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2024

Sustainability Report

COSTONE ASSET MANAGEMENT CO., LTD.

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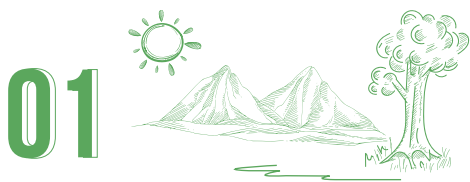
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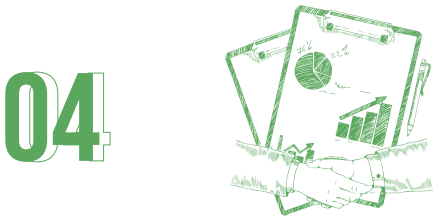
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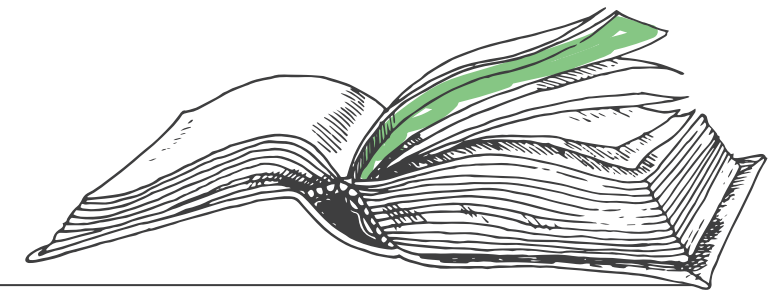
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About the Report



Description of the Report

CoStone Asset Management Co., Ltd.(“CoStone Capital” , “CoStone” , “the Company” or “we”) has officially released its 2024 Sustainability Report (“the Report”), which is designed to demonstrate CoStone Capital’s sustainability-focused performance and practices for the year 2024 to all stakeholders in an open and transparent manner.



Reporting Standards and Principles

The Report is compiled in accordance with the GRI Standards issued by the Global Reporting Initiative, the United Nations 2030 Agenda for Sustainable Development, the ISO 26000:2010 Guidelines for Social Responsibility issued by the International Organization for Standardization, and other relevant documents, and in conjunction with the actual situation of the Company. The domestic standards refer to the People’s Bank of China and other organizations. Domestic standards refer to the Guiding Opinions on Building a Green Financial System issued by the People’s Bank of China and other organizations, the Green Finance Guidelines for the Banking and Insurance Industry issued by the former China Banking and Insurance Regulatory Commission (CBIRC), the Guidelines on Green Investments (Trial) issued by the China Funds Association, the Shenzhen Special Economic Zone Green Finance Regulations, the Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation), the Appendix C2 Environmental, Social and Governance Reporting Guidelines to the HKEX Listing Rules, the Social Responsibility Guidelines (GB/T 36000), the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), etc. for preparation.



Access to the Report

The Report is published electronically and can be accessed through the CoStone Capital website and WeChat official account.



Description of the Data

All data cited in the Report are derived from official documents, statistical and financial reports of CoStone Capital, as well as public information from investees.



Reporting Scope

The Report covers the results of CoStone Capital’s ESG work for the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as “the Reporting Period”), with some references to previous years’ investment projects and progress updates.



Disclaimer

The investment case studies cited in the “Empowering the Responsible Investment Ecosystem with entrepreneurs” section of the Report are intended only to illustrate CoStone Capital’s sustainable investment practices and are not intended to be indicative of the current or future CoStone portfolio. The information on sustainable investment case studies was obtained from publicly available sources or provided by CoStone Capital. While such information may be deemed reliable, CoStone Capital does not guarantee the completeness or accuracy of the information, and likewise does not guarantee that such investments will be profitable now or in the future. The information provided in this section is for informational purposes only, and the opinions expressed therein, as well as any descriptions thereof, are not to be relied upon in any way as a recommendation, purchase, or sale advice of funds, equity products, or other underlying assets that may be invested in.

The investment case images in the Report are from the investee’s official website, and the rest of the images have been purchased through professional channels for use of copyright.

Chairman's Statement



ZHANG WEI
Chairman of CoStone Capital

In the observable universe, there are more than one trillion galaxies;
In the Milky Way galaxy, there are more than one hundred billion stars;
Among the planets orbiting these stars, there are billions that may harbor life;
Yet, so far, we have only discovered the miracle of life on this blue planet.
If there is only one Earth, can we recreate another?

In the 1980s, the ambitious “Biosphere 2” project was launched in Arizona, USA. The project, completed in 1991 after eight years of development, spans 1.27 hectares and encompasses diverse ecosystems including tropical rainforests, deserts, savannas, mangrove wetlands, and marine habitats. It is home to over 3,800 species. Scientists hoped to explore how humans could survive in a completely enclosed artificial ecosystem and ultimately replicate “Biosphere 1” —Earth.

However, both enclosed experiments ended in failure. The most fatal challenge was the inability to maintain the balance of air composition—the intricate interactions between plants, animals, soil, oceans, and microorganisms were far beyond human ability to plan and regulate. Issues such as water cycles, agricultural systems, and biodiversity also remained unresolved.

This story reminds us of Earth’s preciousness and the limits of human ability. Even with the rapid development of artificial intelligence today, fully simulating the complexity of Earth’s ecosystem is still far beyond the limits of computational power. While striving to invest in technology promoting good, we should always maintain respect and appreciation for nature—the web of nature is more complex, intelligent, and powerful than any system we can weave.

The complexity and greatness of ecosystems also reflect another grand system in human society—the market. As Hayek explained, “It is indeed the source of the superiority of the market order, and the reason why... Its true strength lies in its ability to allocate resources by leveraging vast, specific factual knowledge—knowledge that is widely spread among countless individuals and cannot be fully possessed by any single person. Just as countless small elements together maintain the vast ecosystem, countless small individuals collectively build an efficient, agile, and prosperous human society.

Practicing ESG is just the same. As part of Earth, CoStone Capital is committed to protecting our shared home, minimizing the negative impacts of our activities, and working to enhance the public good. As part of the market and an equity investment institution, CoStone Capital is dedicated to investing in green industries to support the achievement of the dual-carbon goals; focusing on the technology sector to improve efficiency and reduce emissions; deepening efforts in various regions to promote regional economic development; and empowering small and medium-sized enterprises (SMEs) to foster the growth of the private economy.

For over two decades, CoStone Capital has consistently adhered to the direction of Drucker’s philosophy, actively fulfilling its corporate social responsibility and being a responsible corporate citizen. Looking ahead, we will continue to uphold the ESG visions, move forward with the times, and coexist harmoniously with nature!

About CoStone Capital



Corporate Overview

CoStone Asset Management Co., Ltd. has more than 20 years of investment management experience and is among the first tier venture capital institutions in China. We have long been committed to equity investment in Chinese innovative enterprises and growth-stage enterprises, and closely track key industries such as advanced manufacturing, medical services, consumer services, cultural media, and green & environmental protection. In recent years, our investment has been focused more on technology and medical care, giving birth to a series of industry leaders and sub-industry leaders. The asset types managed by CoStone Capital cover the entire equity investment industry chain, including angel, VC, PE, M&A, PIPE, secondary market for private securities and other types of investment funds. The investment stages cover the entire life cycle of the enterprise. Headquartered in Shenzhen, CoStone Capital has 9 offices across the world, which are located in Shenzhen, Beijing, Shanghai, Nanjing, Hefei, Changsha, Wuhan, Hong Kong and Silicon Valley, respectively, providing professional asset management services for investors and investee companies.



CoStone's Philosophy

To be the organizer of the industry chain, to construct entrepreneurial society, and to contribute national innovation power



To empower partners, to invest in technology promoting social good, and to become a respected Chinese venture capital institution

To gain foresights in dedication, and to present generous returns for trust



Sustainable investment

Gain foresights in dedication and present generous returns for trust



Human capital

Protect the rights and interests of employees, attach importance to the development of employees' ability, and create a simple and happy corporate culture



Green office

Undertake environmental responsibility, promote green office practices, and encourage green travelling



Public welfare

Practice corporate social responsibility and actively participate in social welfare undertakings

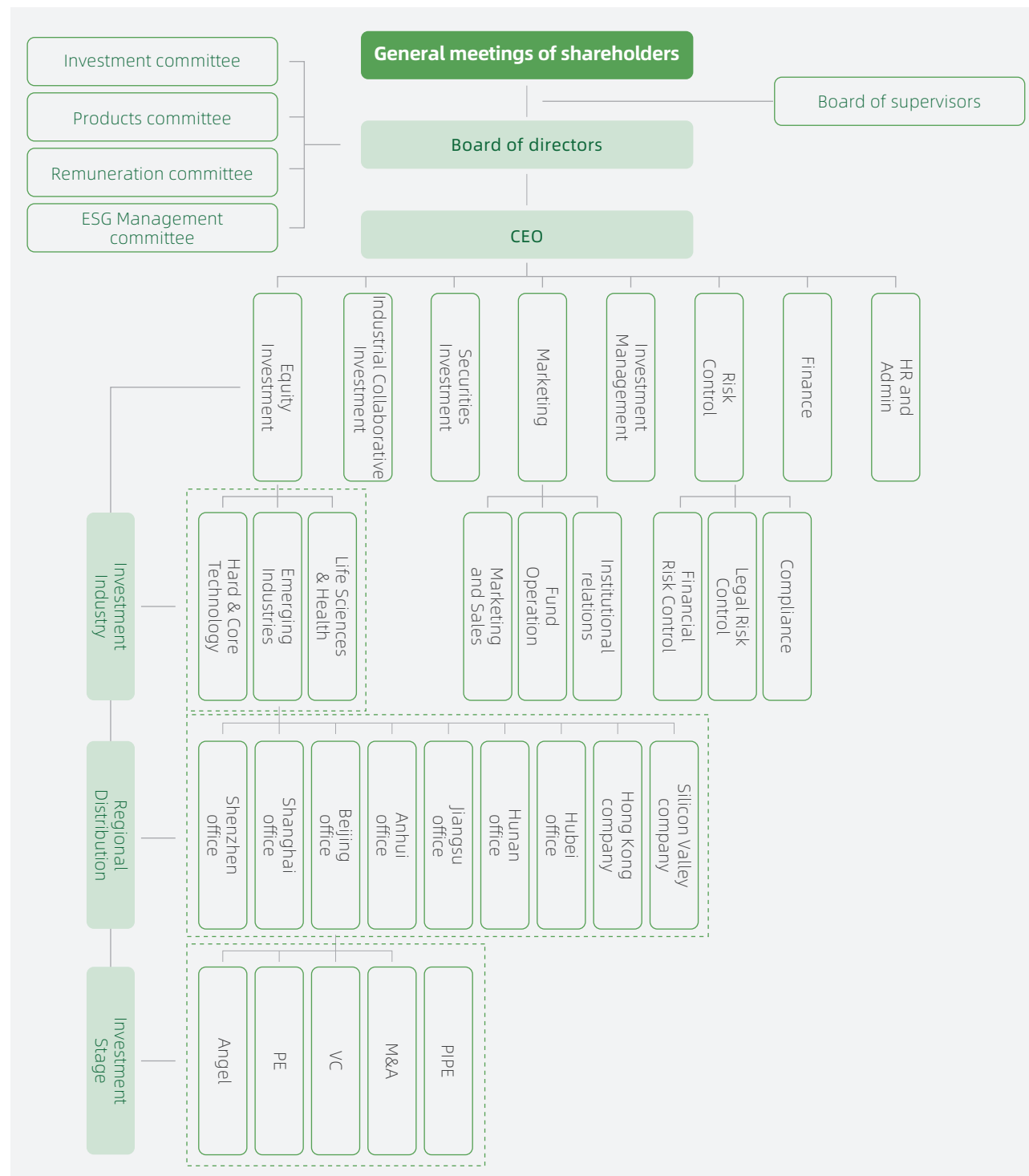


Operation management

Operate in compliance with laws and regulations and strengthen investor management and digital construction to build the core competitiveness of enterprises

Organizational Structure

We consistently uphold the concept of sustainable development, with the core goal of creating long-term corporate value and sustainable returns, while constructing a comprehensive organizational structure and management system. By deeply integrating ESG visions into the Company's daily operations, we continuously optimize resource allocation to achieve long-term growth in investment business and corporate development, driving the coordinated development of the economy, environment, and society.



Advancing Sustainable Development: A Strategic Journey Toward the Future

ESG ESG Management

Supporting the UN Sustainable Development Goals

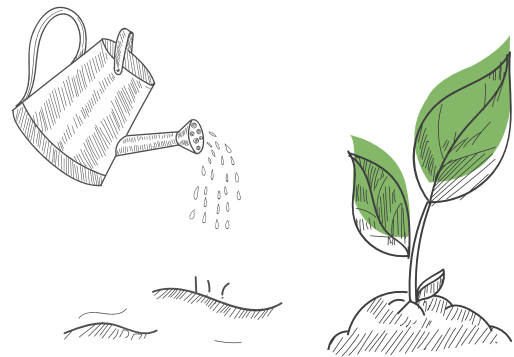
In September 2015, the United Nations' 193 member states adopted Sustainable Development Goals (SDGs) on behalf of the international community, including 17 individual SDGs and their 169 sub-goals. The SDGs call for all countries to act, promoting economic prosperity while protecting the Earth. The goals highlight that eradicating poverty must be pursued alongside a series of strategies, including promoting economic growth, addressing social needs such as education, health, social protection, and employment opportunities, combating climate change, and protecting the environment. The realization of 17 SDGs and 169 sub-goals entails the involvement of all countries, non-governmental organizations, enterprises and investors.

Recently, in active response to UN SDGs, CoStone Capital pays constant attention to sustainable investment opportunities in strategic emerging industries, including artificial intelligence, semiconductor, intelligent automotive, life sciences, green technology, etc. and implements relevant investment strategies. CoStone Capital integrates the SDGs into its day-to-day management and operations, responding to the SDGs through specific measures such as environmental protection, energy conservation and efficiency, responsible hiring, and social co-construction, covering a total of 11 SDGs from its managed fund investment projects and operational processes.



Sustainable development philosophy

CoStone Capital actively advocates and practices the concept of sustainable development, with the goal of creating long-term value and sustainable returns for the Company, formulating relevant strategies and implementing corresponding systems, and integrating environmental, social responsibility and corporate governance into the Company's day-to-day operations and investment decisions, with the aim of better controlling risks, creating long-term sustainable returns, and bringing positive benefits to the environment and the society, so as to realize sustainable returns for our investors and long-term value for the Company.



Sustainable development management framework

CoStone Capital understands that the establishment of a management structure and the implementation of management responsibilities are the foundation of sustainable development. In 2022, CoStone Capital officially set up a sustainable development management structure, established a three-tier management structure with the Board of Directors as the highest decision-making body, the ESG Management Committee composed of the heads of each department, and each management department as the ESG Working Group. The Board of Directors coordinates and grasps the overall direction of the Company's ESG and supervises the implementation of major ESG matters; the ESG Management Committee fully identifies and studies ESG-related risks and opportunities through scientific, professional and systematic methods, Provide strategic recommendations to the Board while guiding the ESG working group with actionable management strategies and overseeing their implementation. The ESG Working Group actively implements the strategies and reports the implementation status to the ESG Management Committee on a regular basis, thus systematically improving the Company's sustainable development governance capability, being responsible for investment decisions, employee rights and interests, environmental protection and other related performance, and guaranteeing the smooth implementation of CoStone Capital's ESG work.

- Participate in the deliberation and decision-making of major ESG matters of the Company;
- Develop the Company's ESG management philosophy and objectives, and regularly check and review the implementation.

Chairman of the Board of Directors: Zhang Wei

- Identify ESG-related risks and opportunities of the Company;
- Consider ESG management policies and work plans;
- Oversee the implementation of the Company's ESG affairs;
- Provide ESG management advice to the Board of Directors.

Partner and CEO: Wang Qiwen
Partner: Tao Tao
Secretary of the Board and GM of Investment Management Department: Song Jianbiao
Executive director of Marketing Department: Wu Lishan (Female)
Deputy-GM of HR and Admin Department: Ma Yami (Female)

- Carry out strategies and policies initiated by the ESG Management Committee;
- Prepare ESG reports;
- Report to the ESG Management Committee on developments of ESG activities;
- Manage costs and resources incidental to the Company's ESG commitments.

ESG Working Group: Professionals in investment management, public relations, HR and admin, internal audit and finance departments

Board of Directors

Highest decision-making body of ESG management

ESG Management Committee

Practice ESG strategies and formulate ESG systems

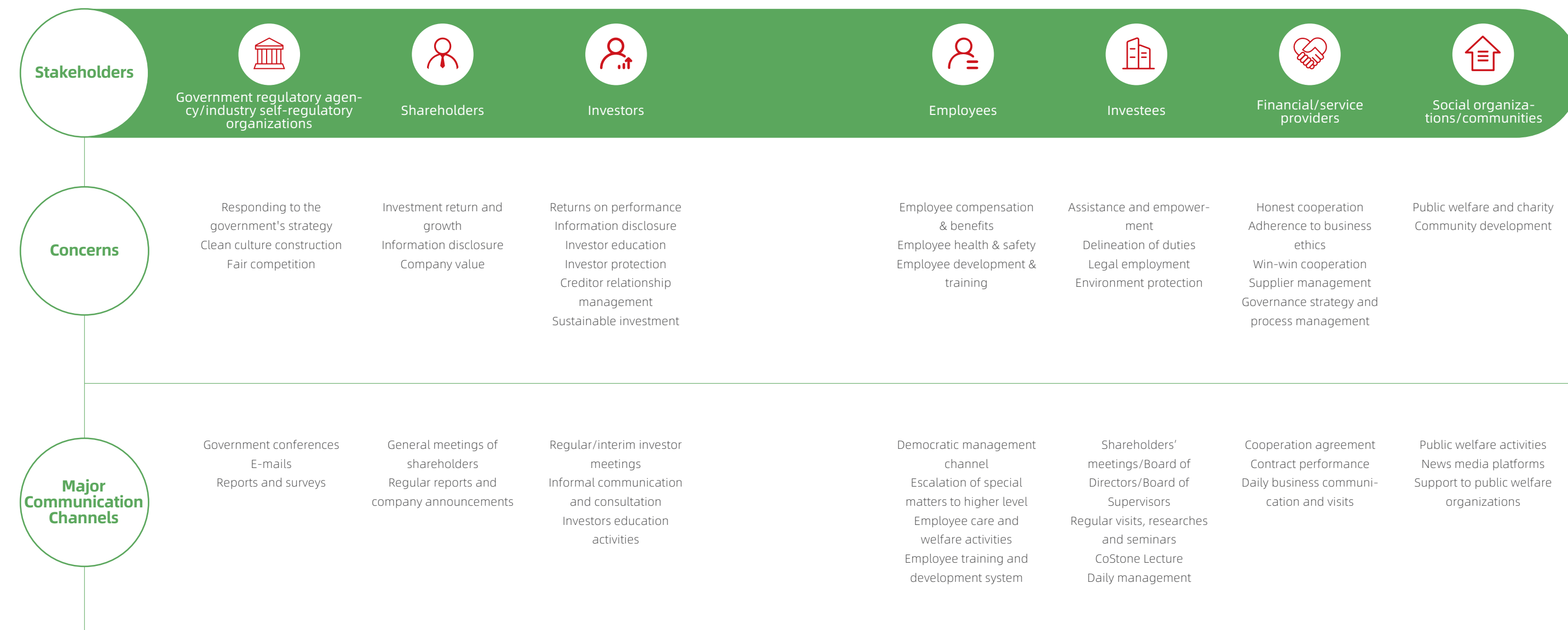
ESG Working Group

Implement ESG targets and action plans

Stakeholder Engagement

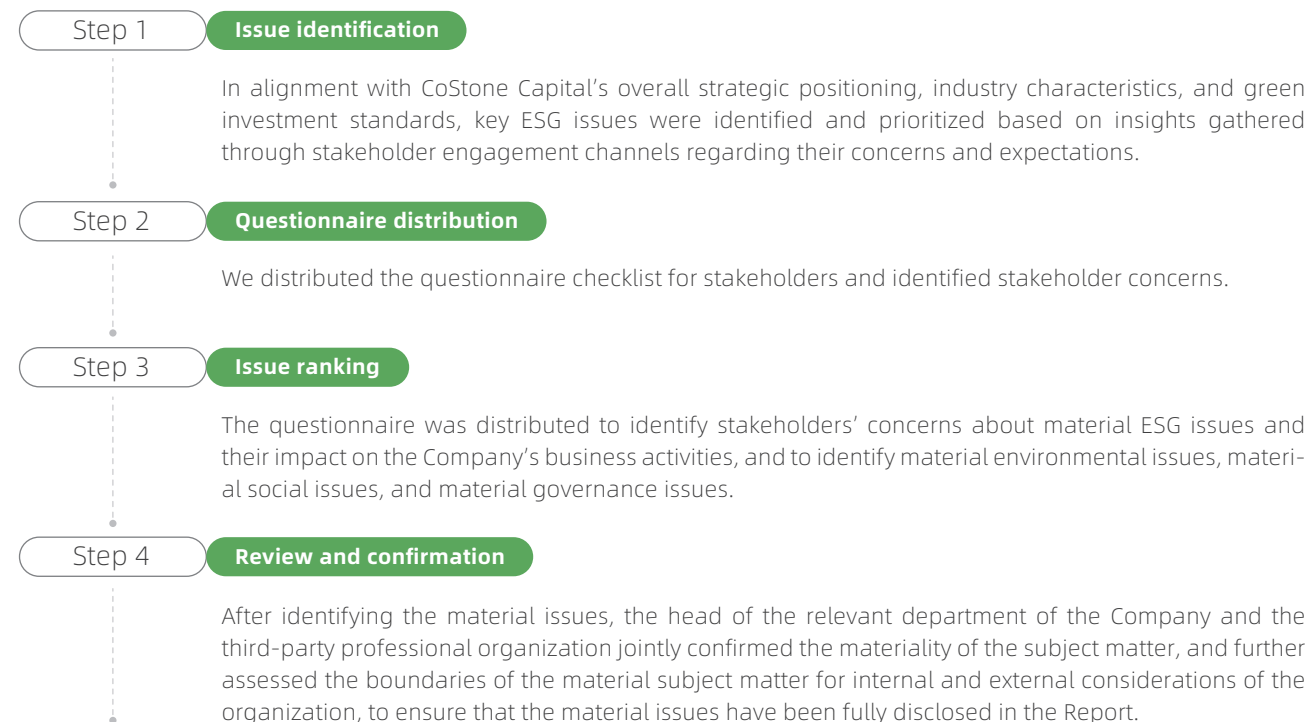
Stakeholder communication

CoStone Capital places weights on communication with stakeholders and maintains active communication with governments' regulators/industry self-regulatory organizations, shareholders, investors, employees, investees, financial/service providers, social organizations/community and public welfare organizations, trying to turn stakeholders' expectations and demands into its own goals and actions for sustainable development and establishing multi-level and all-around communication channels. Meanwhile, it leverages the news media and the Internet to understand and address the concerns of stakeholders in a timely manner, ensuring smooth communication with all stakeholders.



