, this dual-scenario approach enhances the robustness, interpretability, and alignment of the assessment with international climate-risk standards.

(2.5) Investment Management and Risk Management

PAAMC HK has established policies to manage climate-related risks for its investment activities. For example, PAAMC HK includes climate-related risks in the investment philosophy and investment strategies, incorporates climate-related data and considerations into its investment research and analysis process, takes reasonable steps to assess the impact of these risks on the performance of underlying investments, and proactively engages with the investee companies and fund managers throughout the investment lifecycle.

(2.6) Engagement Policy

PAAMC HK views engagement as an essential way to express and pass on commitment to ESG and green investments to portfolio companies during ownership. In the face of climate change, PAAMC HK believes that it can exert more impact on invested companies and fund managers it invests in as well as directing capital to drive decarbonization of the whole society.

To ensure its active and effective ownership position, PAAMC HK tailors the engagement approach and adapts to different natures of its diverse asset classes.

PAAMC HK prioritizes its engagement with investee companies based on 1) size of holdings, 2) duration of holding, and 3) sensitive industries/sectors to climate risks, and where feasible, with fund manager based on similar criteria.

PAAMC HK consistently monitors and assesses invested companies' climate-related performance, including but not limited to energy use and GHG data tracking, climate-related information request and climate risk assessment, at post-investment stage to identify and manage potential risks.

PAAMC HK recognizes the power of voting rights and, where feasible and applicable, will file resolutions to draw attention from invested companies on climate change subject matters. PAAMC HK also understands the power of education, and where appropriate,

will provide training to help raise investee companies' and fund managers' awareness on climate change and relevant mitigation measures.

(3) Portfolio Carbon Footprint

The portfolio carbon footprint is calculated in reference to The Global GHG Accounting and Reporting Standard for the Financial Industry published by Partnership for Carbon Accounting Financials ("PCAF") and Appendix E of Consultation Conclusions on the Management and Disclosure of Climate-related Risks by Fund Managers published by SFC.

(3.1) Methodology

Financed Emissions Calculation Methodology

For listed companies:

$$Financed\ emissions = \sum_{c} \frac{Outstanding\ amount_c}{Enterprise\ Value\ Including\ Cash_c} \times Company\ emissions_c$$

For bonds to private companies:

$$Financed\ emissions = \sum_{c} \frac{Outstanding\ amount_c}{Total\ equity + debt_c} \times Company\ emissions_c$$

$$\textbf{Attributed Emissions} = \frac{\textbf{Exposure to Sovereign Bond (USD)}}{\textbf{PPP-adjusted GDP (international USD)}} \times \textbf{Sovereign Emissions } (tCO_2e)$$

Source: PCAF, 2022, The Global GHG Accounting and Reporting Standard for the Financial Industry. Second Edition.

Portfolio Carbon Footprint Calculation Methodology

Portfolio carbon footprint	
Formula	$\sum_{N}^{i} \left(\frac{\text{Current value of investment}_i}{\text{Investee company's enterprise value}_i} \times \frac{\text{Investee company's Scope 1 and Scope 2 GHG emissions}_i{}^{@}}{\text{Current portfolio value (\$ million)}} \right)$ @ *Fund managers are encouraged to include Scope 3 GHG emissions if data is available.*
Methodology	Scope 1 and Scope 2 GHG emissions (and Scope 3 GHG emissions if available) from investments and debts are allocated to the reporting institution based on the proportional share of investment or debt in the investee company. For example, if an institution's investment represents 5% of a company's enterprise value, then that institution accounts for 5% of the company's GHG emissions. Enterprise value means the sum, at financial year end, of the market capitalisation of ordinary and preferred shares and the book value of total debt and non-controlling interests, without deducting cash or cash equivalents. For other asset classes, please make reference to the PCAF Standard in calculating the portfolio carbon footprint. The current portfolio value is used to normalise the data.
Key points + / -	+ May be used to compare portfolios to one another or to a benchmark. + Uses portfolio market value to normalise data, which is fairly intuitive to investors. + Allows for portfolio decomposition and attribution analysis. - Changes in the enterprise value of underlying companies can be misinterpreted.

Source: SFC, 2021, Consultation Conclusions on the Management and Disclosure of Climate-related Risks by Fund Managers.

(3.2) Data Source

An external GHG data vendor is tasked to provide investee company's Scope 1 and Scope 2 GHG emission data. There are three data sources, including: (1) disclosed 2024 GHG data from sustainability reports, CSR reports, CDP and other published company reports to obtain the necessary emissions data, (2) 2024 GHG data reported through third-party carbon disclosure database, and (3) where (1) and (2) are not available, carbon emission for such issuers is considered not available.

