



Drive Transformation Through ESG

2021 Environmental, Social and Governance (ESG) Report

CENTURIUM CAPITAL

大 钲 资 本



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Message from our Chairman & CEO



“As one of the leading private equity investment firms in China, Centurium Capital is committed to promoting responsible investment principles and integrating them throughout our investments.”



March 2022

ESG (Environment, Social and Governance) has become an increasingly important element of investment decision making and management, driven by evolving expectations from stakeholders and regulators. In 2021, with the launch of the Chinese Government's Carbon Neutrality Goal in 2060, climate change-related topics received unprecedented attention and response from the investor community. Further, vulnerabilities in our economies and societies during the Covid-19 pandemic also brought social responsibilities firmly on investors' radars. It is time to act on ESG.

As one of the leading private equity investment firms in China, Centurium Capital is committed to promoting responsible investment principles and integrating them throughout our investment process. By implementing a firm-wide ESG framework and policies, we have made ESG one of the priorities in assessing investment opportunities and supporting our portfolio's growth.

Given that each industry sector has its own particular characteristics and every business is different, the ESG risks and opportunities are different in nature for each of our portfolio companies. Therefore, our engagement strategy with portfolio companies is tailor-made for each, from their management of ESG issues, to our ESG data collection and analysis. In 2021, we launched ESG KPIs tracking for approximately half of our portfolio companies in our USD Fund I. We track their ESG performance annually starting from our investment year. This is the start of our systematic ESG KPI monitoring, and we plan to build similar mechanisms for all of our portfolio companies going forward.

The release of our ESG report marks an important milestone in our responsible investing evolution. The report explains our ESG approach and provides examples of how we've integrated ESG practices throughout our investment process over this past year. Our ESG initiatives, together with the effort from our portfolio companies, consist of responding to long-standing sustainability challenges in climate change and environmental protection, promoting safety, inclusivity, and equality in our workplace, and helping our people and communities cope and thrive in the post-pandemic environment.

Finally, I'm excited to share that we became a signatory of UNPRI this month. In addition to our firm's own ESG policy and initiatives, we are committed to the PRI principles and to better align investors with broader objectives of society. We look forward to continued collaboration with our limited partners, portfolio companies and industry peers in the area of ESG.

David Li

Chairman & CEO, Centurium Capital



Centurium Capital

Invest to Transform

Centurium Capital (the “Firm”) is a leading private equity investment firm in China focused on investing in consumer, healthcare, business services, and technology sectors. The Firm was founded in 2017, with the vision of creating a best-in-class private equity firm in China, grounded on a combination of international private equity investing best practices and China market local expertise.

Centurium Capital has invested in more than 30 companies in China through its multiple RMB and USD funds, and built a balanced portfolio of proprietary sourced control or joint-control investments and significant minority growth equity investments.

With a hands-on, operation centric “Invest to Transform” model, Centurium provides bespoke solutions to companies and management faced with complex deal situations and dynamics to unlock growth potential and brings in or facilitates business transformations enabled by technology and business innovations.

Centurium has developed a differentiated operation-centric playbook, driven by an integrated deal team approach to integrate investment and operational professionals for investing, underwriting and portfolio management. Centurium’s integrated deal team model enables investment and operations professionals to join forces in identifying and building companies of lasting value and generate superior investment returns.



Centurium Capital

Facts & Figures

US\$ **4.9** billion
AUM
as of December 31, 2021

Managing
4
RMB and USD Funds

4
Focused Sectors:
consumer, business services,
healthcare, technology

30+
Portfolio Companies

35+
Integrated Investment and
Operations professionals

3
Offices in **Beijing,**
Shanghai, Hong Kong



Our ESG Policy and Framework

Since inception, ESG has been at the core of Centurium’s investment philosophy and strategy to drive transformation with our portfolio companies. The Firm formulated its first ESG policy in 2018, which has been reviewed regularly to reflect the evolving needs and requirements with the expansion of our investment portfolio and our LP base.

We believe that responsible corporate citizenship is a fundamental tenet of good investing and strive to invest responsibly in following Centurium’s investment strategy and investment approach. Integrating ESG considerations within the investment process allows the Firm to better identify and monitor the most relevant ESG issues, which ultimately reduces risk and creates value for our investors, portfolio companies, and communities. Our ESG policy takes into account elements of globally recognized ESG standards and initiatives, relevant laws and regulations, and international conventions.

Our ESG Commitment

We always strive to invest responsibly while following our investment strategy and our investment approach. We are dedicated to achieving the best possible risk adjusted returns for our investors and we believe that responsible investment is essential in maximizing returns to our LPs.

Where consistent with our fiduciary responsibilities, we commit to the following:

- Integrate ESG factors in our investment analysis and decision-making processes.
- Use governance structures that provide appropriate levels of oversight in the areas of audit, risk management, and potential conflicts of interest, and to implement compensation and other policies that align the interests of shareholders and management.
- Work through appropriate governance structures with portfolio companies on ESG issues, with the goal of improving performance and minimizing adverse impacts in these areas.
- Compliance with applicable laws and regulations in countries in which we invest and benchmark against industry and international best practices to provide a sustainable, safe and healthy workplace.
- Encourage appropriate disclosure of ESG issues by the portfolio companies in which we invest, and review and encourage our portfolio companies to advance their ESG principles consistent with this Policy.



