Ark Group Holdings (Hong Kong) Limited

Disclosure on the Management of Climate-related Risks

1. Introduction

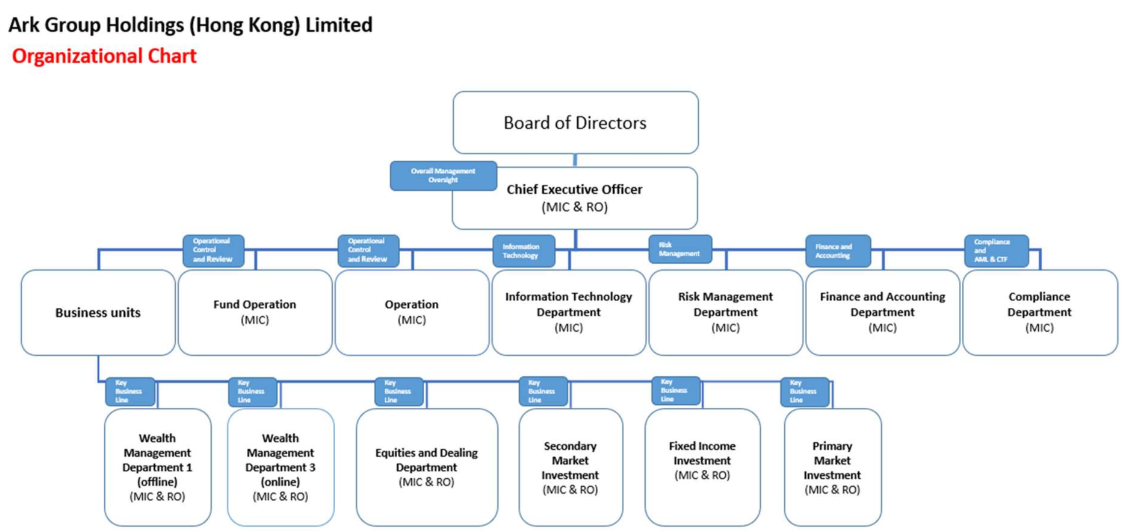
Ark Group Holdings (Hong Kong) Limited ("Ark Group" or the "Company"), a wholly-owned subsidiary of Noah Holdings Limited ("Noah Group"), is licensed by the Hong Kong Securities and Futures Commission ("SFC") for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Ark Group operate in line with the SFC's Fund Manager Code of Conduct ("FMCC") and the Circular on Management and Disclosure of Climate-related Risks by Fund Managers (the "Circular") issued in 2021, and subject to both the baseline requirements and the enhanced standards of the Circular.

Ark Group's Climate-related Risk Management Policy (the "Policy") outlines our approach to integrate climate-related risk considerations into our governance, investment and risk management processes as well as the disclosure practices at local entity level. We review the Policy and relevant disclosures on an annual basis, updating promptly for any material changes. We also ensure that our fund investors are well informed for any material updates through timely and accessible disclosures.

2. Governance

2.1. Governance Structure

Ark Group has an overarching governance structure, where the Board of Directors is the highest-ranking governing body, leading and supervising Ark Group in a responsible manner and in good faith. Our climate-related risk management is also integrated into the existing functions, as illustrated below:



Note: Senior management, including the Management in Charge (MIC) from Risk Management Team and a representative director from the Investment Team (the "Management") are assigned by the CEO to manage climate-related matters for Ark Group.

2.2. Board Oversight

The Board of Directors of Ark Group oversees our overall approach to climate-related matters, such as our strategy, management and disclosure practices, including the incorporation of climate-related considerations into our investment and risk management. The Board also reviews the Company's risk management framework, which includes our Climate-related Risk Management Policy at least annually. Climate-related matters and updates are communicated with the Board by the designated Management during the annual Board Meeting, ensuing effective oversight and accountability for all climate-related matters at Ark Group.

2.3. Management Responsibilities

The Management, consists of senior management from the Risk Management Team and the Investment Team, is authorized to supervise and monitor the integration of climate-related considerations into our operations, and to report to the Board on the status and progress of efforts on an annual basis. To ensure effective implementation and alignment with the Policy, the Management is responsible for performing the following core duties:

- Advise, review, and promote the Company's climate-related policies and initiatives;
- Review and monitor internal implementation, procedures and performance to ensure alignment with the Company's climate-related policies and compliance with regulatory requirements on climate-related management;
- Advise on climate-related goal setting and relevant action plan for implementation; and
- Coordinate internally with sufficient resources allocated for implementation and inform the Board on the status and progress of efforts to manage climate-related risks.