Analysis of Material Issues

To truly understand and respond to stakeholders' expectations and demands, as well as to clarify the focus of ESG practices and information disclosure, CoStone Capital conducted a questionnaire survey to identify ESG-related issues that reflect significant environmental impacts or have a material impact on stakeholders' assessment and decision-making. At the same time, internal and external stakeholders were invited to participate in identifying ESG issues and conducting materiality assessments.



CoStone Capital has fully carried out the identification and assessment of material issues in conjunction with its sustainability management system and business development. The Company has distributed research questionnaires to internal and external stakeholders (e.g., Government regulatory agency and industry self-regulatory organizations, shareholders, financial or service providers, investors, investee companies, social organizations or communities, and employees). The 21 material issues were analyzed to determine the importance and priority of the issues, resulting in a materiality matrix. We gained an in-depth understanding of stakeholders' concerns about the issues, and gradually improved the Company's sustainable development management and practice.

Materiality	Environmental	Social	Governance
Highly important		13 Data security and customer privacy protection 14 Customer service management 16 Employee hiring and compensation 19 Local economic development	2 Risk management mechanism 3 Sustainable investment 6 Stakeholder communication 8 Investor protection
Important	9 Green finance development 10 Response to climate change 11 Resource consumption management 12 Waste disposal	15 Employee development & training 17 Employee health & safety 18 Supply chain security 21 Social contribution	1 ESG management 4 Anti-commercial bribery and anti-corruption 5 Anti-unfair competition 7 Creditor relationship management
Normal		20 Rural revitalization	

CoStone Capital's Materiality Matrics in 2024



ESG Investment

ESG investment criteria

Sustainable investment constitutes the fundamental purpose, long-term strategy and solid foundation for the investment business of CoStone Capital. CoStone Capital always upholds the values of free market and human civilization, devotes itself to advocating entrepreneurship and fostering the entrepreneurial society. CoStone remains committed to angel investing, mission-driven philanthropy, and investments in technological innovation, SME growth, industrial upgrading, and low-carbon, environmentally responsible sectors. As a pioneer in sustainable investing, CoStone aims to contribute to the establishment of a national economic system characterized by green, low-carbon, and circular development.

ESG investment concepts



Targeted guidance

We believe that the private economy is a strong internal driving force for promoting innovation, expanding employment, and fostering sustainable economic growth. We should provide targeted guidance and responsible management of diversified social capital, including state-owned capital, support high-quality private enterprises, develop emerging industries, and promote balanced regional economic development in alignment with national strategies.



Concentrated investment

We practice ESG ideas in investment, with a focus on premium projects of new energy, environmental protection, carbon neutrality, biomedicine, synthetic biology, etc. that are characterized by state-of-the-art technologies, and strike a balance of social, ecological and economic benefits through influencing ESG practice of enterprises in the investment portfolio.



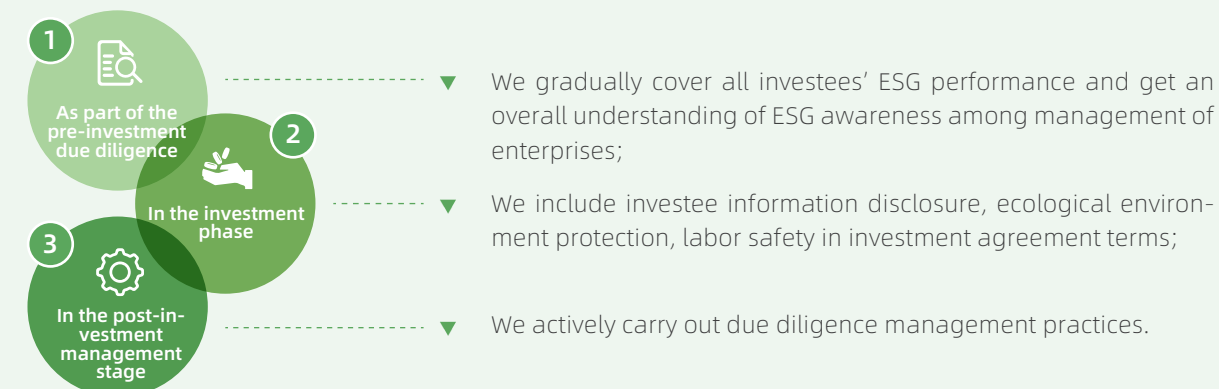
Customized services

We proactively get involved in the strategy formulation and operations of investees, constantly and precisely introduce advanced management thinking, empower enterprises in terms of corporate operation, management and capital operation, encourage the formulation and implementation of corporate governance standards for sustainable value creation, and offer sustained support to leading companies to generate more value and go from Good to Great.

ESG investment decision-making criteria

To advance responsible investment in an orderly manner, CoStone Capital leverages its extensive investment experience over the years to set up an indicator system for ESG investment decision-making centering on environmental, social and governance aspects, and incorporates the system into industrial analysis, preliminary screening, due diligence, risk management and other links related to underlying investment, for the purpose of making final investment decisions. In selecting the underlying investments, we attach great importance to industries highly relevant to ESG concepts and enterprises with positive contribution to the society, and keep abreast of ESG rating and related changes of underlying investments. We will consider avoiding or removing investments that exert significant negative impact on ESG indicators after prudent assessment, in an effort to avert investment risks and create economic benefits while generating more social benefits and discovering long-term investment value in enterprises.

CoStone Capital is comprehensively reinforcing the building and management of the sustainable investment system and refining the indicator system for ESG investment decision-making.



We actively participate in the ESG governance of investees through proxy voting and company participation, creating value for investors while urging and assisting investees to enhance their ESG management awareness and level and promote green and sustainable development.



ESG investment flow

Sustainable investment flow

We actively integrate ESG visions with investment-decision making and operation management and constantly embed ESG considerations into our sustainable investment circle of “Fundraising, Investment, Post-investment management and Exit” through optimization of processes and formulation of rules and systems.

Fundraising phase

Rigorous compliance

We rigorously follow financial regulatory requirements, proactively discharge responsibilities of risk warning and anti-money laundering, conduct specific target identification, investor appropriateness review and eligible investor certification. In the course of fundraising, we take initiative to reach investors showing preference for sustainable investment, fully reveal the corresponding investment risks, provide practical investment opportunities, avoid excessive marketing and offer a cooling-off period.

Interests alignment

In market-oriented funds we established, CoStone Capital implement strict co-investment policy, with the average co-investment ratio of main funds over 5%, to ensure the interests alignment of fund managers and investors and to forestall ethical risks of teams.

Investment decision-making

Research ahead

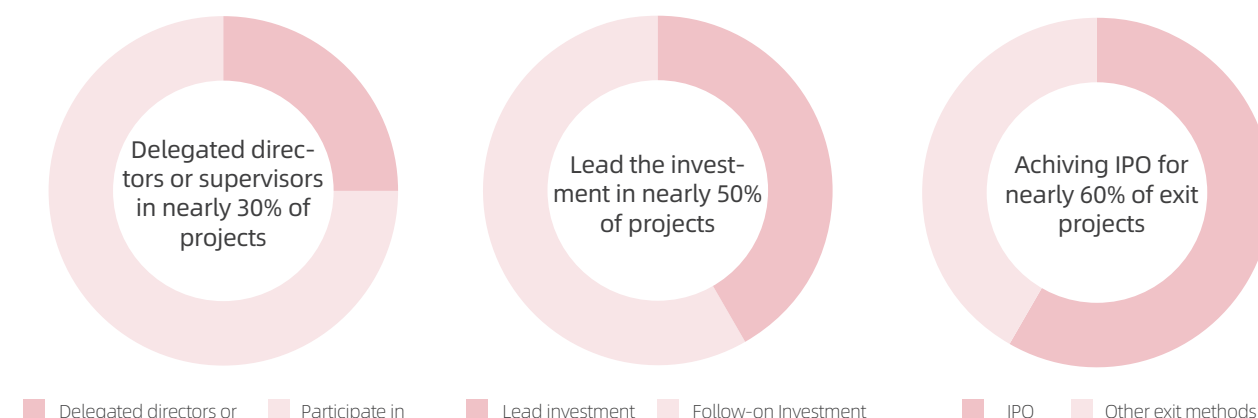
We implement ESG investment decision-making criteria with a focus on entrepreneurship of investees' actual controllers and regard environment, society, economic growth and other sustainability factors as key considerations for project selection and evaluation; we, on the basis of in-depth industrial analysis and professional due diligence, take a closer look at industries from top to bottom, and accurately predict where the industries will go to make arrangements early.

One person one vote

Each fund of CoStone Capital owns a standalone investment decision-making committee which makes decisions based on independent opinions of risk control and internal audit departments. The investment decision-making committees closely follow the rule of “one person, one vote” and strive to refine decision-making and governance structure of the funds.

ESG risk management

To actively practice the concept of sustainable development and effectively prevent and mitigate ESG-related risks, the Company has established a dedicated risk control department, which independently performs ESG risk control and supervision functions before, during and after the projects in accordance with the division of labor. CoStone Capital pays special attention to environmentally sensitive industries such as energy, agriculture, biodiversity, climate change, forestry, mining, oil and gas, etc., in terms of project risk control standards, industry concentration, due diligence requirements, and audit processes, avoids projects with large potential negative impacts on the environment, controls the concentration of high-risk industries, and raises the due diligence requirements of the relevant projects, and provides special explanations of the relevant issues in the project audit process. The Company will strictly verify whether the projects comply with the industrial policies of both the country and the project's location, preventing funds from being used in the areas of backward production capacity that are prohibited by laws and regulations.



Diverse channels

We continuously offer all-around advice and help to enterprises regarding corporate management, business expansion, sustainable development, etc. The project exit methods are primarily public offerings in China or abroad, supplemented by diverse methods such as M&A, transfer and redemption.

Risk management

We keep a close eye on compliance of our projects, focus on ESG progress of businesses and their sustainable development performance, integrate their ESG performance into post-investment project management standards, encourage active disclosure of annual performance and contribute to the goal of climate change responses.

Value-added

Post-investment management and investment businesses are equally important to us. In this regard, we send personnel to the board of directors and board of supervisors of over 30% investees to optimize their corporate governance structures, advice on ESG matters to be improved, and upgrade capabilities of corporate compliance governance; with the aid of “CoStone Lecture”, “CoStone Book club”, and external advisers, we share cutting-edge management experience and step up enterprises' abilities of sustainable development; we assist in business expansion and financing, help expand enterprises' network, drive the building of investor networks and partner relationship, and facilitate high quality M&A and outbound investments.

Project exit

Post-investment management

01

Fostering Ecological and Economic Resilience through Sustainable Investment

CoStone Capital practices the concept of green and low-carbon development by integrating investment practices with operation management. We optimize resource use and emission management during operations, continuously increasing investment in the green and low-carbon sector. Through practical actions, we promote the collaborative progress of economic growth and ecological protection, contributing financial strength to achieve harmonious coexistence between human beings and nature.

Material issues addressed in this chapter:

Green finance development

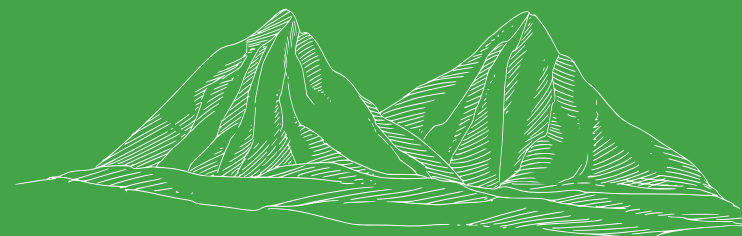
Response to climate change

Resource consumption management

Waste disposal



SDGs addressed in this chapter:



Response to Climate Change

Governance

CoStone Capital refers to the Task Force on Climate-related Financial Disclosures (TCFD) framework and technical guidelines, focusing on governance, strategy, risk and opportunity management, and metrics and targets to manage climate change. CoStone Capital uses a sustainable development management framework¹ as a benchmark, treating climate change-related matters as part of ESG. These are integrated into the three-tier management structure. We explore the systematic inclusion of climate change risks and opportunities in investment strategy construction and portfolio risk management processes to enhance the climate resilience of investment decisions.

Strategy

Climate change has a significant and far-reaching impact on global society and economic development, and has become an environmental issue of high global concern. In this context, the Company's business development also faces opportunities and challenges brought by climate change. CoStone Capital has established a climate risk identification and disclosure mechanism, clearly defining policies and action strategies to address climate risks, and has conducted climate impact identification and assessment for its business sectors.

Key Risks		Description	Time Range	Responses
Physical risks	Acute physical risks	Extreme weather events such as typhoons, floods, droughts, rain, snow, and freezing conditions may impact the normal operations of corporate entities and cause property damage, and may also expose underlying investments to supply chain disruptions and asset value erosion, which in turn may affect the Company.	Short-term	The Company regularly tracks environmental and climate risks in each operational area, ensures emergency measures and facilities are in place, and safeguards the personal safety of employees.
	Chronic physical risks	The Company's headquarters is located in Shenzhen, which may face the risk of sea-level rise caused by global warming, and the continuous rise in temperatures may lead to increased electricity consumption for office use.	Medium- and long-term	In the course of its operations, the Company adheres to energy-saving and environmental protection principles, regularly replacing outdated and inefficient equipment and facilities, and purchasing green office products.
Transition risks	Policy and legal risk	As national environmental protection policies continue to tighten, the Company faces more climate-related disclosure regulations, such as data collection and third-party audits, which may increase compliance costs.	Short-, medium-, and long-term	As a responsible institution, the Company proactively responds to regulatory requirements and actively discloses environmental and ESG information.

¹For detailed information on the sustainable development management structure, please refer to the "ESG Management" section of the Report, under "Practicing the Path of Sustainable Development Step by Step towards the Future."



Practicing Green Operations

Optimizing resource utilization

As a financial institution, CoStone Capital's main resource consumption is purchased electricity, water, and office paper in its operations. We actively advocate electricity and water conservation, paperless office and green procurement, and integrate environmental and social responsibility into our daily operations and employee responsibility training.



Upgrade the information system and enhance paperless office

The company has launched a digital expense reimbursement platform, fully replacing the traditional paper-based reimbursement process with an online system for electronic invoice submission. This initiative has significantly reduced paper consumption. In parallel, we have implemented double-sided printing and copying standards, further conserving paper and ink resources.



Advocating water conservation and improving water efficiency

By reducing the use of bottled water during meetings and encouraging the reduced consumption of paper cups in daily office activities, the Company reduces the frequency of using disposable water containers; strengthens water conservation awareness across all employees, and promotes the development of an efficient water-saving office ecosystem.



Implementing scientific conservation of electricity and building a green office system

The Company clearly stipulates in the Employee Code that the last colleague to leave the office area needs to turn off the lights, air conditioners and other energy-consuming equipment, integrating energy-saving responsibilities into institutional management; the Company gives priority to the use of energy-saving and environmentally friendly materials during the office renovation period, and equip the office with energy-efficient lamps, air conditioners, computers, and other devices, solidifying the low-carbon office foundation from the hardware infrastructure.

CoStone Capital⁶ 2024 Resource Consumption in Operating Activities

Indicators (unit)	Data
Gasoline consumption of vehicles (L)	13,604.41
Purchased electricity (kWh)	228,942.59
Water consumption (tons)	193.43
Paper consumption (tons)	1.33
Energy-saving lamps in offices (units)	992

⁶The Wuhan office and the calculation of vehicle gasoline consumption was added, so the environmental data for 2023 cannot be compared with that of 2024.

Strengthening carbon emissions management

CoStone Capital's waste is primarily divided into two categories: One is non-hazardous waste such as food waste, office paper, courier boxes, and the other is hazardous waste such as discarded old computers and toner cartridges. The Company has established clear management standards for classified waste disposal and low-carbon traveling. Through standardized processes, we achieve waste reduction management and minimize emissions.



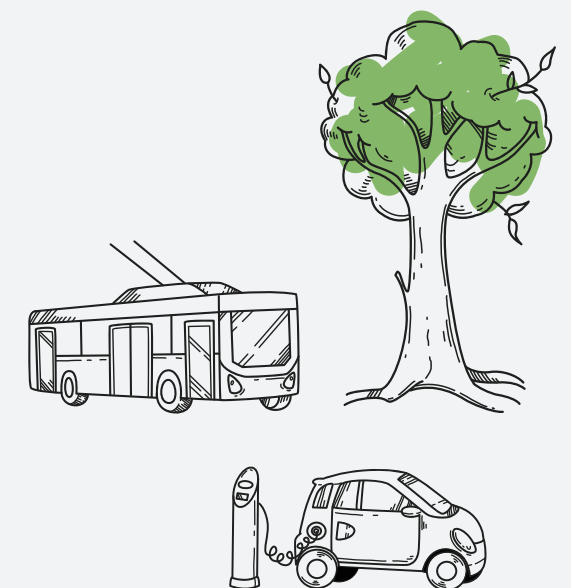
Implement standardized classification management to prevent environmental risks

For non-hazardous waste such as food waste and office paper, classification is strictly implemented in accordance with the Regulations on the Classification and Management of Municipal Living Waste, with end disposal completed through the property management's standardized collection system; for hazardous waste such as used printers and toner cartridges, we entrust professional institutions with environmental qualifications to carry out targeted recycling and compliant disposal, ensuring the entire process complies with pollution control standards.



Practice low-carbon commuting initiatives to support the "dual-carbon" goals

The Company actively promotes carpooling for commuting, prioritizes high-speed rail for business travel, and advocates public transportation for city travel; we also encourage employees to purchase new energy vehicles and adopt various measures to reduce the carbon footprint in the transportation sector.



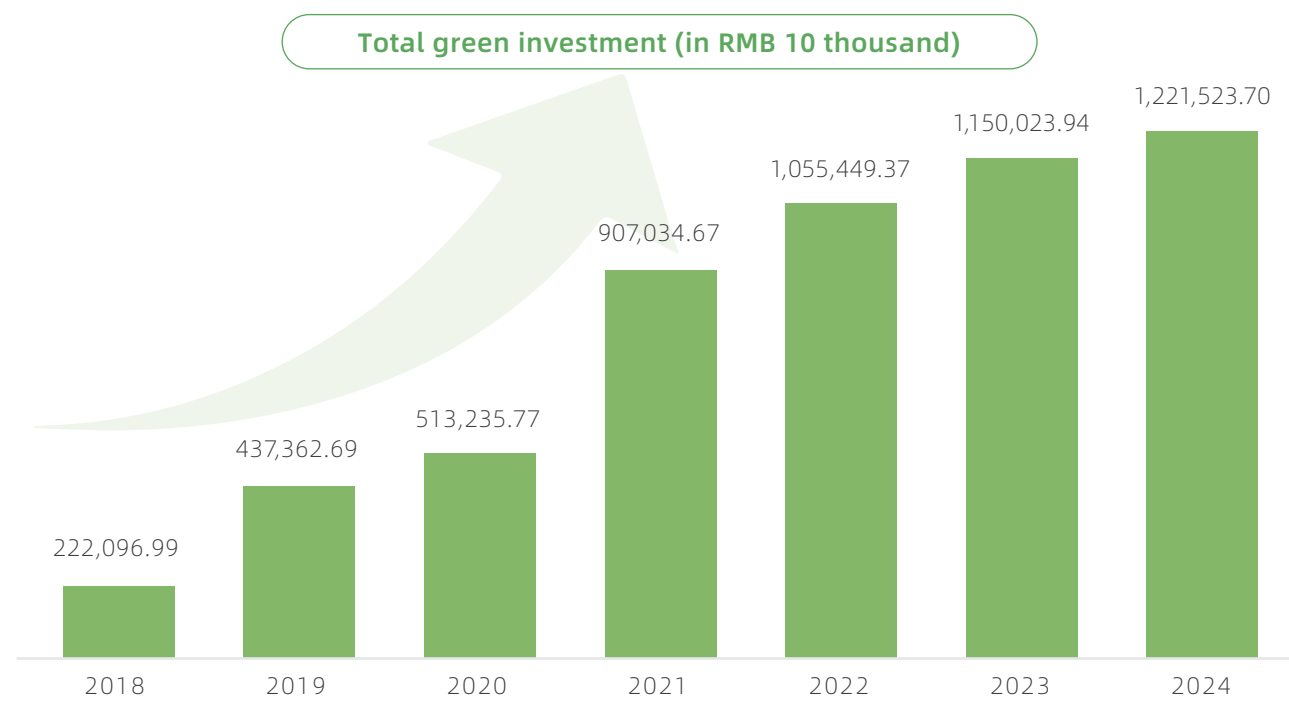


Deepening Green Investment

Sustainable investment is an important financial topic worldwide, as addressing climate change and propelling sustainable development are in the fundamental interests of the entire human race. Globally, Europe and North America have accumulated extensive experience in the development of green and sustainable finance. At the same time, China also holds a prominent position in driving the global green finance agenda.