Our ESG Governance Structure

ESG managing responsibilities are clearly defined in its organizational structure. Our dedicated ESG officer leads our company-wide ESG efforts and works closely with portfolio companies to drive understanding and adoption of ESG principles. Our ESG committee, which consists of Centurium’s investment committee members and heads of key operational functions, is the top governing and supervision body for the firm’s overall ESG affairs.

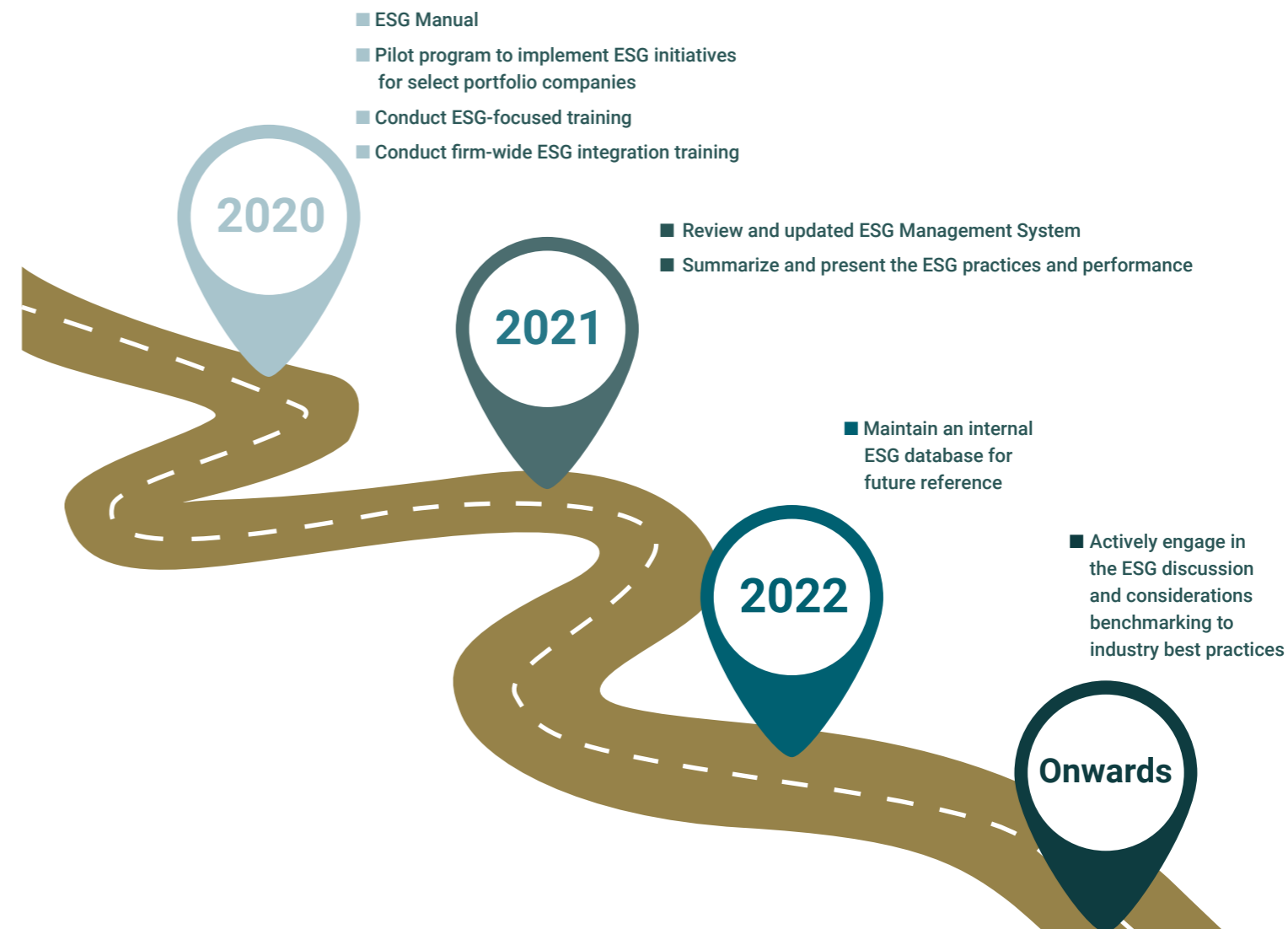
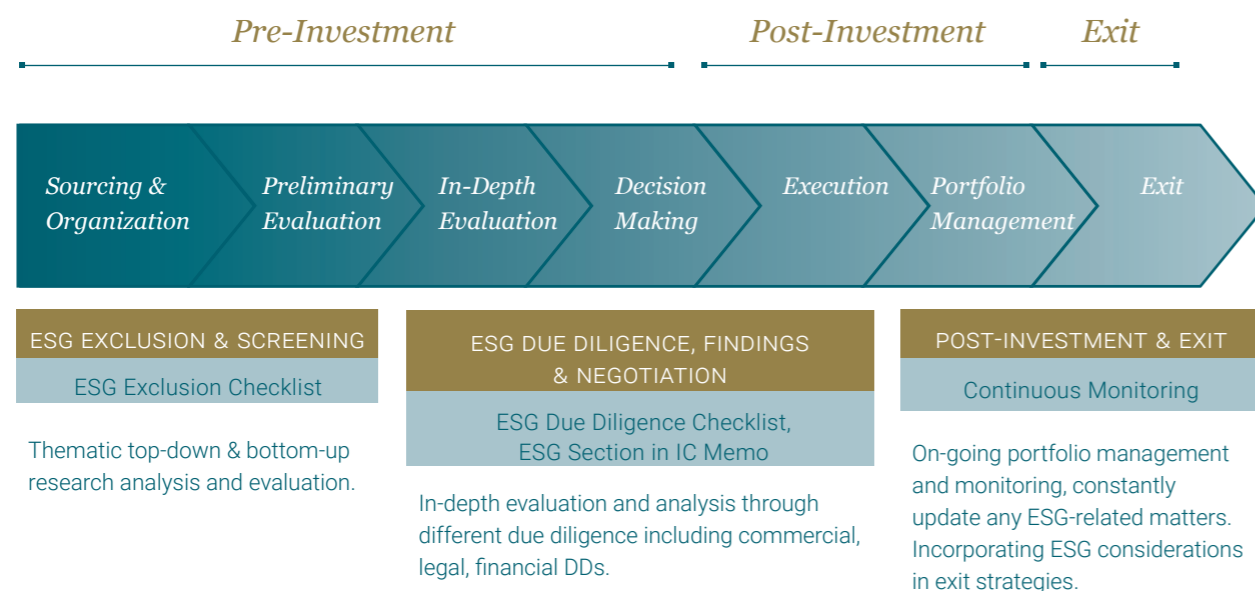
Centurium’s ESG management structure and responsibilities are demonstrated in the figure below:



Our ESG Approach in Investment

ESG is part of the Firm’s investment process and not a standalone process. The Firm’s Investment Process consists of sourcing & origination, preliminary evaluation, in-depth evaluation, decision-making, execution, portfolio management, and exit.

The integration of the ESG considerations into each phase of the Firm’s investment process is illustrated as below:



Centurium Capital Becomes a Signatory of UNPRI

Centurium Capital became a signatory of the United Nations-supported Principle for Responsible Investment (UNPRI) in January 2022, joining the leading international network of institutional investors committed to including environmental, social and governance factors in their investment decision making.

The PRI is an international global network of asset managers, owners and service providers working together to put responsible investment into practice. The principles, which are voluntary, aim to provide a framework for integrating environmental, social and corporate governance (ESG) considerations into investment decision-making and ownership practices.

We are excited to join the leading international network to help promote the awareness and adoption of ESG best practices in China. We look forward to the partnership with the PRI to further enhance our ESG practices and bring positive impacts to our portfolio companies.

Luo Nan, head of the PRI China, extended a warm welcome to Centurium Capital. “In signing up to PRI, Centurium Capital shows commitment to practicing responsible investment. It is an important step in its continued ESG practice. The development of responsible investment is now growing rapidly and we look forward to more investors joining the journey,” she said.



Our ESG Roadmap

Our ESG Policy and ESG Management System lay the foundations of our multi-layered and phased ESG roadmap.

To enhance ESG awareness among our people, ESG is integrated into our new employees’ onboard training, and an annual refreshment ESG training session is conducted for all Centurium employees.

Implementing our ESG monitoring efforts gradually, we selected four portfolio companies as a pilot program in 2019 and 2020. We designed tailor-made ESG questionnaires and performed multiple rounds of interviews with each company’s management. In 2021, we extended our ESG monitoring to include specifically defined KPIs and data tracking systems for selected portfolio companies.

With the success and full implementation of our pilot programs, we are positioned to deepen our ESG engagement with portfolio companies and benchmark against industry best practices.



2021 ESG Highlights

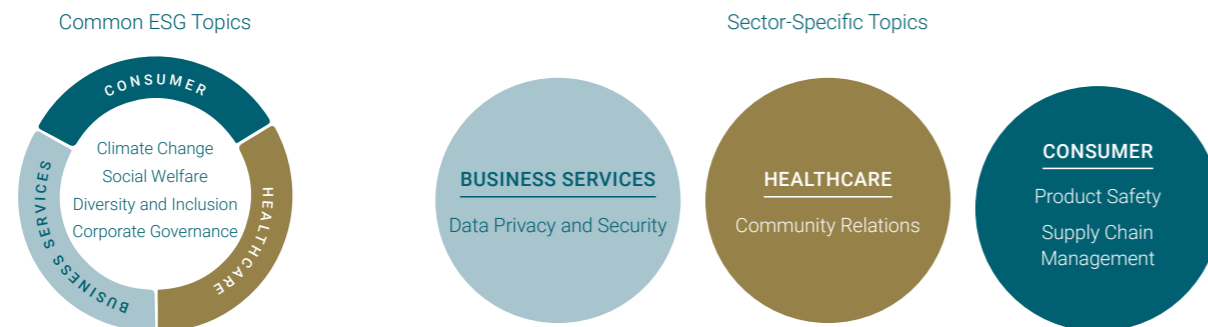
Implementation of ESG Due Diligence

In 2021, we conducted ESG Due Diligence for all our new USD fund investments. Our ESG Due Diligence Guidelines were developed with reference to the SASB materiality map and SASB guidelines relevant to the sectors of our investment targets. Guided by the ESG Due Diligence guideline, our defined key ESG topics were incorporated into our legal, operational and financial due diligences to identify material risk exposures, involving our ESG officer during the pre-investment process. Key ESG findings, together with risk mitigation recommendations and ESG engagement plans were included in our investment committee memos for final investment decision.