Relevant functional departments are involved in implementing climate-related initiatives to ensure that climate-related risks are properly managed and monitored in Ark Group's day-to-day operations. Risk Management Team and Investment Team identify, assess, manage and monitor climate-related risks for funds under managed at the portfolio level through climate risk assessment at least annually. Progress and findings are reported to the Management on a regular basis.

3. Investment Management and Risk Management

3.1. Relevance and Materiality of Climate-related Risk

For Ark Group's managed funds, we take steps to incorporate climate-related risk considerations into our investment management process at fund level by identifying and assessing any relevant and material physical risks and transition risks of our investment strategies and portfolios through a Relevance and Materiality Assessment at least annually.

We conduct an annual Relevance and Materiality Assessments by:

- Reviewing the nature of each fund's investment strategy and time horizon of investment to determine its relevance to climate-related risks; and
- Assessing the materiality of climate-related risk impacts through a qualitative, bottom-up approach, incorporating geographic and sector analysis of underlying investments based on available data and external tools (e.g. SASB Materiality Map); and
- Reviewing findings regarding relevance and materiality of climate-related risks at portfolio level.

We maintain proper documentation and records on the assessment results and carry out periodic re-evaluation at least annually. Based on our latest assessment of our investment portfolio for 2024, climate-related risks have been assessed to be relevant to our investment strategies and fund under management. Ongoing monitoring is expected to be part of our annual routine practice. Material changes on the assessment results will be timely informed to our fund investors. Any exceptions of irrelevant in-scope funds or investment strategies will be disclosed.

3.2. Incorporation of Climate Risk in Investment Management and Risk Management

For funds deemed relevant and materiality to climate-related risks, we take further steps to carry out a qualitative Climate-related Risk Assessment ("CRA") to assess the risk exposure and impact level of both transition risk and physical risk as part of our investment and risk management processes.

<table>
<tr><th colspan="2">Assessment Tool</th><th>Key Data Type for the Portfolio Climate Risk Score</th><th>Source/ Reference</th></tr>
<tr><td rowspan="2">Climate-related Risk Assessment (CRA)</td><td>Transition Risk</td><td>• Investment size/ market value
• Industry classification</td><td>SASB Materiality Map</td></tr>
<tr><td>Physical Risk</td><td>• Investment size/ market value
• Geographic location</td><td>ThinkHazard! physical hazard tool</td></tr>
</table>

The Portfolio Climate Risk Level in terms of Low, Medium or High of each fund is assessed by the Risk Management Team at least annually and provided to the Investment Team to ensure climate-related risk considerations are embedded into the investment and risk management processes in daily operations. Results are also reported to the Management, who reviews and monitors the overall climate-related risk profile and performance of funds, ensuing the overall climate-related risk management processes are effectively implemented and in place.

Climate-related risks are incorporated into Ark Group's broader risk management framework alongside other risk categories, which are regularly identified, assessed, managed and monitored throughout our investment and risk management processes.

We extensively review and monitor the climate-related risks of the portfolios of our funds under managed, including physical risks, transition risks and portfolio carbon footprint at least once a year. Portfolio carbon footprints are evaluated on an annual basis to understand the exposure of the underlying investments to climate-related risks. The portfolio carbon footprints of Scope 1 and Scope 2 greenhouse gas (GHG) emissions associated with the underlying investments is calculated based on available data or reasonable estimation. The calculation results, methodology, underlying assumptions, limitations, and the proportion of investments covered are also specified as part of the annual fund-level disclosure.

3.3. Engagement Policy

Ark Group is committed to the practice of responsible investment and incorporating climate-related considerations, into investment strategies and operational processes. We maintain sufficient communication with various stakeholders (including but not limited to investors, fund managers, investee companies, etc.) through various channels, such as meetings, questionnaire and annual disclosure as appropriate. Through engagement with investee companies and industry asset managers on climate-related topics, we aim to expand our influence, encourage positive behaviours, and enhance awareness of climate-related risks across the industry.

Our engagement priority to investee companies is subject to funds' investment strategies and investment portion in the investee companies. Where material or high climate-related risks are identified, we prioritise engagement with the relevant investee companies and, where necessary, establish additional communication mechanisms. During our due diligence process, we collect information on the investee's climate risk exposure, awareness, policies, and management approaches to deepen our understanding of the associated risks. If climate risks exceed the risk tolerance of the relevant fund, we will attempt to engage with the investee to further understand their risk profile and support them in grasping the latest ESG market trends, including climate-related matters.