In 2020, General Secretary Xi Jinping proposed in the Seventy-fifth session of the United Nations General Assembly a national strategy to have carbon peaking before 2030 and achieve carbon neutrality before 2060. In 2021, in the report on the work of government and “14th Five-Year Plan”, it was suggested that relevant action plans should be drawn up. In the same year, China pledged to achieve the core targets of “green transformation” in the UN Climate Change Conference (COP26). During the 14th Five-Year Plan period, China's green finance policies have developed into a relatively well-structured system, ranging from national strategic deployments to specific financial products and local practices. These policies have significantly advanced the development of China's green finance market and provided strong support for the green transformation of the economy and the achievement of the “dual-carbon” goals.

Financial investment institutions are main players in social and economic activities and people's daily lives. Green investment, as a key component of green finance, plays a leading role in meeting “dual-carbon” goals and ensuring social and economic sustainability. At the same time, the ability to follow this trend gives investment institutions an edge in ESG investment and more new opportunities. CoStone Capital actively implements national and local green finance development strategy, avoids investing in sectors featuring “High Pollution, High Energy Consumption, and Overcapacity”, prioritizes strategic emerging industries beneficial to “dual-carbon” goals and key areas underpinning the transition to low-carbon economy, such as clean energy, energy conservation and environmental protection, ecological environment. Since 2016, CoStone Capital has witnessed an exponential growth in green investment⁷. As at December 30, 2024, the cumulative number of investment profile in the green field reached 140, with an investment scale of RMB12.22 billion.



⁷The types of companies and projects we invest in are based on the Catalog of Green Industries (2019) and the Catalog for Guiding the Transition of Industries to Green and Low-carbon Energy (2024) issued by the National Development and Reform Commission, the People's Bank of China and other authorities. The cumulative investment amount in the green investment sector may vary each year due to additional calculations. Please refer to the data disclosed in this Reporting Period for the most accurate information.



02 Empowering the Responsible Investment Ecosystem with entrepreneurs

CoStone Capital focuses on areas that provide the driving forces behind technological change and actively seeks for industry “disruptors”. We uphold the three major concepts of sustainable investment, closely track the sub-sectors of artificial intelligence, semiconductor, intelligent automotive, life sciences, green technology, etc., and identify industry-leading enterprises with robust sustainable development, wide market space, excellent industry positioning and strong competitiveness. In addition, we understand the core development logic of each subdivision track on the basis of in-depth research, continue to optimize our investment layout based on industrial value, and constantly seek and find outstanding business leaders and entrepreneurs. In doing so, we have identified and cultivated a series of outstanding enterprises, including AgiBot, WeRide, Minimax and so on. As at the end of the Reporting Period, CoStone Capital has successfully incubated 77 listed companies and the investees have accumulated nearly 80,000 authorized patents, driving the improvement of social production efficiency and promoting social welfare and talent development. We are gradually becoming an organizer and enabler of sustainable value creation in the equity investment industry chain.

Material issues addressed in this chapter:

- Sustainable investment
- ESG management
- Local economic development

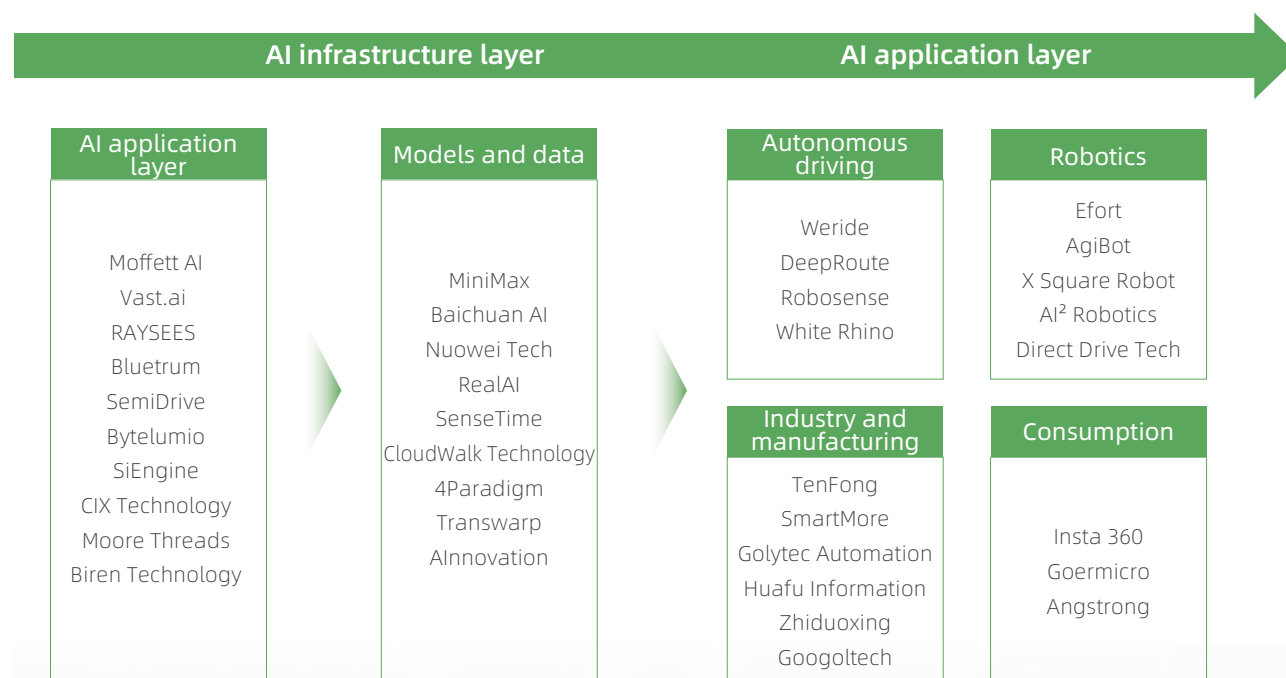
SDGs addressed in this chapter:



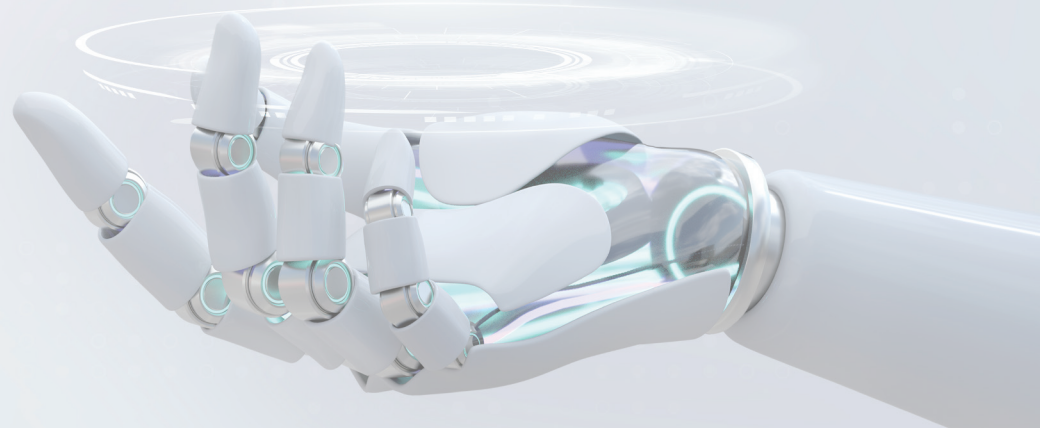


Artificial Intelligence

AI and Robotics Industry Investment Mapping



Today, artificial intelligence is driving the rapid deployment of modern emerging technologies and applications such as autonomous driving, the metaverse, and robotics. The investment focus in the AI industry is also gradually shifting from AI infrastructure to downstream application industries. The year 2024 is also the inaugural year for AI application investments. From smart driving to large models, from infrastructure to applications in various sub-sectors, CoStone Capital is continuously making investments. At the computational power level, CoStone Capital will focus on better inference and training chips, particularly inference chips, hoping to achieve higher performance and better efficiency through differentiated paths; at the large model level, CoStone Capital will focus on multi-modal models, embodied intelligence, and more; at the application level, AI applications will thrive, and CoStone Capital will focus on companies with outstanding teams that can improve user experience by driving data loops, thereby accumulating more user value.



Dedication to industrial software feast

CoStone Capital invested in Tenfong in 2022

TenFong

CAE software has a very high technical threshold and relies heavily on talent and financial support. In terms of talent introduction, Academician Chen Shiyi is the founder of turbulence theory and one of the inventors of LBM algorithm, and enjoys top reputation and appeal in CAE field in the world. Under the leadership of Academician Chen Shiyi, Tenfong has set up a top CAE software team, and more and more top CAE talents will join Tenfong in the future, adding bricks and mortar to the localization of CAE software. From the financial level, Tenfong has the top investor background, strong ability of continuous financing, “unicorn” can be expected.



Taking the ANSYS as a benchmark, Tenfong is determined to become a global industrial software company with leading technology. In the long term, Tenfong will anchor its growth in CAE software and may expand into business areas such as industrial digital twins and intelligent operation and maintenance systems, which are closely related to CAE software and have vast development potential.

To help people capture and share their lives

CoStone Capital invested in Insta360 Innovation in 2019

影石 Insta360

Insta360 (688775.SH) was founded in 2015. The company's brand “Insta360” leads the global panoramic camera market and is a leading smart imaging brand in the sports camera sector. Its product lines cover professional-grade VR panoramic cameras, consumer-grade panoramic cameras, and sports cameras. Products are available in over two hundred countries and regions worldwide, with hardware users exceeding two million. The company has established long-term strategic partnerships with international brands such as Apple, Leica, and Google.



From 2018 to 2024, Insta360's revenue grew from RMB258 million to 5.574 billion, with a compound annual growth rate (CAGR) of 73%, while net profit attributable to the parent company increased from RMB18 million to RMB995 million, with a CAGR approaching 100%.

In June 2025, Insta360 successfully went public on the STAR Market of the Shanghai Stock Exchange.

Committed to co-creating intelligence with users

- CoStone Capital invested in Minimax in 2024



MiniMax, founded in December 2021, is a leading general artificial intelligence technology company dedicated to co-creating intelligence with users. MiniMax has independently developed multi-modal general large models, including the MiniMax-01 series, the first domestic open-source model that combines the Linear Attention architecture with MOE, as well as large models for speech & music, images, and videos.

Based on these general large models of different modalities, MiniMax has launched native applications such as the Hailuo AI and Talkie. The MiniMax open platform provides enterprises and developers with secure, flexible, and reliable API services, enabling rapid development of AI applications. It currently serves more than 50,000 corporate customers as well as individual developers worldwide.

Bringing together the world's knowledge to create

- CoStone Capital invested in Baichuan AI in 2023



Baichuan AI was founded in April 2023 by Wang Xiaochuan, former CEO of Sogou. With the mission of helping the public to easily and universally access the world's knowledge and professional services, the company is committed to building China's best large model base through language AI breakthroughs. The company's core team consists of top AI talents from Sogou, Baidu, Huawei, Microsoft, Bytedance, Tencent and other well-known technology companies. Baichuan AI, founded less than 100 days ago, has released Baichuan-7B and Baichuan-13B, two open-source and commercially free Chinese large models, which have topped several authoritative evaluation lists, with downloads exceeding one million.

Committed to continuous innovation, delivering exceptional value

- CoStone Capital invested in SmartMore via two funding rounds in 2020 and 2021



SmartMore is a standard software-hardware integration products and solutions provider with "optical, mechanical, electrical, computational and soft" full-stack leading capabilities. It was founded at the end of 2019 by Jia Jiaya, a tenured professor at the Chinese University of Hong Kong and IEEE Fellow. The core team has over 20 years of in-depth experience in the field of computer vision. At present, SmartMore has served more than 200 well-known enterprises around the world, including Carl Zeiss, Airbus, Bosch, Canon, Continental, and Schaeffler, through its self-developed intelligent industrial platform, intelligent sensor products, and intelligent integrated equipment, promoting the development of more efficient, flexible, and advanced manufacturing through technology. In addition, SmartMore continues to broaden the extension of smart manufacturing. Based on the "Smart+" platform and digital intelligence solutions, SmartMore has independently developed a digital manufacturing management system that covers application scenarios from production lines to factories, providing customers with comprehensive, high-quality products and service solutions globally.

Adhering to originality, and letting AI lead human progress

- CoStone Capital invested in SenseTime in 2017, 2019, and 2021



Founded (00020.HK) in 2014, SenseTime is a technology innovation company dedicated to leading breakthroughs in the core "deep learning" technology of artificial intelligence and building solutions for the artificial intelligence and big data analysis industries. As a world-leading AI platform company, SenseTime is a national new-generation AI open innovation platform awarded by the Ministry of Science and Technology of China for national new-generation AI open innovation platform for "Intelligent Vision". The company has independently developed and established the world's leading deep learning platform and supercomputing center, and launched a series of advanced AI technologies, including face recognition, image recognition, text recognition, medical image recognition, video analytics, unmanned driving and remote sensing. SenseTime has become China's head AI algorithm provider, with a leading market share in a number of verticals, covering smart cities, smartphones, internet entertainment, and a wide range of industries such as advertising, automotive, finance, retail, education, and real estate. Currently, SenseTime has established cooperation with world-renowned companies and organizations at home and abroad, including MIT, Qualcomm, NVIDIA, Honda, SNOW, Alibaba, Suning, China Mobile, OPPO, vivo, Xiaomi, Weibo, Vanke, Sunac, and so on.

Trusted partner for enterprise intelligent transformation

- CoStone Capital invested in 4Paradigm via two funding rounds in 2019 and 2020



Founded (06682.HK) in September 2014, 4Paradigm is a leading artificial intelligence technology and service provider, an innovator of data technology-driven industry applications. The company's main business is to use machine learning technology and experience to help enterprises improve efficiency, reduce risk, and gain greater business value through accurate prediction and mining of data to reveal the laws behind the data. The Prophet Platform it developed is an enterprise-level AI platform. The company is committed to lowering the threshold of AI application, empowering customers and partners from all industries, and realizing "AI for all". 4Paradigm has been listed on the Main Board of the Hong Kong Stock Exchange since September 2023.

Create unlimited productivity via intelligent machine

- CoStone Capital invested in AGIBOT in 2023 and 2025



AgiBot was established in February 2023. The founding team consists of senior industry professionals, including core executives from globally renowned companies and top scientists in the field of artificial intelligence. AgiBot has developed leading full-stack "robot + AI" technology, with three major robot families: YuanZheng, Genie, and LingXi. The products cover a variety of commercial scenarios. AgiBot has been the first in the world to achieve large-scale production and commercialization of humanoid robots, with its products sold to multiple countries and regions globally.

From smartphone manufacturers to becoming a global leader in AI terminal ecosystems.

CoStone Capital invested in Honor in 2024

HONOR

Honor is a global leader in intelligent terminal products. It was born in 2013 and is committed to becoming a landmark technology brand offering full-scene, omni-channel, and all-population services. Its product line includes smartphones, PCs, tablets, smart screens, wearables, and other fields, covering AI enabling, internet services, and more.



Committed to becoming a world-class provider of smart power IoT solutions

CoStone Capital invested in Sumching in 2024

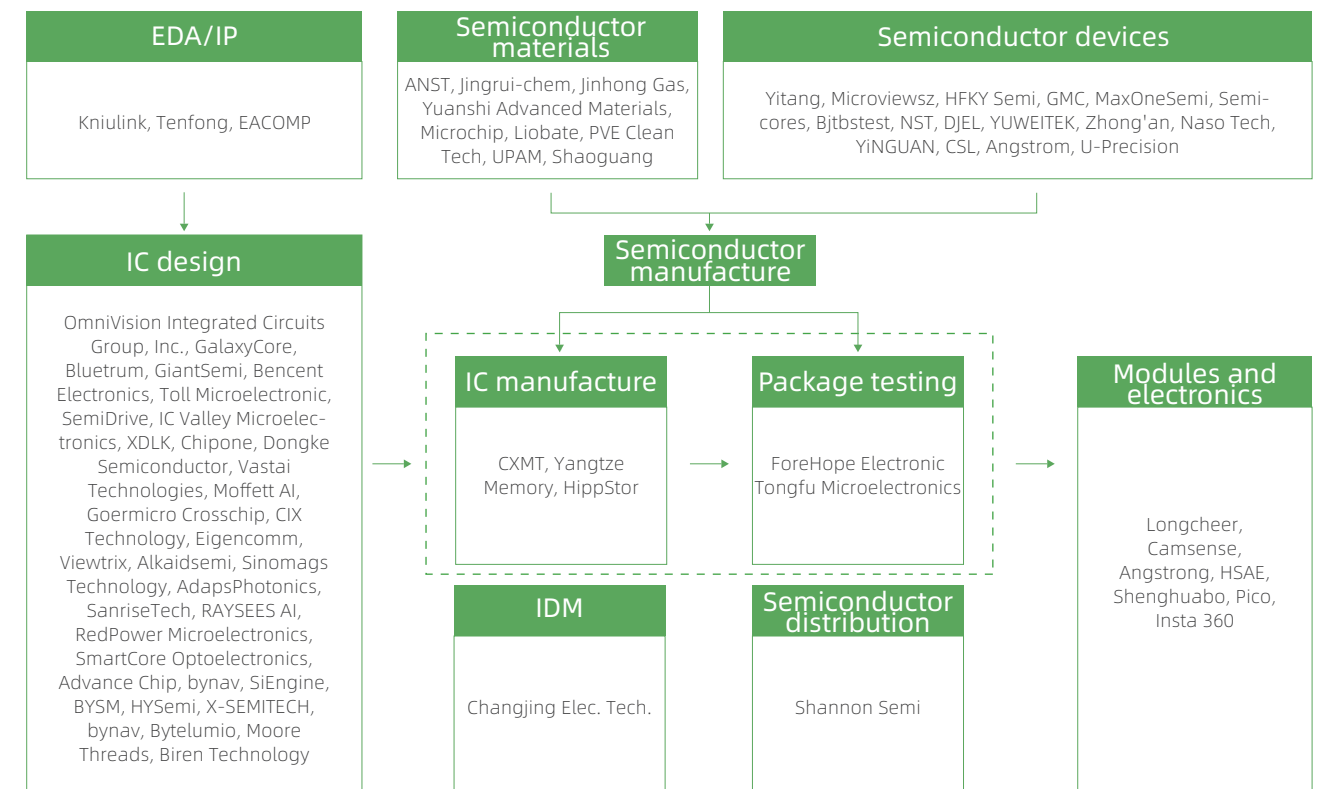


Founded in 2011, Sumching is a national high-tech enterprise. The company is dedicated to reshaping energy management and consumption patterns through IoT technology, with technical expertise spanning key technologies across the perception layer, network layer, and application layer of IoT—including communications, sensing, embedded systems, edge computing, cloud computing, and artificial intelligence. Its main products include intelligent sensors, intelligent terminals, and intelligent control terminals, specifically comprising high-precision electric field activation fault indicators, transient characteristic accurate remote transmission fault indicators, UHF partial discharge online monitoring sensors, intelligent transformer terminal units, feeder automation terminals, substation automation terminals, primary-secondary fusion pole-mounted circuit breakers, primary-secondary fusion ring main units. These products have been widely applied in nearly 30 provinces and municipalities such as Jiangsu, Zhejiang, Shandong, Hunan, and Shaanxi, earning user recognition. Sumching will continue to deepen its R&D and application of Power IoT technologies and products, gradually expanding into the energy internet and smart city sectors. Utilizing the technology of "cloud computing, big data, Internet of Things, mobile Internet, and artificial intelligence", and leveraging its proprietary core technologies and multi-tiered system solution capabilities, the company is committed to becoming a leading enterprise in the IoT industry chain.