Strengthened ESG Integration at Portfolio Level and Monitoring of ESG Performance

In 2021, we continued to improve our ESG monitoring methodology through designing tailor-made ESG KPIs to track the ESG performance of five selected companies from our USD fund portfolio. These companies – ANE, LOHO, Luckin Coffee, Taibang Biologic Group (formerly known as China Biologic Products, CBPO), UIB Healthcare Group – represent over 80% of our USD Fund I's invested capital and cover all of the sectors that we invest in. The KPIs serve as the compass for us to guide our ESG understanding and engagement with our portfolio companies.

Different considerations are given to each of the sectors we focus on:

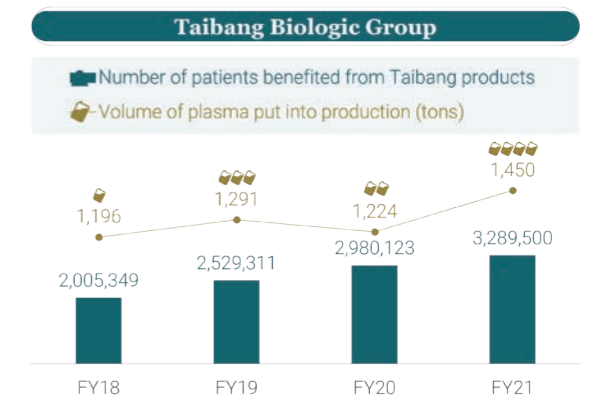


Building ESG Awareness and Capabilities at Portfolio Companies

As part of our ESG engagement program, we have encouraged our portfolio companies to be proactive with regard to their ESG program and practises before going public.

In December 2021, ANE announced the establishment of an ESG Committee chaired by Michael Chen, Non-Executive Director of ANE and Managing Director of Centurium, to oversee the strategy and implementation of a comprehensive ESG program in the company. ANE's ESG Working Group consists of senior management and relevant department personnel who are responsible for the implementation of each concrete ESG initiative. In addition, the company is en route to the release of its annual ESG Report in 2022.

Selective Portfolio Companies' ESG Highlights



Note: Numbers are based on management accounts and not audited.

Industry Recognition

In recognition of our continued and devoted efforts, Centurium was awarded "Special Contribution to ESG Investment of the Year" during the 11th China Innovation Capital Summit & the 4th China Private Equity Responsible Investment Summit on December 15, 2021.





2021 ESG HIGHLIGHTS

Luckin Coffee: Building a Sustainable Business

Luckin Coffee (“Luckin”) was founded in 2017 and has become one of the largest coffee chains in China by store count in 2020. Luckin pioneers an innovative, digitized business model, that offers a direct-to-consumer interface, convenient pick-up and delivery experience, and high quality products at lower costs.

Committed to building a sustainable and socially responsible business, Luckin Coffee has been making significant efforts on responsible supply chain management, quality control, attracting and retaining talents and developing environmentally-friendly product solutions.

Supply Chain and Store Management: Uncompromising Commitment to Quality

Luckin Coffee pays close attention to food safety and quality control, monitoring each step in the food and beverage preparation process from procurement to store operation and from warehousing to delivery.

The company designed stringent food safety and quality control standards and enforced comprehensive food safety and quality control measures covering supplier selection, quality inspection and testing.

Procurement

Luckin has a dedicated procurement team responsible for the procurement of raw materials, machines and equipment, packaging materials and consumables based on inventory availability, number of stores and marketing events, and leverages the inventory analysis of its smart supply chain management system to decide order placement.

Supplier Management

Luckin carefully selects its suppliers through a stringent selection process, and assess the performance of its suppliers on a regular basis. During the supplier selection process, Luckin reviews their qualifications and conduct onsite visits and inspection.

In its agreements with suppliers, Luckin has in place anti-kickback policies to ensure the integrity of its food safety and quality control and procurement system.

Warehouse and Fulfilment

Luckin maintains an intelligent warehouse management system and order management system that are integrated with the systems of our warehouse and fulfilment service providers. Its systems enable real-time analysis of sales status at each store and automated order placement with its leased warehouses for replenishment purposes.

Store Management

Luckin has established an efficient reporting structure and mechanism for monitoring the daily operations of its stores, to maintain high level and consistent service quality.

The detailed employee code of conduct covers specific requirements on the usage and storage of raw materials and other food and beverage items, equipment handling, store environment and delivery service management.

Luckin also frequently conducts environmental microbiological testing at its stores to ensure a hygienic coffee-making environment, and initiate proposals from time to time to improve our store operations and enhance customer experience.