(3.3) Assumption

Currently, PCAF lacks a methodology for calculating financed emissions related to cash holdings. As a result, we have excluded cash amounts from the scope of our financed emissions calculations.

(3.4) Portfolio Carbon Footprint Disclosure

Pursuant to enhanced standards in Consultation Conclusions on the Management and Disclosure of Climate-related Risks by Fund Managers set for Large Fund Managers, PAAMC HK calculates the portfolio carbon footprints of the Scope 1 and Scope 2 GHG emissions associated with the Material Climate-related Risks Managed Funds' underlying investments at the fund level.

Portfolio Carbon Footprint

Fund Name	Year-end Date [1]	Currency[2]	Covered Assets[3] (Millions in fund currency)	Total Net Assets[4] (Millions in fund currency)	Data Coverage[5]	Covered Financed Emissions[6] (t CO2e) Scope 1+ 2	Portfolio Carbon Footprint[7] (t CO2e / USD[8] Million) Scope 1+ 2
Ping An of China Select Investment Fund Series - Ping An of China SIF - RMB Bond Fund (Fund F)	30-Jun-25	RMB	478.73	502.07	95.35%	16,312.15	244.10
Ping An of China Trust - Ping An of China CSI HK Dividend ETF (3070/9070) (Fund J)	31-Dec-24	HKD	2,068.72	2,068.72	100.00%	52,069.10	195.52

Notes:
1. A financial year end date signifies the completion of 12-month accounting period for a fund. Portfolio Carbon Footprint calculation for each of fund is aligned with the corresponding Year-end date, as appeared on corresponding annual financial statement.
2. Currency indicates the presentation currency in which each fund presents its financial statements.
3. Covered Assets indicates the amount of net assets with GHG data coverage, reported or estimated, and not excluded due to lack of recognized GHG accounting methodology.
4. Total Net Assets is displayed as appeared on financial statement of corresponding fund by the indicated year-end date. In case where PAAMC HK is responsible for managing a portion of the fund, the values are adjusted to correctly reflect the total market value of the portion of assets under management of PAAMC HK.
5. Data Coverage for a specific fund is calculated as the amount of covered assets, divided by the total net assets of that specific fund.
6. Covered Financed Emissions are calculated as the Financed Emissions related to the Covered Assets, with reference to Global GHG Accounting and Reporting Standard for the Financial Industry published by PCAF.
7. Portfolio Carbon Footprint is calculated as the financed emissions of the covered assets normalized by covered assets, rendering comparable results between different funds.
8. Presentation currency of the fund is converted to USD using the exchange rate by corresponding Year-end Date.

(4) Conclusion

PAAMC HK conducted this climate-related risk assessment with full reference to major international frameworks—including TCFD, NGFS, and IPCC—as well as prevailing regulatory requirements. By integrating both qualitative and quantitative methodologies, PAAMC HK systematically identified, measured, and evaluated the portfolio's exposure to climate transition risks and physical risks under multiple scenarios. Through industry analysis, scenario modelling, quantitative risk metrics, and an examination of portfolio structural characteristics, PAAMC HK not only assessed the current level of exposure but also carefully considered future regulatory trends, transition pathways, and associated uncertainties.

According to this year's climate related risks assessment, two funds were assessed as having potential climate related risk materiality. PAAMC HK is well-informed about the possible impact. With PAAMC HK's active risk management and engagement policy in place, the risk is deemed manageable by PAAMC HK.

PAAMC HK will closely monitor and review the risk level of each Material Climate-related Risks Managed Fund resulted from the quantitative climate risk assessment from time to time and seek engagement with portfolio companies where possible to facilitate their low carbon economy transition, and adjust PAAMC HK's future investment strategy to reduce exposure to carbon cost.

It is important to emphasize that climate risks are characterized by their long-term, structural, and uncertain nature. Model outputs are inherently influenced by data quality, scenario assumptions, and sectoral dynamics. Accordingly, the results of this assessment should not be interpreted as predictions of future performance, but rather as professional judgments derived from the current information and methodological framework. As policy landscapes, technological developments, and market structures continue to evolve, PAAMC HK will continue to refine data foundations, strengthen model capabilities, and update relevant methodologies to ensure forward-looking and robust climate risk management.

Overall, this assessment provides essential insights to support PAAMC HK's portfolio-level climate risk identification, internal risk management decisions, and subsequent disclosures. It also lays a foundation for developing green transition strategies, optimizing asset allocation, and designing risk-mitigation measures. PAAMC HK will continue to monitor policy developments, sectoral transitions, and market trends, and will further enhance the depth and transparency of future assessments and reporting.