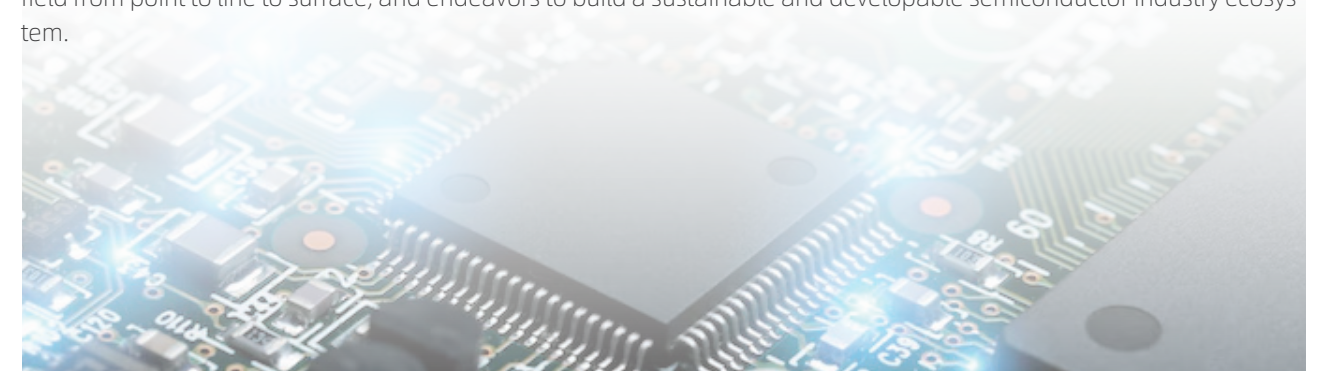


Semiconductor

Semiconductor Industry Investment Mapping



As one of the important investors in China's technology industry investment, CoStone Capital has transformed from a provider of innovation capital in the past to a cultivator of hard & core technology. When building our own high-quality ecosystem, we are also constantly helping to improve the semiconductor industry chain and assist in connecting upstream and downstream resources of the industrial chain. The Company has continued to make a large number of investment layouts in the semiconductor field since 2015, and has invested in more than 60 semiconductor industry enterprises, covering enterprises in various industrial chain segments from semiconductor design, manufacturing, equipment, materials, sealing and testing, distribution, and so on. The Company actively carries out the layout of the semiconductor field from point to line to surface, and endeavors to build a sustainable and developable semiconductor industry ecosystem.



A leading domestic provider of integrated circuit equipment core components and comprehensive solutions

- CoStone Capital invested in CSL in 2023



CSL is a developer of plasma power supply systems, integrating the research, design, production, manufacturing, application maintenance, technical import and export, and domestic and international trade. Its main products include the ADL series DC medium-frequency power supplies, Aera series gas mass flow meters, LINTEC liquid flow meters, and evaporators.



Core technology leading the future

- CoStone Capital invested in MaxOneSemi in 2022



MaxOneSemi is a leading domestic supplier of integrated circuit wafer test probe cards, focusing on the research, design, production, and sales of probe cards. Its products include high-end testing solutions such as MEMS probe cards and thin-film probe cards. The company holds a leading position in the domestic probe card market in terms of technical strength and market status. It is the first in mainland China to have the capability to independently design MEMS probe cards and also owns the first Class 100 cleanroom FAB workshop in the domestic probe card industry.

Striving to accelerate the development of China's semiconductor equipment industry

- CoStone Capital invested in E-Town in 2020



Headquartered in China, E-Town is a global semiconductor equipment company with R&D and manufacturing bases in China, the United States, and Germany. The company primarily focuses on the R&D, production, and sales of wafer processing equipment required during integrated circuit (IC) manufacturing. It provides global IC manufacturers with semiconductor manufacturing equipment and supporting process solutions, including dry strip systems, rapid thermal processing systems, and dry etch systems.

The company's products have been adopted by numerous leading global IC manufacturers, including memory chip makers and logic circuit manufacturers. Its customer base comprehensively covers the world's top 10 chip manufacturers and leading domestic chip manufacturers.

E-Town is committed to becoming a world-leading semiconductor equipment company and will continue to provide the IC manufacturing sector with specialized equipment featuring more advanced processing capabilities and higher production efficiency.

Establishing a new ecology of world-leading semiconductor industry chain

- CoStone Capital invested in Shannon Semi in 2019



Shannon Semi (formerly known as Julong Technology, SZ300475) was founded in September 1998. In the early days, the company was mainly engaged in R&D, production and sales of deceleration clutches for new, high-efficiency and energy-saving washing machines. In 2019, CoStone Capital initiated to merge Julong Technology, assisted the company to acquire UFCT, a well-known chip distributor in China, and renamed the company as Shannon Semi subsequently. Shannon Semi has been successfully transformed into a semiconductor investment and distribution company with the capabilities to supply electronic components such as data storage devices, master control chips, integrated circuits, modules, and DAC cables. In 2024, Shannon Semi was ranked No. 3 in local electronic component distributors with sales revenue of RMB24.271 billion, according to the ESMC.

Becoming a top semiconductor supplier of automotive-grade and medical mixed-signal chips

- CoStone Capital invested in Indiemicro in 2023



Indiemicro, founded on August 3, 2017, specializes in the research, development, and sales of mixed-signal chips. Its products are primarily used in the automotive market, where its automotive-grade chip shipments rank among the top in the domestic industry. The company also serves the high-end glucose meter segment. Indiemicro is one of the few domestic companies with end-to-end capabilities spanning R&D, operations, and mass production of automotive-grade mixed-signal chips.

Committed to creating greater industry value for the information and communication sectors

- CoStone Capital invested in Liobate in 2023



Liobate's main business is the design, manufacturing and sales of optical chips and optical devices based on thin-film lithium niobate materials. In the future, with the breakthrough in the underlying technology, lithium niobate will enter the thin film era. Thin-film lithium niobate, as a functional material, can be used to create electro-optical modulators with smaller loss, lower modulation voltage, larger bandwidth, and smaller size, and has the potential to replace indium phosphide and silicon optical modulators. At the same time, thin-film lithium niobate is also a strong contender for the next generation of photonics integration platform materials and is expected to lead the photonics industry revolution. The relevant application scenarios are rich, and the market has a huge space. The Chinese thin film lithium niobate industry is globally leading, and has the opportunity to make a lane change and overtake in the field of optical chips.

Committed to technological innovation, making displays more brilliant

- CoStone Capital invested in Viewtrix Technology in 2022



Viewtrix Technology is a leading domestic OLED display driver chip design company. Established in 2012 in Nanshan District, Shenzhen, the company has two core product lines: AMOLED driver chips and silicon-based OLED microdisplay chips. It holds an absolute leading advantage in the domestic OLED display driver chip field. Its products are widely applicable to devices such as smartphones, tablets, laptops, AR/VR, and more.

Becoming a world-class analog device and mixed-signal chip company

- CoStone Capital invested in Alkaidsemi in 2022



Founded in August 2019, Alkaidsemi is dedicated to the research, development, production and sales of power devices and smart sensor chips, with two major product lines of power devices and MEMS+ signal chain, and continues to layout third-generation semiconductors and other products. In the power device segment, YaoXin Micro offers both silicon-based and silicon carbide (SiC)-based products, which are widely applied in consumer electronics, industrial control, and automotive sectors, covering the full voltage range from low to high. In the MEMS + signal chain segment, several products have entered mass production.

Empowering the technology, and feeling the infinite

- CoStone Capital invested in OmniVision in 2018; OmniVision Integrated Circuits Group, Inc. (formerly Shanghai Will Semiconductor Co., Ltd.) (603501.SH) acquired OmniVision through a share exchange in 2019.



OmniVision, founded in 1995, provides sensor solutions, simulation solutions, and touch screen and display solutions to help customers address technical challenges in fields such as wearable devices, communications, computers, consumer electronics, and medical applications, and to meet the growing demands for artificial intelligence and green energy. In the field of digital imaging, the company has world-class technology and ranks among the top three in the world, along with Sony and Samsung, with an annual shipment of more than 12.3 billion units. In 2019, OmniVision was acquired by OmniVision Integrated Circuits Group, Inc., which quickly grew to become one of the leading semiconductor design companies in the world.

In January 2022, OmniVision Integrated Circuits Group, Inc. launched OVB0B, the world's smallest 0.61μm pixel size 200MP resolution image sensor for the high-end smartphone market. In February 2022, the company announced a further breakthrough, achieving the world's smallest 0.56μm pixel technology.

Creating world-class precision technology products and providing precision technology solutions for the industry

- CoStone Capital invested in U-Precision in 2024



Recognized as a national high-tech enterprise, Huazhuo Precision Technology focuses on ultra-precision measurement and control technologies. Its core business includes the R&D and manufacturing of high-precision components and complete systems, along with related technical services. The company ranks first in market share for precision motion stages and laser annealing equipment, and is an industry leader in advanced packaging bonders and electrostatic chucks.

As a one-stop hardware innovation platform for PCB design, PCB manufacturing

- CoStone Capital invested in Edadoc Technology in 2018



Edadoc Technology (301366.SZ) was established in March 2003, focusing on high-speed PCB design technology services, prototype development, and mass PCBA production services. The company's wholly-owned PCBA main factory is located in Shenzhen, and it has set up branch factories in Zhuhai, Shanghai, Chengdu, and Changsha, equipped with new imported Fuji NXT3 multifunctional mounters, XPF multifunctional mounters, AIMEX III high-speed mounters, fully automatic solder paste printing machines, ten/twelve temperature zone lead-free (nitrogen) reflow ovens, wave soldering machines, and other high-end equipment. Edadoc Technology is committed to building a first-class hardware innovation platform, accelerating the hardware innovation process of electronic products and improving product quality.

Inheritance of innovation, precision and excellence, ultra-clean and beyond

- CoStone Capital invested in Global Blankmask in 2023



Global Blankmask focuses on the research and production of photomask materials (photomask substrates, chromium plates) for integrated circuit chip manufacturing, while also expanding into the field of ultra-precision optical components.

A professional semiconductor equipment solution provider

- CoStone Capital invested in BNE in 2024

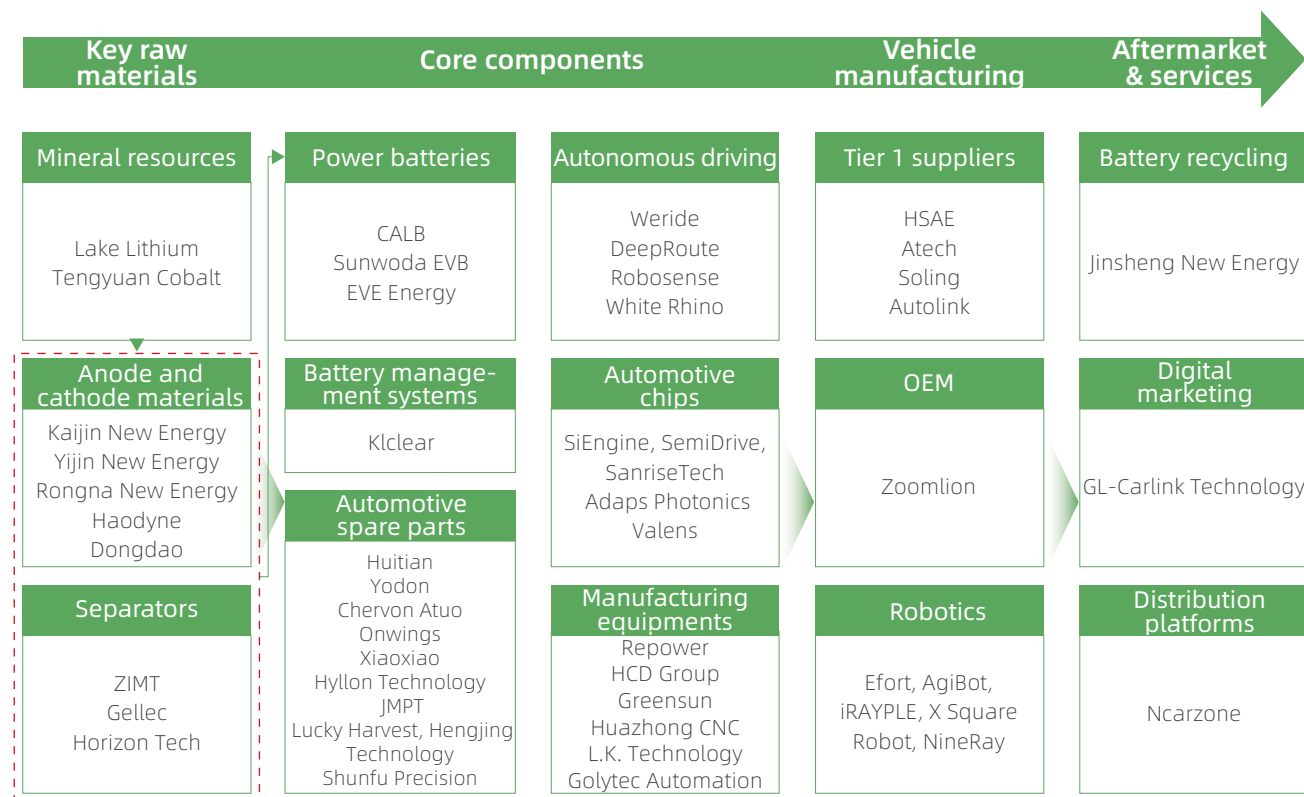


BNE specializes in the R&D and service of semiconductor production line equipment, providing lithography machines, coating and development equipment, and refurbishment solutions.



Intelligent Automotive

Smart Automobile and Robotics Industry Investment Mapping



Over the past 20 years, CoStone Capital has continuously deepened its focus on the automotive industry chain, making extensive and in-depth investments. In recent years, with the development of emerging technologies, the global automotive industry is evolving toward electrification, connectivity, and intelligence, with the application of artificial intelligence accelerating the industry's development. In this process, China's automotive industry is also moving from the sidelines to center stage. In line with this trend, CoStone Capital has also been increasing its investments in the fields of automotive electrification, connectivity, and intelligence, investing in a number of industry-leading companies.



Creating intelligent robot intelligently, liberating human productivity

- CoStone Capital invested in EFORT via two funding rounds in 2017 and 2018



Founded in 2007, EFORT (688165.SH) is a well-known industrial robot group company with leading technology in the entire industry chain. Its main business includes: R&D, manufacturing and sales of articulated robots, industrial robot production system assembly, etc.

Starting from 2017, CoStone Capital jointly with the company spent 9 months completing M&A due diligence, successfully promoted EFORT's acquisition of Italy's WFC Group, and assisted it in post-acquisition integration and capital operations, effectively accelerating EFORT's industrial upgrade in achieving full industry chain synergy globally—from robot core components to robot complete machines to high-end robot system integration fields.

Core dynamics:

I. Strategic focus: Renaming to strengthen core robot business: In 2025, EFORT announced it would change its company name from "EFORT Intelligent Equipment Co.,Ltd." to "EFORT Intelligent Robot Co.,Ltd." and adjust its English name to "EFORT Intelligent Robot Co., Ltd."

II. Product breakthrough: The development of Large-payload robots and intelligent base: In February 2025, EFORT released a general technology base for intelligent robots, creating an open technology base to form a developer ecosystem, enabling developers to develop robot skill apps with low barriers and high efficiency, using infinitely stacked and expanded skill apps to form the universality of general intelligent robots. The first-generation humanoid robot Yobot W1 also made a dazzling debut.



Global leading autonomous driving technology company

- CoStone Capital invested in WeRide in 2021



WeRide (Nasdaq: WRD), established in 2017, is a global leader in autonomous driving technology. It conducts autonomous driving R&D, testing, and operations in 30 cities across 10 countries, with over 2,000 days of operation. WeRide is the only technology company whose products hold autonomous driving permits in five countries. On October 25, 2024, WeRide was officially listed on the Nasdaq Stock Exchange, becoming the "world's first publicly listed universal autonomous driving technology company" and also the "first publicly listed robotaxi company."

WeRide is committed to developing safe and reliable unmanned driving technology, with application scenarios covering smart mobility, smart freight, and smart sanitation. It has entered the commercialization stage of autonomous driving and formed a product matrix consisting of five major products of robotaxi, robobus, robovan, robosweeper, and advanced driver-assistance system (ADAS). WeRide provides various services, including ride-hailing, on-demand public transport, urban logistics, smart sanitation, and advanced driving solutions.

With rich experience in technology R&D, commercialization, and enterprise management, WeRide has formed strategic partnerships with several top global OEMs and Tier 1 suppliers, including the Renault-Nissan-Mitsubishi Alliance, Yutong Group, GAC Group, Bosch, and Geely.

WeRide was ranked in the top ten of Fortune's 2023 Change the World list and was featured in Fortune's The Future 50 list in 2024.



Committed to becoming a world-leading provider of automotive electronic chip solutions

- CoStone Capital invested in SiEngine in 2024



SiEngine was established in 2018 in the Wuhan Economic & Technological Development Zone. The company has research, development, and sales branches in Wuhan, Beijing, Shanghai, Shenzhen, Shenyang, and Chongqing. It focuses on designing, developing, and selling advanced automotive electronic chips. With the mission to "Enable Everyone to Enjoy the Fun of Driving," the company is dedicated to becoming a world-leading supplier of total solution for advanced automotive electronic chips.

SiEngine focuses on 7-nanometer and higher process smart cockpit and intelligent driving System on Chip (SoC) businesses. With just one product, the smart cockpit chip "Dragon Eagle No. 1", SiEngine has already become the NO.1 domestic cockpit chip in 2024.

Becoming the most trusted automotive semiconductor company

- CoStone Capital invested in SemiDrive in 2021



SemiDrive is a leading Chinese automotive-grade chip design company, specializing in providing high-performance and highly reliable chip products and solutions for intelligent automotive. The company's core business covers areas such as intelligent cockpits, intelligent vehicle control, and central gateways, and its products have achieved large-scale production.

L.K. striving for your success

- CoStone Capital invested in L.K. in 2023



L.K. Technology has been focusing on die casting machine manufacturing since the early stage of its establishment, and has successively researched and developed the first cold chamber die casting machine in Hong Kong, the first magnesium alloy die casting machine in China, and the first instant-control cold chamber die casting machine, which have filled a number of gaps in the domestic market. Since 1999, L.K. Technology Holdings Limited has grown to become the largest die casting machine manufacturer in China, and its production and sales of die casting machines are among the first in the world. In 2019, L.K. Technology Holdings Limited became the first in the world to launch a 6,000-ton ultra-large die-casting machine. In 2020, using this equipment, it collaborated with Tesla to achieve the first integration of the rear body panels of a vehicle, becoming a transformative leader in integrated die-casting technology. In 2023, L.K. Technology Holdings Limited officially launched the 16,000-ton super-intelligent die-casting unit. At present, L.K. Technology Holdings Limited is developing a super large die casting machine with the highest clamping force of 20,000-ton, leading the industry in terms of die casting area and clamping force.



Global leader in machine vision and mobile robotics solutions

- CoStone Capital invested in iRAYPLE in 2023



Founded in February 2016, iRAYPLE is a subsidiary of Dahua Technology Company Limited (Dahua SZ.002236), located in Binjiang District, Hangzhou. Based on the vision algorithm technology accumulated over a long period of time, the company focuses on the research, development, production and sales of machine vision core components (2D face/line array cameras, 3D industrial cameras, intelligent cameras, intelligent code readers, etc.) and mobile robots (latent lifting/shifting/fork picking mobile robots).

Providing high-precision positioning products and solutions for intelligent mobile carriers

- CoStone Capital invested in bynav in 2023

bynav北云

Based on the development of Beidou technology, bynav focuses on self-developed chips and multi-source fusion algorithms to provide centimeter-level high-precision positioning for intelligent automotive and autonomous driving across all scenarios. It is one of the few global companies with self-developed high-precision satellite positioning chips in mass production. The company has successfully provided positioning solutions for multiple mass production models of intelligent vehicles from several top domestic automakers.

Committed to building a complete automotive electronics ecosystem for intelligent and autonomous driving

- CoStone Capital invested in ATECH in 2022

ATECH

ATECH is primarily engaged in the design, development, manufacturing, and sales of automotive components and related hardware and software. Since its establishment, the company has been producing automotive electronics products in sync with Chery Automobile Co., Ltd., including body controllers (ISU), ICU, remote control keys, air conditioning controllers, cruise controllers, auxiliary instrument assemblies, and more. The main products are: body controllers (central intelligent electronic integration controller ISU), automotive instrument clusters (ICU), remote control keys, in-vehicle multimedia, and GPS products.

Building the leading brand in automotive industrial parts to contribute to the industrial sector

- CoStone Capital invested in Shenghuabo in 2024

SENHUAB

Shenghuabo is a R&D and manufacturing company specializing in automotive wiper assemblies and seat motors, with over 30 years of industry experience. The Company serves almost all major domestic OEMs and tier 1 seat manufacturers, holding the global No. 1 competitive position in the seat motor sector and the domestic No. 1, global top five position in the wiper assembly sector.

Supplier of key components and modules of commercial satellite

- CoStone Capital invested in Spacetube in 2023

斯北图
SPACE TUBE

Founded in December 2016, Spacetube is an innovative enterprise focusing on industrial batch satellite communication products, supplying satellite measurement and control core components, communication payload modules, and satellite IoT solutions.