Source: 2020 Annual Report of Luckin Coffee; Numbers and facts are as of December 31, 2020.

Eco-friendly Packaging Solutions

To implement an effective waste management, Luckin Coffee is working on redesigning the entire packaging system – including bags, cups, lids and straws – to reduce the impact of waste generated in its stores.

All bags provided by Luckin Coffee are made of paper instead of plastic. On Earth Day in 2021, Luckin Coffee rolled out compostable and biodegradable PLA (polylactic acid) straws in all of its stores across China. Moreover, Luckin Coffee continues to transition to bio-degradable cups, lids and straws, which it started to do in Hainan province at the end of 2020.

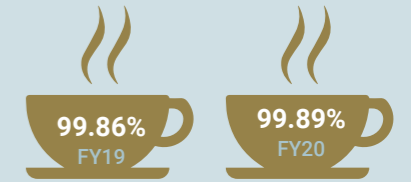
All these steps and actions taken and those to be further rolled out by Luckin Coffee have a cumulative effect on the reduction of plastic footprint and environmental impact.

Helping Talent Thrive

Luckin Coffee’s digitalized and virtual training system makes staff training easier to manage, and helps fresh graduates adapt more quickly. Furthermore, the majority of Luckin’s stores are pickup stores, and customers order products through mobile applications, which greatly improved the order fulfilment efficiency and simplified customer engagement.

Luckin’s training system covers employee’s whole career development path—starting with an on-boarding program to management training – and benefits the staff of all business lines. In addition, by fully recognizing staff’s contributions, Luckin Coffee has a transparent system to facilitate staff promotion.

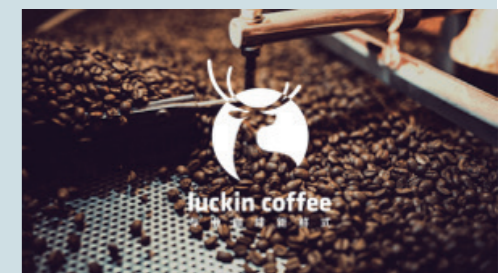
Luckin Coffee’s Consistent High Customer Satisfaction Rate



Note: Based on Luckin’s customer ratings and feedbacks on its App, H5 and payment platforms, such as Unionpay and Alipay.



Fresh out of college, Ms. Tracy Xue began her career at Luckin Coffee as a trainee in 2019. She has proven her competency by significantly improving the operational efficiency of the store where she served. After two years of hard work, she was promoted as regional operation manager of the Beijing branch in 2021.



Continuous Rollout & Adoption of PLA Cups



Note: Numbers are based on management accounts and not audited.



2021 ESG HIGHLIGHTS

ANE: A Green Economy and Social Equality Pioneer

ANE Inc. (“ANE”, “the company”, HKSE: 9956) operates a leading express freight network in China’s less-than-truckload (“LTL”) market. The company mainly provides transportation services, value-added services and dispatch services to its freight partners and direct customers.

ANE, together with its freight partners and agents, served over 3.6 million shippers, its end-customers, across China as of April 30, 2021, covering approximately 96% of the counties and townships.

Sorting through its self-operated sorting centers, ANE connects over 2,000 inter-provincial direct line-haul routes across major Tier 1/2/3 cities in China as at April 30, 2021.

According to iResearch, ANE is the first logistics company to establish the freight partner platform model in 2012 to draw a large number of local operators to its platform as freight partners and agents, empowering them and its entire network to serve as the infrastructure for China’s new commerce landscape.

Making Logistics “Greener”

Adopting diverse fuel-efficient measures, ANE has leveraged its transportation infrastructure and technology solutions to make logistics “greener”.

ANE uses clean-energy trucks and high-capacity trailers — such as liquefied natural gas vehicles and electric forklifts — to improve energy efficiency and reduce pollutant emissions. In addition, ANE is equipping its existing trucks with energy-saving devices (e.g., air deflectors that improve aerodynamics of the trucks) to reduce fuel consumption. Meanwhile, ANE has taken measures to encourage its freight partners to use eco-friendly transportation vehicles such as electric trucks for pickup and delivery.

Leveraging big data and AI machine learning capabilities, ANE was the first LTL logistics services provider to connect different vehicle management systems of freight partners via its own platform — Panshi, which can track the vehicle condition, fuel consumption, routes and driver’s behavior real time. Leveraging big data and AI machine learning capabilities, ANE is able to improve significantly operating and

fuel efficiency, reduce carbon emission and cost, and optimize the operation SOP. Real-time tracking of driver’s behaviors also helps improve the safety record of drivers and vehicles.

In addition, ANE is adopting more green energy in its daily operations. Starting from December 2021, ANE started using photovoltaic power generated by the industrial park where it is located and consumed 32,000 kwh in the month. The company is exploring ways to collaborate further with the park to continuously increase the usage and reduce relevant power costs.

“Women hold up half of the sky” at the sorting centers

It is a popular belief that the logistic and transportation sector is a male-dominated field because of the heavy workload and safety concerns. Prior to 2014, most of the activities at ANE’s distribution centres had been performed by male workers. ANE found that most of them were migrant workers who left their hometowns without their families since it was difficult for their wives to find a job nearby.