Make autonomous driving safer, more reliable and more intelligent

- CoStone Capital invested in DeepRoute in 2021

元戎启行

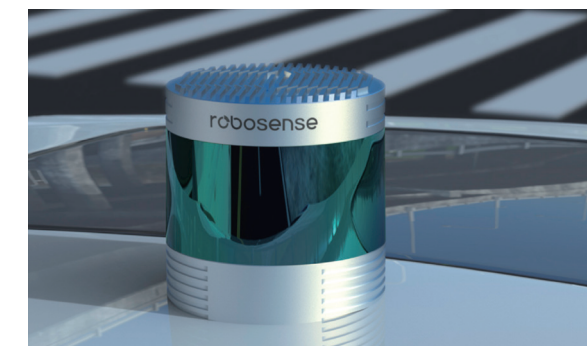
Founded in 2019, DeepRoute is a domestic company that focuses on the R&D and application of L4 autonomous driving technologies. The company is comprised of two product lines, DeepRoute-INJOY (Robotaxi, autonomous driving passenger vehicle) and DeepRoute-LINK (Robotruck, autonomous driving medium-duty truck) for the mobility service and urban logistics. "DeepRoute-INJOY" Robotaxi develops accessibility functions for adaptation to and voice interaction with the visually-challenged to provide them with convenient mobility services.

A global leader in the LiDAR and perception solutions

- CoStone Capital invested in RoboSense in 2022

robosense

Founded in August 2014, RoboSense is a global leader in the LiDAR and perception solutions market. Through the integration of hardware and software, the company is different from most LIDAR hardware-only vendors in the market. The company is based around chip-driven LiDAR hardware, and at the same time laying out artificial intelligence perception software technology to form a solution, pushing the market to explore the boundaries of application and leading the industry to achieve large-scale commercialization. The company's leading market position, customer demand-focused technology and products, and mass production capabilities make the company a global leader in LiDAR and perception solutions.



Focusing on the core process of hydraulic forming for aerospace lightweight thin-walled structures

- CoStone Capital invested in Intelligent Aerospace Manufacturing in 2024

航宇智造
Intelligent Aerospace Manufacturing

Research and development of aerospace lightweight manufacturing technology, focusing on thin-walled structure forming processes and equipment. The company's aircraft skin, aerospace engine intake ducts, and rear hot-end components are key products in the aerospace field. Additionally, the company's skin drawing equipment is a key large-scale device in the upstream, supplementing the aerospace industry chain. In the automotive parts sector, Beijing is home to key enterprises in the new energy vehicle industry chain, such as Xiaomi, BAIC, and Li Auto. Automotive lightweight products are critical structural components for new energy vehicles and are key technologies for reducing vehicle weight and costs.



Life Sciences

Life Sciences and Health Industry Investment Mapping

Pharmaceuticals	CXO	Innovative drugs	High-end formulations and active pharmaceutical ingredients	Innovative medical devices	IVD and imaging diagnostic tools	Surgical equipment and consumables
	Asymchem OPM Biointron Panacro Metware	Recbio Sirnaomics Zhimeng Biopharma TransThera IASO Bio	Dezhan Healthcare Sunho BrightGene CF Pharmtech		Mindray Snibe MGI Creative Bio InnerMedical Hochuen Hyus Meditec	Medprin Sinomed Medcaptain Core Medical Raykeen Sonosemi SMT Group
Quality medical and health services	Chain medical	Quality medical	Chronic disease management	Emerging biotechnologies	Efficient green synthesis	High-quality consumer goods raw materials
	Puri Eye Hospital DiaCare Medical Quanyi	Smartee Diluo Fonow	ClouDr 91160.com		Huaheng Biotech Vland Biotech Shineking Biotech	Readline PAM ² L Biotechnologies Comvikin Synceres

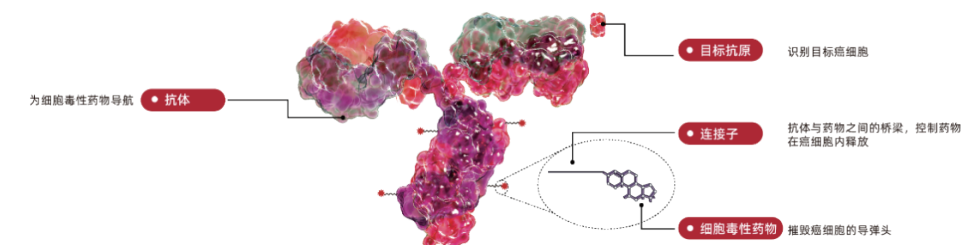
CoStone Capital's social value lies not only in generating financial returns, but also in empowering and nurturing businesses through investment. We are committed to cultivating industry leaders, improving social well-being, and jointly creating a better life. We focus on life sciences to fundamentally promote industrial transformation and improve health accessibility.

Accelerator for antibody discovery

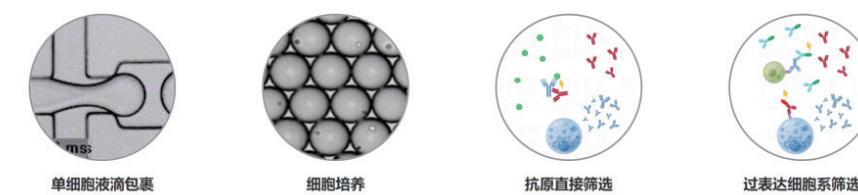
CoStone Capital invested in Biointron in 2022



Biointron was established in 2012 and has a comprehensive gene engineering and antibody engineering technology platform. The company provides CRO services for recombinant antibodies and drug target proteins.



单B细胞筛选工艺



Leading life technology through innovative intelligent manufacturing

CoStone Capital invested in MGI in 2020



MGI Tech Co., Ltd. (688114.SH), founded in 2016 and listed on the STAR Market of the Shanghai Stock Exchange in September 2022, focuses on the field of life sciences and biotechnology, with the research and development, production and sales of instruments, equipment, reagents and consumables and other related products as its main business, providing real-time, panoramic and whole life-cycle life digitalization equipment and systems for precision medicine, precision agriculture and precision health industries. Technological innovations have driven the commercial application of gene sequencers, helping early tumor screening, tumor diagnosis and precision treatment.



New life derives from technology

- CoStone Capital invested in Core Medical via two funding rounds in 2022, 2023 and 2025



Core Medical was founded in 2016, focusing on active implantable and interventional artificial heart series products, including the world's smallest size and lightest weight magnetic levitation artificial heart Corheart 6, the original axial in vivo motor solution of the interventional artificial heart pVAD, the company's goal is oriented towards the treatment of heart failure, to provide a series of products and solutions.

Exploring the infinite possibilities of biotechnology

- CoStone Capital invested in Huaheng Biotech in 2018



Huaheng Biotech (688639.SH) was established on 13 April 2005 and listed on 22 April 2021. It is a high-tech enterprise with synthetic biology as the core of its businesses, mainly engaged in the R&D, production and sales of amino acids and their derivatives. Its products are widely used in daily chemicals, medicine and health products, food additives, feed and many other fields, and the production scale of alanine series products ranks in the forefront of the world. Huaheng Biotech implements the core idea of "replacing nonrenewable petrochemical resources with renewable biological resources, high-energy consumption and high-polluting petrochemical processes with green and clean biological manufacturing processes, and planting and extraction with biotechnology", and advocates "environmental protection is also competitiveness", so as to practice its commitment to building a "resource-saving, environmental-friendly" enterprise.

Independent research and development has successfully realized the large-scale production of anaerobic fermentation of microorganisms, which significantly reduces energy consumption and product costs, and achieves zero carbon dioxide emission in the fermentation process. At the same time, Huaheng Biotech has successfully constructed a biological enzyme that can efficiently catalyze specific reactions under mild conditions, which avoids the environmental pollution caused by the use of highly polluting and corrosive organic solvents in the traditional chemical synthesis method, and makes the production process safer, more energy-saving, and more environmentally friendly.

Green technology healthy life

- CoStone Capital invested in Readline in 2022



Founded in 2017, Readline is a high-tech enterprise focusing on the research, development and production of functional health raw materials with synthetic biotechnology as the core and multidisciplinary cross-application technology platform as the backing. The company is committed to building a "ReBioHub" covering the whole industry chain, and promoting the integration and innovation of synthetic biology, chemistry, information technology, engineering and other cutting-edge technology fields.

One-stop solution for medical devices

- CoStone Capital invested in Hochuen in 2022



Founded in 2016, Hochuen is a national high-tech enterprise focusing on in vitro diagnostics, especially instant diagnostics, microfluidic devices and non-standard consumables OEM manufacturing, and is one of the leading technology and product developers in the field of microfluidics worldwide.

The company provide customers with one-stop services, including medical device development, mold manufacturing, prototyping and professional services for small and large volume production, as well as a series of customized services such as assembly, quality control, packaging and sterilization, etc. the company continue to innovate and upgrade our production system, and provide high-quality CDMO services to customers at home and abroad.

Making innovative therapies the backbone therapy to cure patients

- CoStone Capital invested in IASO Bio in 2021



IASO Bio is a biopharmaceutical company focused on the discovery, development, manufacturing and commercialization of novel cell therapies. The company takes the development of cell therapies on blood cancers as its innovation cornerstone and expands to autoimmune diseases and biologics. It possesses a full process drug development capability, from early discovery to clinical development, registration and commercial production.

IASO Bio's five major self-developed technology platforms include a fully human antibody development platform, an immune cell drug development platform, a full-flow production and validation technology platform, a pharmacological efficacy platform and a clinical development platform.

Igiboranser injection (fully human BCMA chimeric antigen receptor autologous T-cell injection), has been approved by the National Medicines Control Administration (NMPA) in China, and has been approved by the U.S. FDA for registration for the treatment of relapsed/refractory multiple myeloma, and has been included in the "Breakthrough Therapeutics" category by the NMPA, and has also been approved by the U.S. FDA. The product has been approved by NMPA and approved by FDA for clinical registration for the treatment of relapsed/refractory multiple myeloma, and has been included in the "Breakthrough Therapeutic Drugs" category by NMPA.

Co-creating a "New Era of Biology"

- CoStone Capital invested in Shineking Biotech in 2021



Shineking Biotech was established in April 2010, the company has set up Nanjing Engineering Technology Research Center, provincial engineering research center, Jiangsu Province Plant Biostimulant Engineering Technology Research Center and other R & D and industrialization platform, based on industrial biotechnology R & D and industrialization, the main products are bio-adjuvant products and biological products, for the field of plant nutrition, the field of daily life to form a series of biologically based products, and gradually expand to the field of animal nutrition, food, pharmaceuticals. And gradually expand to animal nutrition, food, medicine field.

Pursue beauty and health with innovative technology

- CoStone Capital invested in Winkey in 2023



Founded in 2011 and registered in Nanshan District, Shenzhen, Winkey Technology is the first innovative company in China focusing on the research of skin-active bio-small molecule peptides. The company's main business is independent research and development, production and sales of active peptides as the core of the skin active ingredients, and covers the non-peptide active ingredients, as well as cosmetic products ODM production, customized development of raw materials, third-party testing and other services.

Committed to becoming the most trusted CRO in China

- CoStone Capital invested in Panacro in 2023



Panacro is a contract research organization specializing in pharmaceutical R&D and clinical research, dedicated to providing comprehensive solutions for clinical research and registration filings for chemical drugs and biological products. Since its establishment in 2004, Panacro has successfully provided professional technical services to hundreds of domestic and international customers, covering more than 20 major therapeutic areas. The company has a professional team operating according to international standards (ICH-GCP) and possesses complete and detailed standard operating procedures (SOPs). Panacro focuses on providing high-quality and efficient professional services to shorten the product launch cycle and accelerate the marketization process. With a professional technical team and a standardized operations team as core advantages, Panacro provides highly personalized solutions with professional and efficient service quality and a rigorous and pragmatic scientific attitude, ensuring sincere cooperation and integrity in business operations.

Making proteins & metabolism the bridges connecting genes and phenotypes

- CoStone Capital invested in Metware in 2024



Metware, based on its core advantages in metabolomics, provides system biology multi-omics analysis to universities, research institutes, and industrial enterprises. Metabolomics technology services and clinical testing product development cover the life sciences research and medical health fields.

Enabling early detection, early diagnosis, and early treatment of major diseases

- CoStone Capital invested in InnerMedical in 2022



InnerMedical is a high-tech company committed to developing advanced medical endoscopes. The company is user-demand-driven and committed to "independent innovation" as its fundamental development approach, providing world-class products and services to the healthcare industry and ordinary patients. Since its establishment, the company has focused on the R&D of high-frequency ultrasound endoscopes, high-resolution optical endoscopes, and confocal endoscopes. The management team comes from large domestic medical listed companies, with R&D personnel from the Chinese Academy of Sciences and experienced sales staff from the medical industry, offering top-tier management, R&D, and sales experience. The company actively cooperates with top international and domestic research institutions and experts from major hospitals, striving to build an internationally recognized high-end medical equipment brand. At the same time, the company actively represents advanced international and domestic medical products to enrich its product line and provide users with comprehensive solutions.

A Pioneer in vascular active interventional diagnosis and treatment solutions in China

- CoStone Capital invested in Sonosemi in 2023



Sonosemi is an internationally leading high-end medical device design and manufacturing company. The company focuses on medical fields such as cardiovascular and cerebrovascular and peripheral vascular diseases, dedicated to the design, development, manufacturing, and sales of high-value consumables and devices, such as active therapeutic and diagnostic catheters.



Green Technology

The energy conservation and environmental protection industry features a huge industrial chain and countless industrial links. Accelerating the development of this industry is an inherent requirement for adjusting the economic structure and changing the economic development mode, and represents a strategic choice to promote energy conservation and emission reduction, develop recycling economy, protect the ecological environment, and actively respond to climate change. CoStone Capital has invested in a number of outstanding enterprises in the field of energy conservation and environmental protection, such as Ouyeel, Zhongkekele, etc. CoStone Capital has supported the investee enterprises to implement energy conservation reforms, improve energy efficiency, and reduce emissions, and contributed to the realization of both economic benefits and social benefits.

Leader in PV storage and charging smart energy solutions

- CoStone Capital invested in Sofarsolar in 2021



Sofarsolar (301658.SZ) was established in 2013 and is a national high-tech enterprise specializing in the R&D, production, and sales of serial PV inverters, PV-storage integrated inverters and energy storage inverters, energy storage batteries, and related software systems. The company will be listed on the Shenzhen Stock Exchange in April 2025.

In June 2013, Sofarsolar was founded to enter the photovoltaic inverter industry. Sofarsolar has always focused on the field of solar power equipment, taking scientific and technological innovation as the core driving force for business development, and continuously investing in research and development in the conversion, storage and management of new energy power, which has resulted in an experienced R&D team and a series of competitive core technologies and R&D achievements.

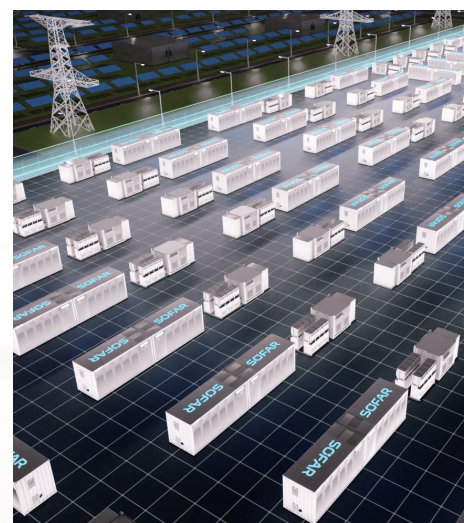
Becoming a global leader in high-end photovoltaic equipment and solution

- CoStone Capital invested in Laplace in 2022



Founded in 2016, Laplace (688726.SH) is a high-tech equipment R&D and manufacturing enterprise founded by a number of high-end talents in the field of semiconductor equipment at home and abroad. The main products cover high-end manufacturing equipment such as low-pressure horizontal diffusion system (including boron diffusion, phosphorus diffusion, oxidation/annealing), low-pressure chemical vapor deposition (CVD) horizontal coating system, plasma-enhanced chemical vapor deposition (CVD) horizontal coating system, as well as related supporting automation systems and industrial internet cloud platform.

The company's technical team had developed the first high-yield horizontal inserted low-pressure diffusion oxidizing furnace and vertical horizontal inserted plasma-enhanced chemical vapor deposition equipment in the field of photovoltaic manufacturing, which have filled a number of gaps in the field of domestic high-efficiency photovoltaic cell high-end equipment technology, especially in the new generation of TOPCon cell core equipment. The company is in the forefront of the new generation of TOPCon cell core equipment.



Providing comprehensive product solutions and full lifecycle management for the new energy full-scenario application market, represented by power and energy storage

- CoStone Capital invested in CALB in 2020

中创新航

CALB (03931.HK) is a global leading new energy technology enterprise, focusing on the R&D, production, and sales of power batteries and energy storage systems. Its products cover all technology routes, including ternary, lithium iron phosphate, and all-solid-state batteries, serving applications in new energy vehicles, energy storage, ships, and rail transportation, among others. Its core technological breakthroughs include:



Power battery technology

Mass production of 5C ultra-fast charging lithium iron phosphate batteries; development of 6C ultra-fast charging high-nickel cylindrical batteries with an energy density of 300 Wh/kg; launch of the 430 Wh/kg "Wujie" all-solid-state battery, with mass installation validation expected in 2027.



Energy storage technology

314 Ah energy storage cells with a cycle life of 15,000 cycles, achieving "same lifespan for solar and storage"; the global debut of 392 Ah energy storage cells and 6.25 MWh liquid-cooled container systems, with system costs reduced by 18% compared to the industry average.



Material innovation

Collaboration with XTC New Energy Materials to develop ternary lithium-rich positive electrode materials for solid-state batteries, overcoming key challenges such as electrolyte interface contact.

Progress of the new energy world driven by innovation

- CoStone Capital invested in Sunwoda EVB in 2022



Sunwoda EVB is a subsidiary of Sunwoda (300207.SZ). The company has established complete R&D and manufacturing capabilities in the electric vehicle battery pack sector and owns fully independent intellectual property for its Battery Management System (BMS). The company has highly automated production lines for cell sorting, module assembly, and battery pack assembly. The company has established in-depth cooperation relationship with many famous automobile manufacturers, providing a complete set of solutions for the R&D and manufacturing of pure electric/hybrid battery systems for vehicles at home and abroad.)

With the mission of "innovation drives the progress of new energy world", Sunwoda EVB is committed to contributing wisdom and strength to achieve the goal of "dual-carbon", and to provide competitive and scenario-based power battery solutions and energy storage battery cells for the new energy industry.

One of the world's largest wind lidar OEM

- CoStone Capital invested in Movelaser in 2022



Founded in May 2015, Movelaser is a tech enterprise incubated by Shanghai Institute of Optics and Fine Mechanics, Chinese Academy of Sciences, which is mainly engaged in the research, development, production and sales of Doppler wind measurement Lidar, and it is the only industrial Lidar manufacturer in China to achieve industrialized application in the field of wind power. The company has successfully developed five wind measurement radar products, including ground-based radar, nacelle radar, offshore lidar, 3D scanning lidar, buoy lidar, two sensing devices, including headroom lidar MolasCL and load sensor MolasFD, as well as particulate radar, ozone radar, trace gas detector and other derivatives, which are widely used in the fields of wind power, meteorology, civil aviation.

Jointly building a green, low-carbon and high-quality metal renewable resource ecosystem

- CoStone Capital invested in Ouyeel via two funding rounds in 2021 and 2022



Ouyeel was established in 2011. The company takes steel scrap procurement, inspection, warehousing, processing and distribution as the core, and extends the development of automobile dismantling, ship dismantling and specialized metal recycling of recycled non-ferrous metals and other renewable resources recycling business.

Pioneering a 'Hub + Platform' Model to integrate trading, services, and supervision, establishing China's National Public Service Platform for Recyclable Resources through an online-offline scrap steel trading marketplace.

Ouyeel promotes the "14th Five-Year Plan" for the Yangtze River Protection Action, formulates a plan to promote the use of clean energy, reduces the use of fossil energy, encourages the use of rooftop construction of photovoltaic power generation projects, and increases the proportion of green energy use. At present, the photovoltaic power generation projects of Ouyeel Maanshan Chengxing and Shanxi Ruisaige have been connected to the grid, which are expected to reduce 5,307 tons of carbon dioxide emissions.

Industry leader in packaging adhesive film

- CoStone Capital invested in Sinopont in 2022



Founded in 2006, Zhejiang Sinopont Technology Co., Ltd. established in 2006, is committed to the research, development, production and sales of photovoltaic module encapsulation adhesive film, with POE photovoltaic adhesive film as the main product, while covering the full range of EPE, white film, EVA, etc., and provide customers with customized adhesive film products.

The company's emerging POE adhesive films have advantages over traditional films, such as low water vapor transmission rate, high volume resistivity, and high weather resistance. These features enhance the safety and long-term aging resistance of photovoltaic modules in high-temperature and high-humidity environments, enabling the modules to be used more efficiently and sustainably, contributing to the high-quality and sustainable development of the photovoltaic industry.

Co-creating the future with creators

- CoStone Capital invested in Shanghai Electric Energy Storage in 2023



Shanghai Electric Energy Storage was incubated in Shanghai Electric Central Research Institute in 2011, and started independent operation in 2019, which is a holding subsidiary of Shanghai Electric. The company's main business is the research and development, production and sales of all-vanadium liquid current battery energy storage system, mastering the design of all-vanadium liquid current battery heap, electrolyte technology, circulatory system technology, BMIS and other aspects of the technology, with liquid current battery heap and system product design, manufacturing and engineering delivery capabilities, in the market open bidding projects, has been implemented in a number of MW-level projects, the company's competitive advantage is obvious, is the head of the field of liquid current energy storage enterprises. The company has obvious competitive advantages and is the head enterprise in the field of liquid current energy storage.

Innovation stems from technology, and quality builds service

- CoStone Capital invested in Tsingyan Electronic in 2023



Shenzhen Tsingyan Electronic Technology Co., Ltd., founded in August 2020, is an innovative enterprise incubated by the Research Institute of Tsinghua University in Shenzhen (RITS). Its core technology originates from the Laboratory of Advanced Energy Storage Materials and Devices (AESD Lab) at RITS.

The company specializes in dry electrode technology and has already achieved mass production and commercial shipment of dry electrodes for supercapacitors. Currently, Tsingyan is focusing on the application of dry electrode technology in power batteries, with the potential to significantly disrupt and reshape the existing industry landscape.

Leading the global energy transition with digital and intelligent solutions and services

- CoStone Capital invested in Ace Battery in 2022



Established in December 2014, Ace Battery is a high-tech enterprise centered on lithium battery applications as its core business, integrating R&D, production, and sales. Its main products include: Motorcycle starting power supplies, energy storage, motive batteries, portable power stations, high-end industrial battery modules and systems, etc., possessing the capability to provide comprehensive lithium battery solutions. Its products cover international markets such as Southeast Asia, North America, and Western Europe.

Zero-carbon emission future with green hydrogen technology

- CoStone Capital invested in BriHyNergy in 2024



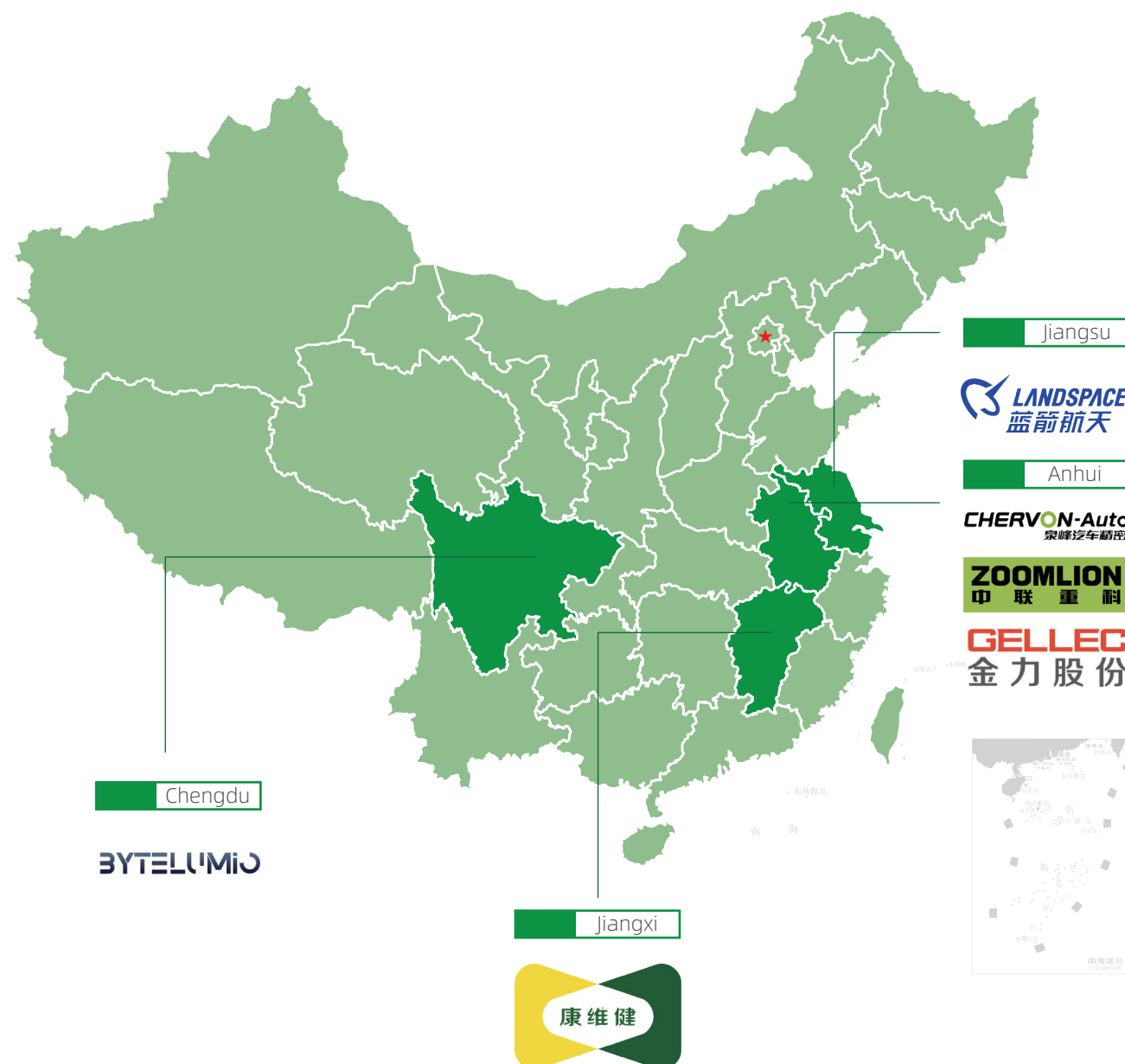
Established in November 2021, BriHyNergy is an enterprise focused on the R&D, production, sales, and service of key materials/components for proton exchange membrane (PEM) water electrolysis, as well as related testing equipment, with core personnel possessing over 10 years of experience in the hydrogen energy research. BriHyNergy has successfully achieved mass production of multiple core components, including the development of enhanced PEMs with a thickness of 40 microns or 80-100 microns, membrane electrodes, etc.



Supporting Local Industry Upgrading

As a responsible entity that embraces the ESG philosophy, CoStone Capital has responded to national and governmental strategies by investing not only a number of hard tech companies with core technologies and market competitiveness to help China's scientific and technological innovation and industrial upgrading, but also a number of emerging industry enterprises with local characteristics and development potential to help the development of the enterprises and industries. With the market-oriented venture capital mechanism, CoStone Capital has provided strong support and promotion for national and governmental strategies. CoStone Capital actively supports local industry upgrading.

Prominent cases of promoting local industrial upgrading



Anhui

- CoStone Capital invested in Chervon Auto in 2020, facilitating its total investment of RMB **2.05** billion in Anhui.

Market-oriented, customer-centered

CHERVON-Auto
泉峰汽车精密

Chervon (603982.SH) Auto focuses on the R&D, production, and sales of key automotive components. In recent years, the company has transformed through its new energy business and global expansion, gradually forming a product system centered on three-electric housing, intelligent driving housing, and automatic transmission valve bodies for hybrid vehicles.

- CoStone Capital invested in Zoomlion in 2021, facilitating its accumulated investment of RMB **8** billion in Anhui.

Vision creates future

ZOOMLION
中联重科

Founded in 1992, Zoomlion (000157.SZ) is mainly engaged in the R&D and manufacturing of construction machinery, agricultural machinery and other high-tech equipment as well as new construction materials, with its leading products covering 18 categories, 105 product series and 636 models. Zoomlion is an enterprise incubated from a national research institute, and is an industry standard setter. The company's crane technological innovation team has been awarded the honor of the National Team of Engineers of Excellence; and the company has taken the lead in, and participated in, the formulation and revision of more than 460 national and industry standards and regulations. The company has led and participated in the formulation and revision of more than 460 national and industry standards and 27 international standards, standing on the high point of global industrial-technology.

- CoStone Capital invested in Gellec in 2021, facilitating its accumulated investment of RMB **6** billion in Heifei and RMB **2.3** billion in Ma'anshan.

|| Becoming an advanced manufacturer of lithium-ion battery materials and a leading provider of battery materials application system technology solutions

Gellec was established in February 2010 and is a comprehensive enterprise integrating the R&D, production, sales, and service of lithium battery wet separators. The company uses ultra-high molecular weight polyethylene (UHMWPE) as raw material and employs a thermo-induced phase separation wet process to produce high-performance lithium battery separators.

The company takes "eco-friendly, advanced technology, sustainable development" as the corporate strategy, the company has a research institute, has the core independent intellectual property rights of lithium battery diaphragm, has been authorized a number of patents for invention, selected as "national small giants enterprise of specialty and new", and "National Intellectual Property Rights Advantageous Enterprise"

GELLEC
金力股份

📍 Jiangxi

- CoStone Capital invested in Comvkin in 2024, facilitating its investment of RMB **150** million in Jiangxi.

|| Committed to providing high-quality products and services for global food, animal nutrition, health supplements, cosmetic ingredients, and pharmaceutical excipients

Comvkin is a technology company focused on biological enzyme technology, with diversified layouts in fields such as biomedicine, synthetic biology, and food additives.



📍 Chengdu

- CoStone Capital invested in Bytelumio, facilitating an investment of RMB **60** million in Chengdu

|| Helping data and computing power flow into thousands of industries

BYTE LUMIO

Bytelumio focuses on the development of optical Digital Signal Processing (oDSP) chips in the optical communication field. It is a technology company specializing in integrated circuit design and optical algorithm chip technology, committed to providing solutions for communications, sensing, detection, and other fields based on optical algorithms and chip technologies.



Wuxi

- CoStone Capital invested in LandSpace in 2020, 2021, and 2023. This facilitated the company's establishment of a Wuxi-based subsidiary with RMB 1 billion capital and a concurrent rocket production line.

Creator of Commercial Space Transportation Systems

Founded in June 2015, LandSpace Technology Co., Ltd. is a leading private enterprise in the creation and operation of space transport systems, focusing on small and medium-sized commercial space applications, and is committed to the development of fully reusable launch vehicle systems. As the earliest private launch vehicle company established in China, the company dares to be a pioneer, courageous breakthroughs, and has always driven itself as an industry pathfinder, opened up the policy path, established the industry ecology, and with the independent independent research and development of the engine and rocket system, it has accumulated valuable experience in the whole process of engineering, and created a number of industry firsts. In the process of independently developing engines and rockets, the company has overcome a series of key technologies, many of which are the first of their kind in China.

In 2023, the company's independently developed ZQ-2 LOX/LCH4 Launch Vehicle was launched from the Jiuquan Satellite Launch Centre in China, and the test mission was a complete success. ZQ-2 became the world's first LOX/LCH4 launch vehicle to successfully enter orbit, marking a breakthrough in the application of new low-cost liquid propellants for China's launch vehicles. As an independently developed medium-sized liquid launch vehicle, ZQ-2 is a two-stage configuration with independently developed liquid-oxygen methane engines for the power system, making it China's first liquid-oxygen methane launch vehicle.



03 Strengthening Governance to Build a Robust Compliance and Risk Management Framework

CoStone Capital continues to optimize its own governance structure, build a system of compliance and internal control, strengthen connected transaction management, strictly prohibit money laundering, adhere to business ethics, and strengthen integrity construction. We efficiently implement a standardized risk management mechanism, adhere the bottom line of risk control at the levels of operational risk, business risk and financial risk, and promote the Company's strong compliance and risk control barriers.

Material issues addressed in this chapter:

- Risk management mechanism
- Anti-commercial bribery and anti-corruption
- Anti-unfair competition



SDGs addressed in this chapter:





Improvement of Governance Structure

CoStone Capital strictly complies with the requirements of the Company Law of the People's Republic of China and other relevant laws, regulations and regulatory documents, and has built a comprehensive system and modern governance structure with the goal of standardized operations.



In terms of system construction

The Company has formulated key governance documents such as the Articles of Association, Rules of Procedure of the General Meeting of Shareholders, and Rules of Procedure of the Board of Directors, along with supporting internal management systems to ensure operational compliance and standardized processes.



In terms of governance structure

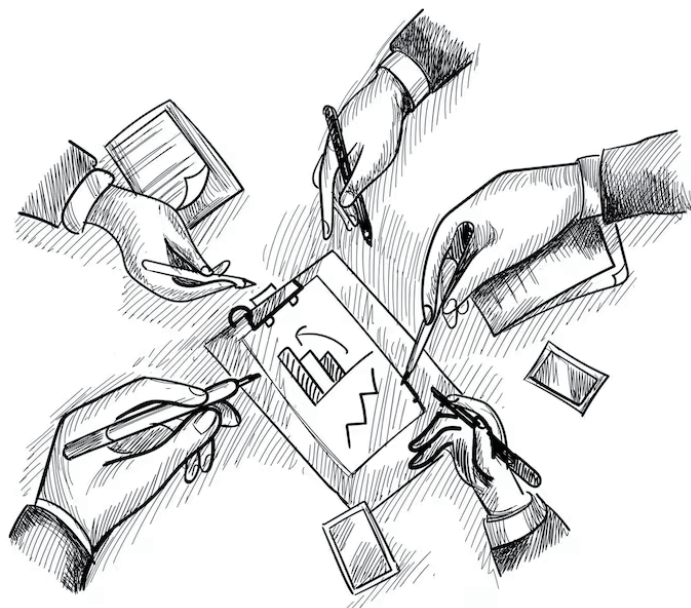
The Company has established a governance system with three layers of the General Meeting of Shareholders, the Board of Directors, the Board of supervisors. This system clarifies the rights and responsibilities of each entity, ensuring independent operation and mutual supervision.



In terms of management

The Company continuously advances internal management construction through scientific decision-making mechanisms and efficient execution processes to enhance governance effectiveness and promote stable development.

The educational background and professional experience of Board members cover various fields such as law, economics, accounting, and finance, allowing for professional advice from multiple perspectives, helping to improve corporate governance and ensuring the scientific and efficient nature of decision-making. In addition, the Board of Directors actively organizes specialized training in sustainable development, aiming to strengthen the collective awareness, professional skills, and practical experience of all directors in the field of sustainable development, ensuring sound strategic decision-making in sustainable development.



Compliance and Internal Control Management

Compliance system construction

CoStone Capital has established a series of policies and systems to build an interest protection system and standardize the Company's workflow, effectively preventing risks and protecting shareholders' rights and interests. The Company has formulated the System Management Measures to clarify the responsibilities of each department in system management, standardize system formulation procedures, and improve the quality and effectiveness of system implementation, thereby achieving legal corporate governance and promoting the realization of the Company's strategic goals.



The Company has strengthened the internal control system of CoStone Capital in the areas of investor management, fundraising, clean practice and information disclosure in accordance with the Guidelines for Internal Control for Private Investment Fund Managers and other relevant laws and regulations and industry self-regulation rules.



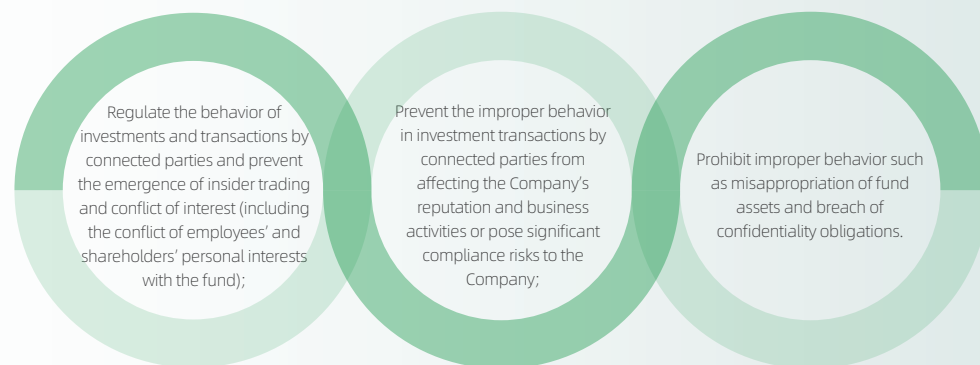
The Company has formulated the Information Disclosure Management System to urge multiple departments to co-operate in completing information disclosure, and to make true, accurate and complete information disclosure to investors in accordance with the laws, administrative regulations, regulations of the China Securities Regulatory Commission (CSRC) and the Asset Management Association of China (AMAC), as well as the fund contract and partnership agreement.

Internal Control	System Documents of the Company
Investor management	CoStone Capital Internal Control System
Fundraising	CoStone Capital Fund Business Internal Control Guidelines
Clean practice	Management System for Preventing Insider Trading and Conflicts of Interest
Information disclosure	Private Equity Fund Information Disclosure Management System

Good internal control is an important foundation for private equity fund managers to effectively prevent and resolve risks, ensure the legal and compliant operation of all business and achieve orderly operation. Private equity fund managers shall take both internal and external environments into account, set up a perfect organizational system, internal control system, operational process and control measures to identify, evaluate and manage risks in the course of operation.

Management of connected transactions

The Company has formulated the Management System of Connected Transactions, the Conflict of Interest Prevention System, the Management System for Prevention of Insider Trading and the Practitioners' Investment Declaration System (Securities) to:



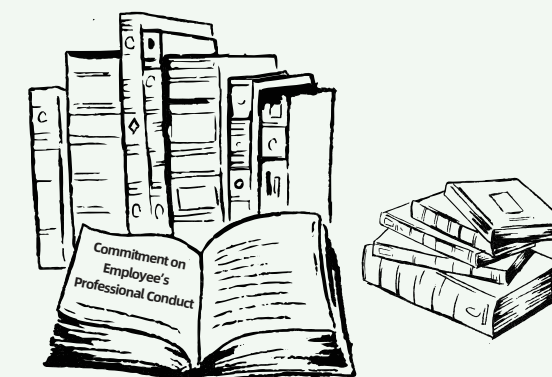
Meanwhile, in order to strengthen the effective management of related parties, the Company relies on the Risk Management Department to be responsible for the implementation and supervision of the provisions of the "Management System for Prevention of Insider Trading", and to report to the Company in a timely manner if irregularities of related parties are found.

Adherence to business ethics

CoStone Capital has formulated the Practitioner Management System, the Fair Trading System and other internal systems to regulate the behavior of its employees, to ensure prudence and due diligence, and to give priority to the protection of the interests of fund shareholders. The Company strictly abides by the fair trading system, treats different investment portfolios fairly in its investment management activities, and strictly prohibits the transfer of benefits between different investment portfolios, either through direct trading or trading arrangements with third parties.

Emphasis on Integrity

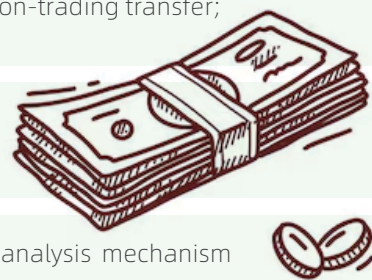
CoStone Capital maintains a "zero tolerance" attitude towards insider trading, bribery, and other corrupt behaviors. It has formulated the Commitment on Employee's Professional Conduct and requiring all employees to sign it, incorporating anti-bribery and anti-money laundering requirements into the commitment. At the same time, the Company continuously promotes compliance concepts related to anti-bribery and anti-money laundering during internal meetings and activities, strengthening employees' awareness of compliance and fostering a professional ethic of integrity, diligence, and self-discipline.



Anti-money laundering

Internal control system over anti-money laundering is established to make sure that all aspects of fund sales business comply with laws and regulations concerning anti-money laundering. Compliance risk management measures in this area mainly include:

- Build a risk-oriented prevention and control system for anti-money laundering to allocate resources reasonably;
- Develop strict and effective account opening procedures to standardize the identification and authorization qualification of investors, and retain the relevant investor identification materials;
- Strictly monitor the modification of investors' core information, and non-trading transfer;
- Strictly follow the fund clearing system to control and monitor cash payments;
- Establish an investor risk identification and suspicious transaction analysis mechanism that is in line with industry characteristics.





Strengthening Risk Management

Operation risk management

CoStone Capital strictly complies with the Securities Investment Fund Law of the People's Republic of China, the Interim Measures for the Supervision and Administration of Private Investment Funds, the Measures for the Registration and Filing of Private Investment Funds, the Regulations on Green Finance in the Shenzhen Special Economic Zone, and other applicable laws, regulations, and self-regulatory guidelines.

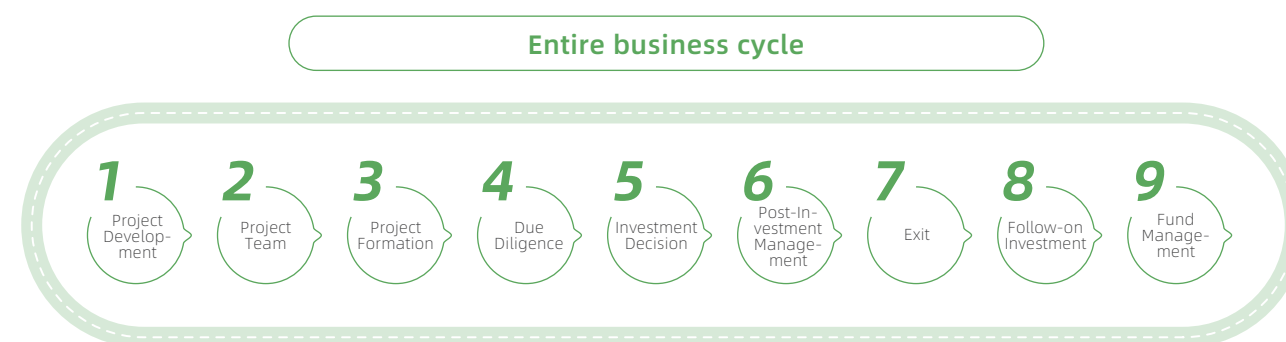


The company has established a comprehensive Risk Control Management System and Operational Risk Control System. A four-tier governance structure, with the Board of Directors as the highest decision-making body for risk management, has been implemented to ensure the company's long-term stability and operational security.