To better attract and retain a skilled workforce and with consideration of employee well-being, ANE started to offer job opportunities to employee family members. ANE found that with sufficient training, female workers were able to effectively operate electric forklifts and, in many cases, perform better than their male counterparts.

Ms. Huang and her husband work together at ANE’s distribution centre and she was proud to say: “I sorted and transported more goods than my husband did on ‘Double 11 (November 11 Shopping Festival)’!”



Ms. Huang Qiaomei and her husband at Hangzhou distribution center

ANE has a transparent and performance-based compensation system. Female workers are equally and well paid at ANE under the standardized safe work environment. Ms. Wang Yanhua, who attended “Double 11” twice at ANE, becomes more confident as she can earn money by herself to afford her son’s college tuition.

At present, there are 1,569 female forklift drivers at ANE’s distribution centres, representing around 40% of the total number of forklift drivers. ANE’s creative solution has proven its commitment to the well-beings of its staff.

Innovative Freight Operators Platform

China’s Less-than-truckload (LTL) industry is highly fragmented and inefficient with millions of small and medium-sized direct line and local freight operators. To tackle the pain points faced by local freight operators and to better respond to new demands from a digital economy, ANE’s pioneering franchise model and freight partner platform connects local freight operators with technology capabilities and operational efficiency to deliver and expand comprehensive high-quality services to shippers.

Technology Enablement

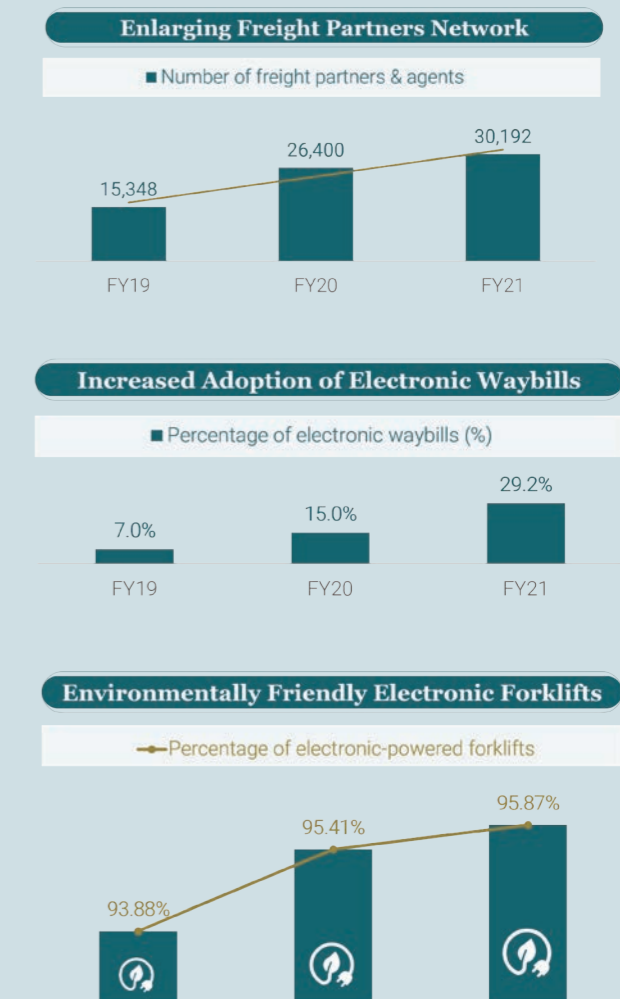
ANE has developed a suite of proprietary digitalization tools such as the Compass System, the Luban system for integrated data management and the 360° outlet

management system. By joining the platform, freight partners and agents can directly benefit from ANE’s data-driven technology solutions and significantly improve their service quality.



Operations Empowerment

Apart from the digitalized solutions, ANE provides various value-added services that are essential to the business operations of its freight partners and agents, such as electronic waybills, insurance and operation management, financing support, and capacity building, to help them meet growth targets in an efficient way.



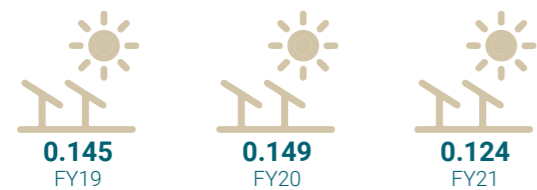


Our Environment

Climate change exacerbates risks to various sectors, requiring collective actions to tackle the issue. As an important step in our ESG integration, Centurium has taken concrete actions on evaluating environmental impact factors in due diligence, investing in greener businesses and monitoring the overall ecological impacts of portfolio companies.

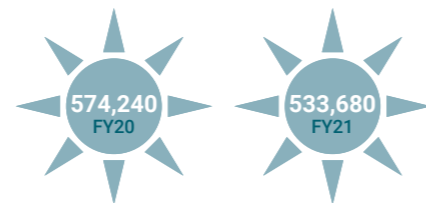
We set climate-related metrics for portfolio companies, such as GHG emission and renewable energy consumption, to understand portfolio companies' climate impact and track improvement progress.