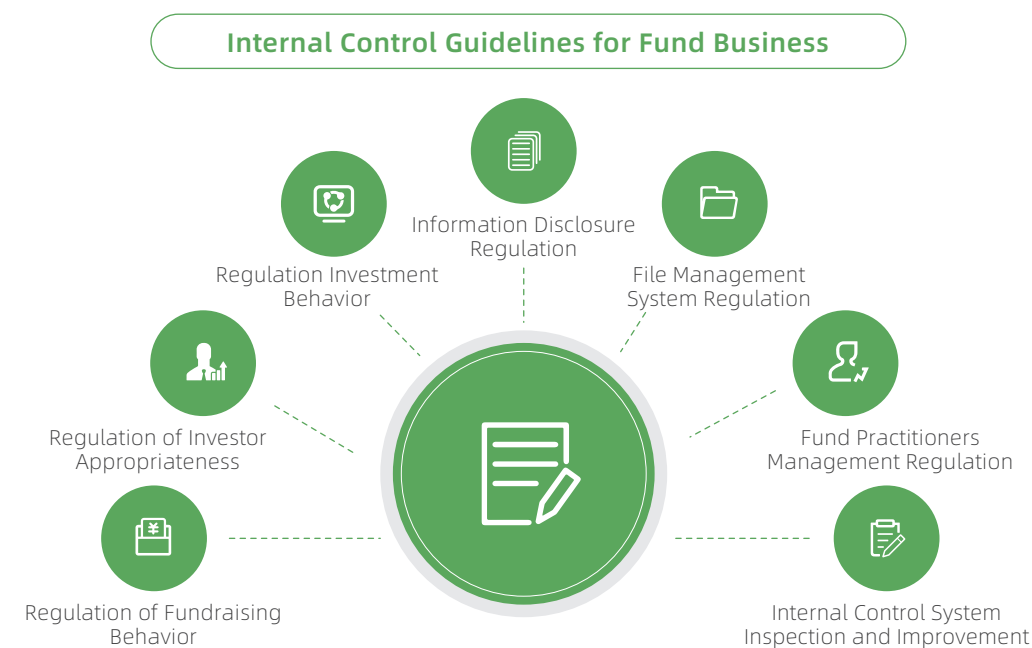
Goal setting and system formulation	The Board of Directors sets the overall objectives of risk control, risk appetite and risk tolerance level, decides on the Company's risk control system, and supervises each department to formulate and implement risk control measures;
Risk identification, analysis and assessment	Each department identifies, analyzes and evaluates the risk points in each internal position and business process under the organization of the Risk Control Department;
Development and implementation of risk control measures	The risk control department formulates appropriate risk control measures and specific implementation methods, which should be strictly implemented by each department and position;
Monitoring and checking the implementation of risk controls	The risk control department regularly or irregularly inspects and evaluates the implementation of the Company's business processes and other functional departments on the risk control system and risk control measures and methods, and reports the inspection and evaluation results to the Management and the head of risk control in a timely manner;
Risk identification, analysis and assessment	Business units and other functional departments summarize the implementation of risk control measures in a timely manner and provide feedback to management and the Risk Control Department; the Risk Control Department, taking into account the results of the supervision and inspection by the Legal Compliance Department, puts forward suggestions for improvement and supervises their implementation.

Business risk management

CoStone Capital has formulated the Investment Business Management Measures to enhance investment business management efficiency and strengthen risk prevention and control, systematically optimizing investment business organization and management processes. The management team of the investment department, as the core execution body, comprehensively coordinates the entire business cycle from project development to fund management, precisely defining the management responsibilities and work content of each link, and strictly controlling the standardization of investment business. By establishing a standardized control system, the Company ensures that investment decisions comply with national laws and regulations, while also aligning closely with the investment objectives, scope, strategies, portfolio configurations, and restrictions outlined in the fund contract, effectively ensuring the compliant and stable operation of investment business.



To ensure the legal and compliant operation of fund business and safeguard the sound operation of the business, CoStone Capital has formulated the Internal Control Guidelines for Fund Business according to the Securities Investment Fund Law of the People's Republic of China, Regulations on Supervision and Measures for the Registration and Filing of Private Investment Funds, Interim Measures for the Supervision and Administration of Private Investment Funds, Measures for the Registration and Filing of Private Investment Funds, Measures for the Administration of Fund Raising Behavior of Private Investment Funds, Guidelines for Internal Control of Private Investment Fund Managers, Measures for the Disclosure of Information of Private Investment Funds and Measures for the Appropriateness of Securities and Futures Investors. Laws and regulations and industry self-regulation rules. The Guidelines have covered various business types, departments and personnel at all levels, and covered the main links of fundraising, investment research, investment operation, operation guarantee and information disclosure, etc., to ensure that the organizational structure of CoStone Capital has clear division of powers and responsibilities and mutual constraints, and that the duties of each department and position remain relatively independent, and that the operation of fund property, inherent property of the manager and other property are separated.



Financial risk management

CoStone Capital has built a comprehensive and rigorous system in financial management and risk control, aimed at improving management levels, ensuring asset security, and maximizing returns. The relevant measures are as follows:



Financial system

CoStone Capital has formulated a series of internal rules and regulations, including the Financial Management System, Budget Management System, Capital Adequacy Management System, Fund Management Measures, and Fund Financial Management System, based on laws and regulations such as the Company Law of the People's Republic of China, the Accounting Law of the People's Republic of China, and the Accounting Fundamental Standards. From a macro level, the management direction is clearly defined, aiming to comprehensively improve financial management standards, strictly regulate financial risk control processes, and ensure the Company operates in a legal and compliant manner, laying a solid institutional foundation to safeguard asset security and ensure the Company's stable development.



Financial management elements

Management principles

The Company firmly implements the principle of "unified management and hierarchical responsibility" in financial management. This principle clearly defines the responsibilities of each level in financial management, ensuring that financial management work is divided clearly and coordinated effectively.

Management norms

The Company clearly defines the responsibilities of each level and the management of various assets, making full use of budget management to effectively allocate and control the Company's resources, and standardizing financial management work.

Risk management goals

The Finance Department aligns financial management with operational needs and business development objectives to ensure the company operates effectively. It is responsible for ensuring legal and regulatory compliance, safeguarding fund assets, and maintaining the accuracy, completeness, and integrity of financial reports and related information. The department continuously works to enhance operational efficiency and maximize risk-adjusted returns on capital.



Asset independence and compliance

The Company strengthens the independence and safety guarantees of the property under management, strictly receives and manages the Company's own funds in accordance with the principle of separation of income and expenditure, and carries out independent management and separate bookkeeping for the private equity funds to ensure that the property of the private equity funds under management and the property of the managers are independent of each other and to protect the legitimate rights and interests of the investors.

The Company's fund management follows the principles of compliance, safety, liquidity and profitability. After taking into account the investment progress of the fund project, the expense plan, the fund distribution plan and other factors in an integrated manner, the Company formulates the financial management plan for the idle funds and completes the approval procedures, and then carries out the management and supervision of the fund management on an ongoing basis to safeguard the safety of the fund property.



04 Working Together to Deepen Employee Care Practices

A stable team structure and a flexible organizational system are the core elements for CoStone Capital to gain a foothold in the asset management industry. CoStone Capital adheres to the value concept of "people-oriented", brings together talents from all communities, attaches great importance to the working atmosphere, rights protection, competence developing, and physical and mental health. We are committed to building a diverse and inclusive workplace for a "harmonious, equal and better" CoStone family.

Material issues addressed in this chapter:

- Employee hiring and compensation
- Employee health & safety
- Employee development & training



SDGs addressed in this chapter:





Equal and Standardized Employment

CoStone Capital recruits talent based on the Company's business development needs and upholds a merit-based approach to ensure high-quality recruitment and a robust talent pipeline. The Company strictly complies with the Law of the People's Republic of China on the Protection of Minors, the Regulations on the Prohibition of Child Labor, and other applicable laws and regulations. Background checks are rigorously conducted during the recruitment process to eliminate any risk of child labor or forced labor.

The Company also strictly abides by the Law on the Protection of the Rights and Interests of Women, the Law on the Protection of Persons with Disabilities, and other relevant regulations. CoStone Capital adheres to the principles of fairness, impartiality, and transparency throughout the recruitment and employment process. We oppose all forms of discrimination based on gender, marital status, disability, race, religion, or belief, and are committed to protecting the lawful rights and equal opportunities of all employees, particularly women and individuals with disabilities.

We strive to foster an inclusive, respectful, and positive workplace environment where diversity is valued and every employee can thrive.

Protecting employee rights and interests

CoStone Capital always places great emphasis on the legitimate rights and interests of employees, strictly abide by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Promotion of Employment and other relevant laws and regulations, and provides comprehensive support for employees in terms of recruitment, remuneration and benefit system construction, and occupational health and safety, ensuring the stable operation of the enterprise.

The Company signs a standard labor contract with each employee, pays monthly salary on time, pays five social insurances and housing fund and withholds personal tax on behalf of the employee. After the employees reach the legal retirement age, the Company actively cooperates with the employees for retirement procedures. If the Company has business needs and retired employees have the will to continue to work, the Company can support the employees to handle the retirement rehiring.

Employee Rights and Interests at CoStone Capital in 2024

Indicator	Unit	Data
Labor contract signing rate	%	100
Social insurance coverage rate	%	100

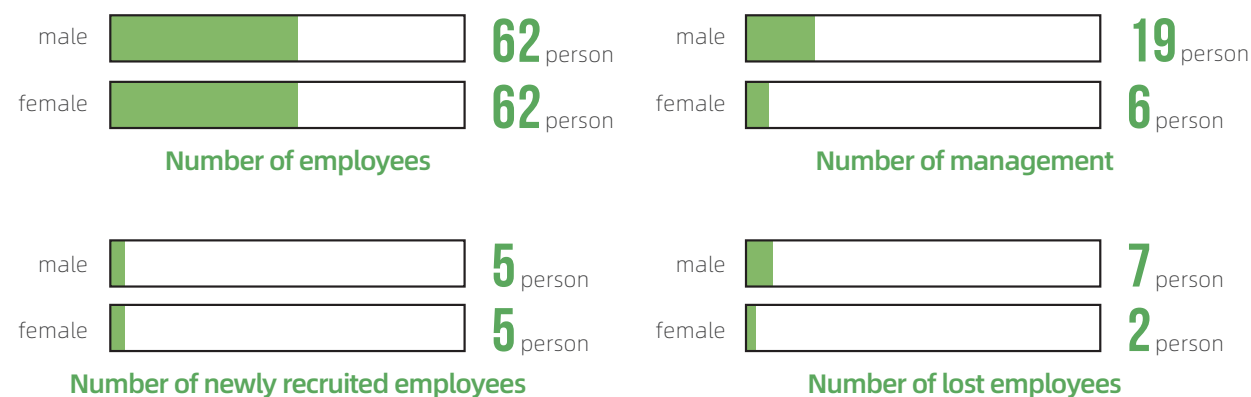


Building a diverse workplace

Through unremitting efforts, the Company continues to build up a professional team, constituting the CoStone family, which is synonymous with strong professional capabilities and youthful vigor. CoStone Capital deeply implements gender equality and protects the legitimate rights and interests of female employees.

As at the end of the Reporting Period, the proportion of female employees in CoStone Capital was 50% and 50% of the 10 newly recruited employees were female employees. During the Reporting Period, CoStone Capital had 124 employees, with an average age of 37 years old, 69.35% of the employees with master's degree or above educational background, 96.77% of the employees with bachelor's degree or above educational background, and more than 91% of the employees were qualified as fund practitioners. Among the investment personnel, nearly 39% have industrial background or composite background, over 54% have working experience in PE/VC professional investment institutions, and the others include resume backgrounds such as accounting firms and consultancies.

Employment of CoStone Capital Employees in 2024



Focus on Employee Safety

Occupational health and safety

CoStone Capital has always taken the physical and mental health of its employees as its primary concern, and strictly abides by the Labor Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of the Rights and Interests of Women and the Management Measures for the Occupational Health Monitoring and Supervision in Employing Units to comprehensively regulate the occupational health and safety management of employees. During the Reporting Period, CoStone Capital did not experience any incidents of employee injured or death in the workplace.

CoStone Capital pays social insurance and housing provident fund for its employees in accordance with national regulations, and purchases high-value group accident insurance, and renews the Shenzhen "Million Medical Group Insurance" for its employees every year. In order to protect the health of all employees, the Company arranges medical checkup packages for employees from professional institutions every year, and arranges additional medical checkups for employees of different ages and female employees. During the Reporting Period, the coverage rate of medical checkups in CoStone Capital was 100%, with a total expenditure of RMB185,778 for medical checkups and a per capita medical checkup cost of approximately RMB1,498.

Protecting physical and mental health

The Company has a zero-tolerance attitude towards harassment in the workplace, and spares no efforts to protect the legitimate rights and interests of employees, and is committed to creating a work environment that is respectful, healthy and fair, free of prejudice and harassment. In addition, CoStone Capital has a "Misconduct Complaint Box", which provides a channel for victims of any workplace misconduct to file a complaint or report directly to the Chairman of the Board of Directors, the Managing Partner, or the HR and Admin Department. In order to create a more harmonious working atmosphere, we encourage our employees to actively give feedback on all kinds of opinions and suggestions. Employees can directly give feedback to the Chairman of the Board of Directors on the relevant situation, allowing us to listen to the voices of our employees through a vertical and efficient communication mechanism.



Promoting Talent Development

A professional, efficient and stable talent team is the core competence that CoStone Capital is proud of. In order to attract and retain professional talents, CoStone Capital has established internal systems such as the Fund Raising Incentive System and the Investment Performance Sharing Incentive System, and provides adequate system briefing activities for employees to ensure that they are informed. We have formulated clear performance appraisal rules to provide clear promotion channels for employees with outstanding business performance and support cross-functional transfer of employees who are competent in the job requirements.

Improving remuneration assessment

CoStone Capital has established a fair and transparent performance appraisal system to evaluate the performance of employees. The performance appraisal system and quantitative indicators will be published on the Company's bulletin board, aimed at clarifying the work objectives of the employees and evaluating their performance in a scientific and quantifiable manner. The Company has set multi-dimensional quantitative assessment indicators for business teams (investment personnel, fund sales employees):

For investment employees



The quantitative assessment indicators mainly include current investment delivery, past investment project performance and exit, post-investment management work;

For fund sales employees



The quantitative assessment indicators mainly include the amount of new contributions, management fee income, and the rate of contributions in place.

In order to encourage employees to create value, the Company calculates bonuses on a semi-annual and annual basis, providing timely and sufficient incentives to teams and individuals who contribute management fee income and investment performance. This approach fully mobilizes employees' motivation and promotes the career development of outstanding talents.



Strengthening personnel training

CoStone Capital continues to provide diversified, multi-platform training for employees to actively enhance the breadth and depth of their knowledge. We organize different forms of training activities every year, and have formed a set of comprehensive employee training structure, and the main training activities in 2024 include, but are not limited to:



CoStone Capital Employee Training in 2024

Indicator	Unit	Data
Cumulative number of employee training sessions	Time	18
Cumulative training hours of employees	Hours	8,909
Average training hours per employee	Hours	71.85
Total number of employees who have received training	person	124
Proportion of trained employees	%	100

Focus on female power

CoStone Capital actively practices gender equity concepts, pays great attention to the capacity building of female employees, creates an open, inclusive and equal working atmosphere, and continuously improves the training mechanism for female investors. With the continuous efforts of female investors and the support and encouragement of the Company, CoStone Capital has accomplished a number of outstanding female investors, who have been listed on the 2024 Outstanding Female Investors List by China-fof, 21st Century Business Herald, Zero2IPO, CYZone and other well-known organizations.

2024 CoStone Capital Outstanding Female Investors

Awardee	Award	Issuing Organization
Huang Yiling	2024 Top 30 Best PE Investors	China-fof
	2023-2024 Influential Young Investors	21st Century Business Herald
	S50 2024 Super Smart Shining of PEdaily.cn	Zero2IPO
Wei Ting	2023-2024 Outstanding Female Investor	21st Century Business Herald
Chen Shuyan	2024 Most Noteworthy Female Investor	CYZone
Sun Xiaofei	2024 Top 20 Most Promising Female Direct Investment Fund Investors	China-fof
Ma Xiaoli	2024 Top 20 Best Female IR	China-fof



Deepening Employee Care

In addition to protecting the basic rights and interests of employees, CoStone Capital provides a wide range of care for employees, creating a warm and inclusive working atmosphere and enhancing their sense of identity and belonging to CoStone Capital:

CoStone Capital Welfare System in 2024

Statutory benefits

"Five social insurances and housing fund", paid annual leave, bereavement leave, marriage leave, pregnancy and maternity leave, parental leave and paternity leave, etc.



Non-statutory benefits

Holiday sympathy allowance, birthday allowance, special allowance for marriage, birth and funeral, etc., monthly meal allowance, computer allowance, communication allowance, annual health check-up, annual travelling, holiday gifts, etc. CoStone thanks the employees for their long-term commitment, in 2024 we have employees with 10 years of service each issued RMB50,000 family travel funds and RMB30,000 to buy clothes.

Attentive employee care

Employee care in difficult situations

In the event of employee illness or family emergencies, the Company adheres to a people-centered approach, providing timely care and policy support. When an employee is hospitalized due to illness, the Company will arrange visits, provide comfort items, and handle work and leave arrangements flexibly. In the event of a family emergency, the Company will activate special assistance programs, offering special care in work and welfare and organizing mutual support to help employees through difficult times.



Employee Care Benefits

The Company actively responds to the national "three-child" maternity policy, respects female employees' reasonable fertility requirements, and legally provides paid maternity leave, breastfeeding leave, and maternity benefits based on the highest applicable standards. The Company offers male employees 15 days of paternity leave and flexible childcare leave for employees with children under 3 years old. At the same time, the Company organizes holiday activities such as bouquet and greeting card presentations on Women's Day and provides maternity gifts and other benefits.

Female employee care

Colorful employee activities

CoStone Capital is dedicated to providing employees with a safe and comfortable working environment. The Company equips the office break areas with facilities such as treadmills, rowing machines, and massage chairs to fully meet employees' exercise and rest needs during breaks. To enrich employees' extracurricular cultural life and foster a healthy and harmonious team atmosphere, the Company regularly organizes a variety of team-building activities in office areas (such as symphony appreciation and other cultural activities, as well as sports activities like badminton, basketball, hiking, and rowing). Employees are encouraged to exercise more to engage in work with greater vitality, enhance team identification and sense of belonging, and build a harmonious and positive team culture.



2024 Half-Year Meeting Team Building in Liyang, Jiangsu



Responsible Supply Chain

| Supplier management system |

CoStone Capital strictly adheres to the Bidding Law of the People’s Republic of China and the Regulation on the Implementation of the Bidding Law of the People’s Republic of China. We have established relevant policies, including the Selection System for Fund Outsourcing Institutions and Custodian Banks, the Procurement System for Professional Services, and the Management Measures for Agencies Engagement in Due Diligence. We enforce a strict supplier access mechanism, creating standardized procurement management procedures and clear, transparent procurement processes to actively build a responsible supply chain.

At the same time, we integrate ESG factors into our suppliers’ daily management systems and establish a multi-dimensional, value-oriented access mechanism during the supplier selection and evaluation process. In terms of sustainable development, we prioritize suppliers with outstanding performance in sustainability, environmental governance, and carbon emission management. By incorporating ESG indicators into the core evaluation system, we promote the sustainable upgrading of the supply chain ecosystem. In terms of compliance governance, we require suppliers to have a sound internal control system, covering anti-money laundering management, independence assurance, commercial bribery prevention, and other compliance mechanisms, ensuring the compliance and transparency of suppliers. In the area of information security, we sign a Non-Disclosure Agreement with each supplier, specifying their responsibilities and obligations in information protection, strictly regulating the use and storage of information, and ensuring the security of business information.

In addition, we continuously track and evaluate suppliers’ performance. Suppliers found to have serious breaches of trust or have caused significant negative environmental or social incidents will have their cooperation terminated.

| Fundraising agencies management |

CoStone Capital has formulated the Selection System for Fundraising Agencies, improving evaluation standards, optimizing selection mechanisms, and deepening dynamic management. The Company has formed deep strategic cooperation with many high-quality fundraising agencies, creating a long-term, stable, and efficient interactive win-win ecosystem. While strictly adhering to laws, regulations, and regulatory requirements, the Company continuously explores cooperative value, achieving an organic unity of corporate benefits and compliant operations.

Selection and evaluation processes for fundraising agencies are as follows



05

Building the Social Value Matrix Through Responsibility-driven Leadership



CoStone Capital has always embraced its mission, committed to shaping a better future for society. We uphold responsibility and commitment, actively advancing responsible supply chain management, and carefully building a standardized and transparent supplier management system to ensure strict compliance and efficient operation in every link. We place great importance on deep communication and close cooperation with investors, actively responding to their concerns, earning their trust and support through sincerity and professionalism. We actively engage in industry exchange activities, empowering the industry through experience sharing and collaboration, helping the industry make continuous progress. We are continuously building and improving digital platforms to accelerate the Company’s digital transformation, enhancing our core competitiveness through innovative thinking and technological advancements. In addition, we are committed to social responsibility, making a real contribution to society through action and striving to be a solid cornerstone for social progress.

Material issues addressed in this chapter:

- Supply chain security
- Investor protection
- Data security and customer privacy protection
- Customer service management
- Social contribution



SDGs addressed in this chapter:





Investor Relations

Responding to investor concerns

With 20 years of outstanding performance, CoStone Capital has gathered a group of fund investors, including government-guided funds, national-level FOFs, banks, insurance, professional FOFs and industry-side investment institutions, as well as high net worth individual investors, mainly entrepreneurs. We highly value how we serve investors, and this is why we collect investors' opinions and suggestions for our business and services through opinion box, regular visits, investor conferences, etc. to further improve our service capability and respond to investor concerns.

In terms of investor communication, the Company communicated and exchanged with investors through channels such as the website of AMAC, fund partner meetings, product roadshows, CoStone Lecture, CoStone Forum, and emails sending out quarterly and annual reports of the fund, so as to realize two-way communication and positive interaction with investors.

As at the end of the Reporting Period

CoStone Capital had no investor complaints filed with the Asset Management Association of China. Funds under our management ranked among the top in the performance evaluation by government FOF, and won several annual awards granted by government FOF.

Protecting investors' rights and interests

We strictly abide by provisions of regulatory authorities and develop the Risk Disclosure System for Qualified Investors, the Internal Review Process and File Management System for Qualified Investors, the Management System for Investors Suitability, the Promotion and Fundraising Policies for Private Equity and other rules accordingly. We strictly regulate the compliant and legal operation of our business and endeavor to offer investors high-quality services, thereby creating long-term sustainable investment returns.



Investor adaptability analysis

The Company actively conducts risk level evaluations of fund products and continuously optimizes the identification of qualified investors and the appropriateness management process through comprehensive and in-depth assessments of investors' risk tolerance, ensuring that each investor receives products and services that match their risk preferences and effectively protecting their legitimate rights and interests.



Diversified investment products and solutions

The Company provides diversified investment products and solutions to meet investors' different risk preferences and return expectations through continuous innovation and expansion of investment fields, so as to achieve the appreciation and preservation of investors' wealth.



Enhanced risk control and compliance management

Through the establishment of a sound risk control and compliance management system, the Company is able to effectively identify, assess and respond to various types of risks, comply with laws, regulations and industry norms, prevent potential losses and disputes, and protect the legitimate rights and interests of investors on all fronts.



Investor information security management

The Company standardizes investor identification processes, properly keep investor identity information and transaction records, and protect investor privacy in a strict manner. The Company also ensures the integrity and security of both paper and electronic transaction records, treating different categories of investors fairly.



Practitioner competence requirements

Practitioners are required to comply with laws and regulations, self-regulatory rules and business norms, follow professional ethics, and master fund professional knowledge. The Company encourages employees to focus on the innovative business, theories and technological frontiers, and update their technical knowledge, professional skills and practice competence in accordance with the new business and new situation.



Regular information disclosure

The Company will regularly disclose information on connected transactions and other information to investors through quarterly reports and financial reports, in order to guarantee that investors can respond to the dynamic risks of connected transactions in a timely manner.



Improvement of investor complaint handling mechanism

By improving the investor complaint handling mechanism, the Company is able to collect, handle and respond to investor complaints in a timely manner, and actively improve the quality of services and processes to enhance investor satisfaction and loyalty.



Promoting Industry Development

CoStone Capital has always regarded maintaining social harmony and stability as an important responsibility. While deepening its own development, the Company actively builds cross-sector collaboration platforms. By establishing policy coordination mechanisms with government authorities, co-building standards with industry associations, exploring industry collaborative innovation with leading enterprises, deepening resource integration with financial institutions, and sharing ecosystem empowerment with investment platforms, CoStone Capital forms a collaborative network combining “government, industry, academia, research, and finance,” injecting continuous energy into creating a prosperous industry and a stable, harmonious development environment.

CoStone Capital Attends the Investment Annual Summit, Discussing Investment Paths for New Productive Forces

On May 10, 2024, at the 18th China Venture Investment Conference Annual Summit hosted by CVINFO and China-Venture, Vice Chairman Lin Ling of CoStone Capital gave a speech on the topic “Investing in New Productive Forces to Reshape New Prosperity.”

In his speech, Lin Ling pointed out that CoStone Capital primarily explores new market opportunities and trends through domestic substitution and technological innovation. Using Tesla as an example, Lin Ling emphasized the key role investors play in the development of enterprises. While investors may not create the technology, proper investment can help a company go from the brink of bankruptcy to the peak of the industry. This viewpoint not only provided participants with a new perspective on investment but also promoted in-depth exchanges within the industry on the value and role of investment, contributing to the expansion of investment ideas within the industry.



CoStone Capital Appears at the Qingdao Venture Capital Conference, Promoting Industry Exchange and Progress with Insightful Perspectives

On May 28, 2024, at the “2024 Qingdao Venture Capital Conference” hosted by the Qingdao Municipal Government and co-organized by the Qingdao Municipal Finance Office and Qingdao Municipal Finance Bureau, Chairman Zhang Wei of CoStone Capital delivered a speech titled “Innovation Systems and Capital Market Development.”

Zhang Wei analyzed the reasons why Silicon Valley leads global semiconductor innovation and talent production, summarizing it as the “iron triangle” of large technology enterprises, capital concentration, and talent and technology concentration, and suggested that attracting investment should focus on large hard-tech enterprises. Zhang Wei’s speech at this conference helped foster exchanges of ideas and consensus among industry professionals, promoting greater progress in the integration of innovation systems and capital market development, contributing to the healthy development of the industry.



CoStone Capital presented the topic “The Accelerating Knockout Round in the Automotive Industry” at the 24th Annual Conference on China’s Private Equity Investment

On December 10-11, 2024, the 24th China Venture Capital & Private Equity Annual Forum, guided by the Chongqing Municipal Party Committee Financial Office and co-hosted by Zero2IPO, PEdaily.cn, and Chongqing Yufu Holding Group, was held in the Western financial center, Chongqing. As a barometer of the equity investment industry, the forum, themed “Ten Thousand Things Cultivating New,” reviewed industry trends, reshaped strategic frameworks, explored value discovery, and continuously injected power into the Chinese equity investment sector.

At the conference, Zhang Wei, Chairman of CoStone Capital, delivered a speech titled “The Accelerating Elimination Race in the Automotive Industry,” analyzing the competitive situation and development trends of the automotive industry under the current global economic structure and technological transformation wave. He also pointed out future development directions for equity investment agencies and automotive industry practitioners, encouraging them to re-evaluate their strategies and injecting new power into the industry’s sustainable development.



Fan Yongwu: “Patience in Investment” — Accompanying Hard-tech Growth and Making capital a friend of time

Fan Yongwu, President of CoStone Capital, frequently mentioned “patience in investment” during interviews with CCTV Finance and at the “2024 China Fund of Funds 50 Forum.” He emphasized that capital should adopt a long-termism approach and be “friends with time,” avoiding distractions from short-term market fluctuations. He advocated for a focus on accompanying hard-tech enterprises’ growth, engaging in a “marathon” of innovation development with scientists and entrepreneurs, guiding capital to shift from short-term arbitrage to value creation, and promoting the industry to establish a healthier development ecosystem.



Zhang Wei Calls for Capital Market Reform: Registration System and Wealth Effect Are Key to Stimulating Innovation

In August 2024, Zhang Wei, Chairman of CoStone Capital, published an article titled “What Kind of Capital Market Do We Really Need?” in The Economic Observer. In the article, he analyzed the current state and issues of the capital market from both theoretical and practical perspectives and provided clear direction and advice to policymakers, market participants, and entrepreneurs. By calling for the optimization of the registration system and delisting mechanism, Zhang Wei provided a solid reference for capital market reform, contributing to the marketization and legalization process of the capital market. He also emphasized the core role of the wealth effect in stimulating innovation, providing profound insights into how to attract and retain talent and inspire entrepreneurial spirit. His views offer far-reaching guidance for enhancing China’s position in global technological competition and promoting industrial upgrading and economic transformation.

Zhang Wei: True “Betting on China” is a Long-term Battle, with the Core in Technological Breakthroughs and Entrepreneurial Spirit

In October 2024, Zhang Wei, Chairman of CoStone Capital, published an article titled “What is True Betting on China” in The Economic Observer. In the article, he deeply analyzed the current state and challenges of China’s capital market and technological innovation and provided clear direction and advice for policymakers, entrepreneurs, and investors. He emphasized the importance of supporting private enterprises and protecting entrepreneurial spirit, providing theoretical basis and practical guidance for promoting industrial upgrading and technological innovation. At the same time, his “National System 3.0” concept offers innovative ideas on how to better integrate resources and stimulate innovation under the new era, contributing to high-quality development of China’s economy and breakthroughs in the technology industry.



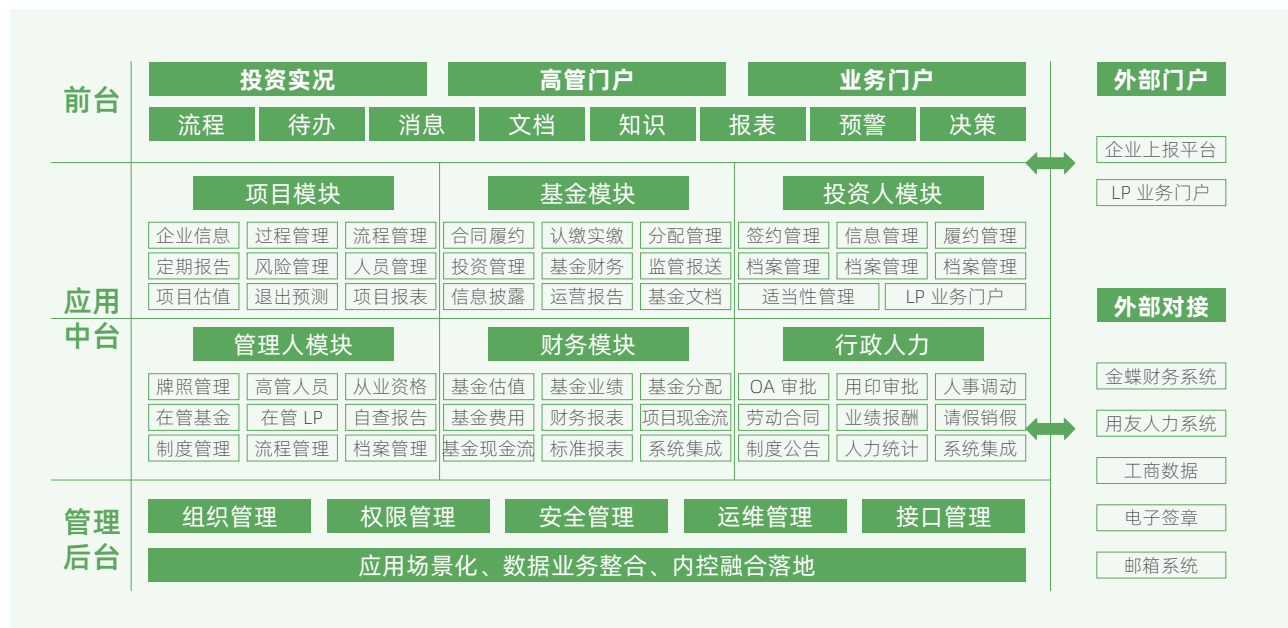
Digitalization and Data Security

Digital system construction |

In response to our business expansion and operational optimization needs, CoStone Capital officially launched the planning and implementation of its fund management system in 2023. After meticulous preparation and efficient progress, the Company successfully built its digital system in February 2024, injecting new vitality into operations.

Management system architecture

CoStone Capital’s fund management system platform covers the whole life cycle of fundraising, investment, management and withdrawal. By deploying application and management back-office modules to meet internal operation and management needs, and combining external portals such as investee reporting platform and LP business portal, it realizes the all-round management of GPs, LPs and investees, establishes efficient internal and external connections, and creates a one-stop office platform that combines application scenarios, data and business fusion, and internal control fusion and landing.



System construction content

Underlying architecture construction and overall functional planning

Build a full life-cycle view of project and fund operations, covering financial analysis, valuation analysis, risk control management and investment returns, to meet various business needs.

Domain-wide system and process restructuring and optimization

Improve data application capabilities and cross-departmental communication and collaboration efficiency through the reconstruction of fund and project operation processes, financial closed-loop, performance appraisal, and other functional designs.

Enterprise data asset accumulation

Build a data management platform, eliminate data silos, form an enterprise-level data view, and accumulate the enterprise core data assets.



Fund management interface



Fund management interface

System construction effectiveness

By establishing a comprehensive digital investment management system and a “twenty-four seven” business management platform, the Company achieves efficient flow and interaction of organizations, processes, and data on the management platform. This has significant implications for improving operational efficiency and transforming the management style of the Company.



Data security protection

The Company continually strengthens data lifecycle management, focusing on improving systems, refining permissions, and enhancing security detection to comprehensively elevate data management effectiveness and data security protection levels.

Data management system improvement

We formulate and promulgate the OA System Permission Management System and the Project Information and File Management System to clarify the daily management of business data, and the business data counterpart management department regularly checks and updates the opening, application and destruction of permissions to ensure the security of business secrets and data security.

Data authority management refinement

We have refined the granularity of data authority management and created authority matrix according to job personnel, which is used to guide business departments and technical departments in the daily management of data authority.

Data security detection enhancement

With the help of a data security large model, human intervention has been reduced compared to the past, improving the accuracy and speed of security event judgments and handling, thereby enhancing the overall response speed and effectiveness of network security. The data security large model enables 24/7 real-time automatic analysis and hosted monitoring, replacing security operations personnel to handle tasks such as asset and vulnerability inspection and management, providing second-level closed-loop handling efficiency. At the same time, the detection effectiveness of the data security large model has significantly improved, greatly reducing data risks. During the Reporting Period, the Company did not experience any confirmed major information security or customer privacy leakage incidents.

Data Security Large Model Detection Effectiveness

95.7 %

The advanced threat detection rate of the data security large model is as high as

91.7 %

The detection rate for highly covert phishing attacks is as high as

90.0 %

Compared to traditional engines, the risk detection rate for data security behaviors has reached

40.0 %

Accuracy has increased by



Giving back to society

CoStone Capital upholds a strong sense of responsibility, firmly responding to national and government strategic plans, and fully supporting local industry upgrades, injecting strong momentum into the high-quality development of regional economies. At the same time, we actively practice the Company's mission with real actions, committed to creating a more supportive and caring social environment. In 2024, CoStone Capital became actively involved in social welfare undertakings, making generous donations multiple times to spread warmth through good deeds and contribute to society.

Medical charity

In April 2024, a donation of RMB300,000 was made to the Guangdong Province He Taoxiang Medical Charity Foundation to support its efforts in patient relief and related medical charitable activities.



Cultural construction

In June 2024, a donation of RMB5.85 million was made to the Tongxiang Charity Association of Zhejiang Province. In August of the same year, another RMB4.15 million was donated, totaling RMB10 million, Specifically used for cultural and tourism construction projects in Tongxiang City, Zhejiang Province.

In December 2024, a donation of RMB1 million was made to the Anhui Normal University Education Foundation to support the development of the school's educational cause. Of this, RMB300,000 was allocated to the School of Literature Scholarship Fund (including RMB100,000 for graduate student scholarships), RMB600,000 for public welfare activities related to college students' social practice and cultural education, environmental protection, and ecological activities under the theme "Offering Love, Fulfilling Responsibilities, and Contributing," and RMB100,000 for project expenses.

Educational support

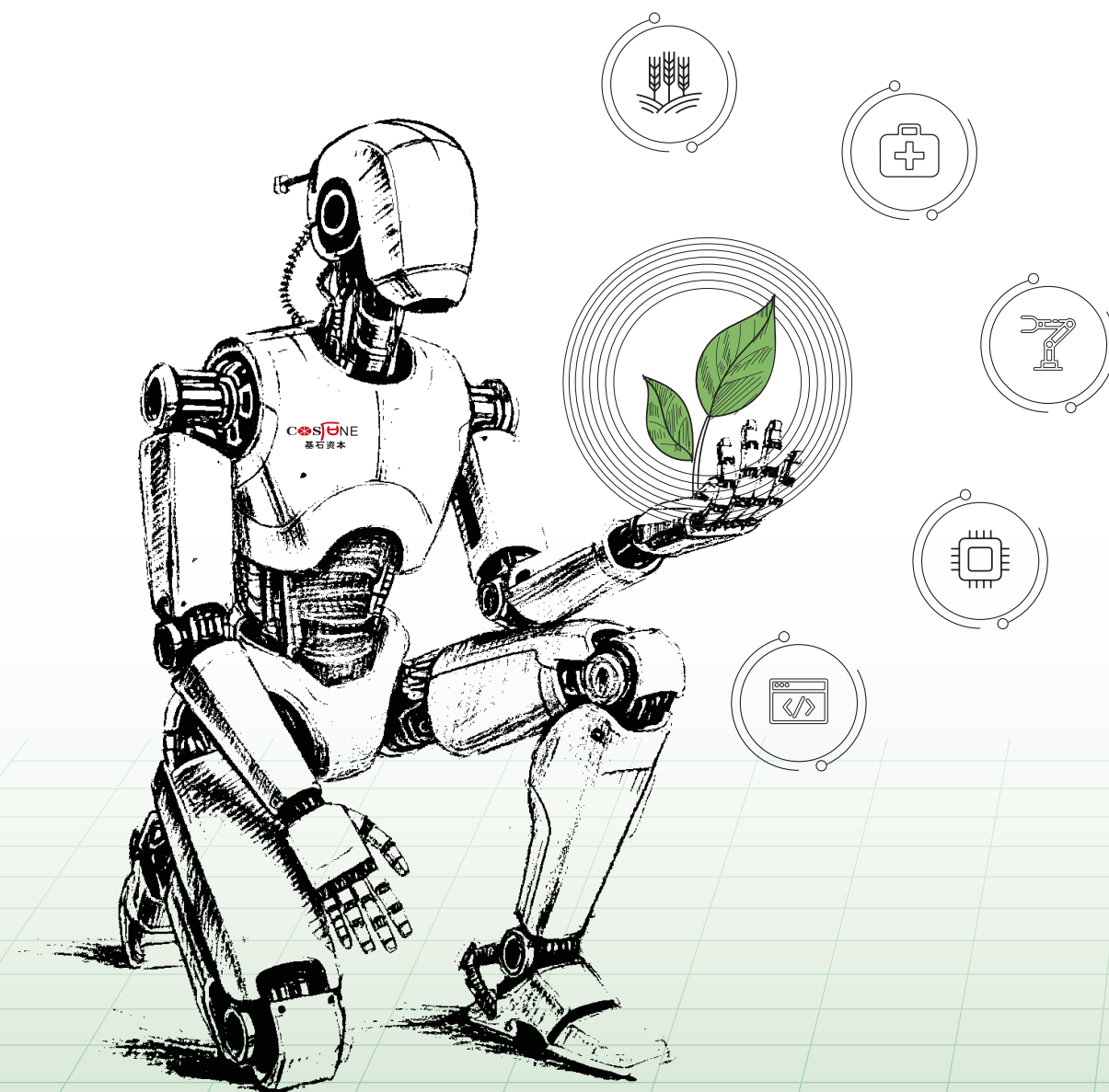
School supplies

In December 2024, a donation of RMB20,000 was made to Guang'ai School in Jinzhai County, Anhui Province, to support the purchase of teaching and living supplies for the school.



Future Outlook

Though valuing environmental protection, green investment places its core at “investment” . To be more specific, it's not a public welfare project nor a policy-based or emotional investment. It should be market-oriented investment from which a responsible investment institution finds balance between social and economic benefits. The practice of green investment and ESG principles is essential to the investment returns of investors and the long-term sustainable operation of enterprises. Driven by inherent factors, impactful investment aims to not only make money, but also bring positive impact on society and the environment.



Achieving “dual-carbon” goals is a broad and profound economic and social systemic change. Decarbonization, like digitalization, is systematically reshaping and transforming industries. Sticking to the sustainable investment concepts of “targeted guidance”, “concentrated investment” and “customized service”, CoStone Capital embraces opportunities to invest good capital in low-carbon, new energy, life sciences and health and biodiversity. In the next five years, CoStone Capital flagship fund will shift its focus to investment in sustainability-related fields. It is our commitment that investment in energy-saving technical renovation and low-carbon transformation will be no less than 25% of the fund size, with asset allocation updated to be more environmental-friendly. We will further refine the ESG investment management system and gradually improve ESG evaluation indicators and database, incorporating ESG into the management system of each link of “fundraising, investment, post-investment management and exit”. We have responsibility for introducing the concept of sustainable development to our investees. In this regard, we should guide them to enhance corporate governance and shoulder social responsibilities, and supervise them over ESG information disclosure.

With close attention to carbon footprint, we will keep advocating green office and low-carbon lifestyle. Insightful views and different voices are allowed on our investment decisions as we aim to create a workplace that encourages fair promotion and win-win cooperation, and build talent teams that excel at their work and deliver good results. In this way, we can grow together with our employees. We hope to be a warm investment institution that cares for vulnerable groups, and unites all parties to support public welfare and pass on love.

CoStone Capital will work together with employees, society, investors, investees and partners, to take on the duty to become an initiator and enabler in sustainable value creation in the equity investment industry chain. We will step up the pace of internationalization, actively join green finance and sustainable development initiatives, and spare no effort to promote industry self-discipline, thereby shaping us into a respected and influential investment institution in China that steadily takes the road of sustainable development.