LOHO's factory in Shenzhen used green electricity to decrease its carbon emissions intensity



GHG Emissions Intensity (kg of CO2e / k Rmb)

Beijing Jingdu Children's Hospital uses solar energy to reduce its carbon footprint



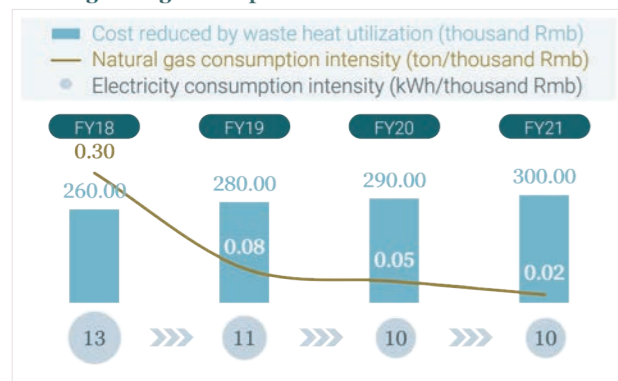
Solar Energy Consumption (kWh)

Resources and Waste Management

For portfolio companies that are using intensive energy and water, Centurium pays special attention to their resources and waste management activities and sets up relevant KPIs.

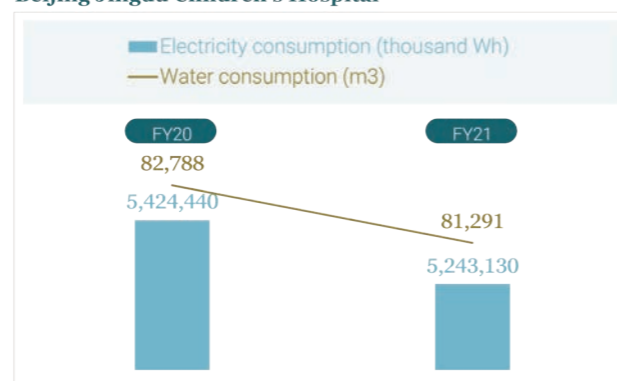
Taibang's decrease in electricity and natural gas consumption intensity, and increase in cost saving by waste heat utilization:

Taibang Biologic Group



Beijing Jingdu Children's Hospital, a subsidiary of UIB Healthcare Group, continues to reduce power and water consumption:

Beijing Jingdu Children's Hospital



Note: Numbers are based on management accounts and not audited.

YGL

Water Saving Car Wash System Enhances Green Dream

With improved living standards, the number of family-owned vehicles have increased remarkably, resulting in a significant increase in demand for car washes.

Centurium RMB Fund I invested in China's first AI-enabled high-tech car wash solution provider, YGL, in 2019. The company currently operates over 1,600 car wash outlets in China deploying its water-efficient, automated car wash robots.

YGL aims to address the pain point of the car washing industry as the car washing process consumes a massive amount of water and discharges untreated wastewater. Each car washing robot of YGL has applied sewage treatment and rainwater collection technologies. The sewage recycling system adopted sediment adsorption and biodegradation technologies, preventing sewage from polluting the environment. As a result, YGL's car washing robot can reduce 90% of water consumption compared to traditional methods, which could be used to irrigate

20-30 square meters of urban green spaces. For the time being, YGL has managed to save around 1.57 billion litres of water and prevent the discharge of 2.6 billion litres of sewage during the car washing process.



¹ NetEase, Carbon Neutrality Report, Jiaqi Li, August 2021

Fadada

E-contract and E-signature Solutions Helping Forest Conservation

Deforestation is one of the urgent challenges facing our planet. According to the World Wild Fund for Nature (WWF)², around 40% of the industrial woods were used in the paper industry to make office and catalog paper, glossy paper, tissue, and paper-based packaging. Businesses continue to rely heavily on paper for their daily operations.

Centurium Capital invested in Fadada, a leading e-signature and cloud contract service provider in China, in March 2021. By shifting to the e-contract system, companies can significantly improve efficiency, reduce logistic costs, and save paper consumption relating to the legal process involved in contract signing. As of June 5, 2021, more than 5.5 billion e-contracts have been signed through the Fadada platform. Since switching to digital signatures, Fadada managed to assist its customers in saving approximately 5.5 billion sheets of paper, equivalent to roughly 25.7 million trees.

The environmental benefits of Fadada's business go beyond forest restoration, as the preserved trees have helped prevent 38,000 tons of carbon emissions and 9.8 million tons of dust from being emitted. It has also resulted in 12,000 tons of water being stored and 33,000 tons of oxygen being released. In

addition to environmental benefits, digital e-signature software can considerably reduce administrative costs. For instance, implementing an electronic signature solution to 5.5 billion contracts through Fadada's platform makes it possible to reduce printing costs, logistics expenses, and human capital by RMB 16.5 billion, RMB 110 billion, and 7.5 billion, respectively.

Fadada's e-Contract Solutions Saves More Green



² World Wild Fund for Nature, The WWF Guide to Buying Paper

XPeng

Electric Vehicles for a Carbon Neutral Planet



Founded in 2015, XPeng Inc. is a leading Chinese smart electric vehicle ("Smart EV") company that designs, develops, manufactures and markets Smart EVs in China. Centurium's RMB Fund I invested in XPeng in 2017, and the company was listed on New York Stock Exchange (NYSE: XPEV) in August 2020, and Hong Kong Stock Exchange (HKSE: 9868) in July 2021.

Human activities are driving forces for climate change and rising temperature. According to public research, conventional mobile transportation contributes to around 9% of the carbon emissions in China. Along with the fast technical progress, as well as the national carbon neutrality policy and the rising awareness among individual citizens, electric vehicles represent the future of global transport. Compared with conventional gasoline vehicles in the same weight class, XPeng's electric vehicles delivered in 2020 can approximately reduce the carbon emission by 5,520 tons of CO2 equivalent in a year.

Beyond its contribution in terms of EV production, XPeng integrated climate change into the company governance level, from establishing the Carbon Neutral Plan in 2021 to deploying solar panels at the manufacturing site. For example, the 22.6 MW solar project at Zhaoqing was estimated to generate 20 million kWh of electricity, approximately reducing greenhouse emissions by 11,000 tons of CO2 equivalent and saving RMB2.3 million (approximately US\$0.36 million) in unit costs. Moreover, the planned grid-connected solar projects at Guangzhou and Wuhan manufacturing plants are expected to come online in 2023 and 2025, respectively.



Our Social Responsibility

Diversity and Inclusion

Talent is at the heart of our business. To attract and retain the best talent, we strive to foster a culture of diversity, equality, and inclusion. This starts with treating all individuals with respect and dignity and promoting their welfare and career growth by offering robust wellness programs and development opportunities. We support our portfolio companies to comply with government social welfare policies and provide adequate benefits to employees to stay competitive.

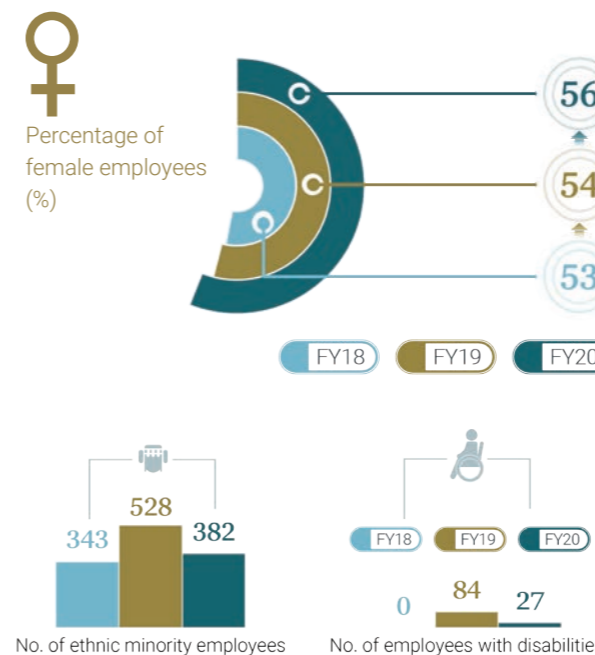
The pandemic created unprecedented challenges for businesses as well as the workforce. We placed and will continue to place the safety and well-being of our staff – both at the Firm and across our portfolio – at the highest priority.

We aim to create lasting opportunities for our employees to advance their career development. Meanwhile, we pay close attention to the job creation realized by our portfolio companies and assist them in advancing employees' professional growth, particularly in the context of the pandemic-hit labor markets which caused millions to be furloughed or lose jobs. The value of our workforce is built on diversity and the marrying of ideas from different walks of life. We emphasize diversity and inclusion, which is becoming increasingly important to expand our talent pools to include and retain more employees from different backgrounds.

Our commitment to diversity and inclusion extends beyond our own operations and right down to the grassroots of the companies in which we invest. Our portfolio companies embed the value of diversity, equality, and inclusion in every recruitment practice as well as in their daily operations.

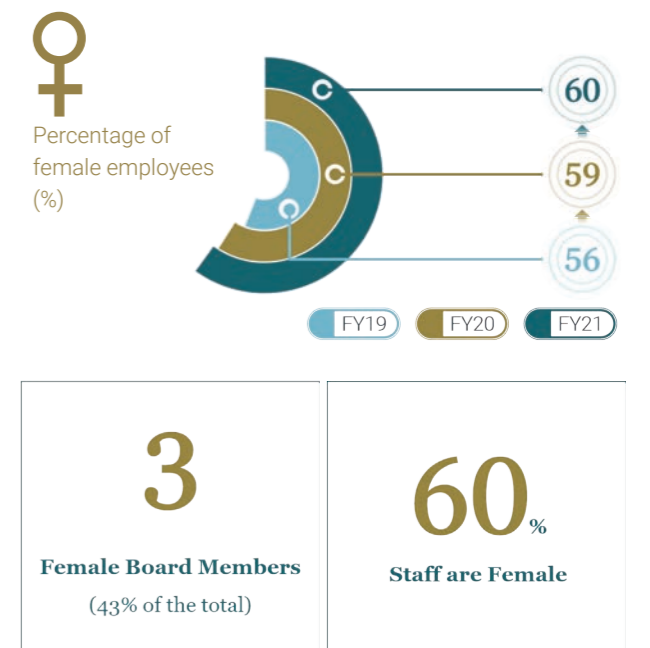
Luckin Coffee

As of December 31, 2020, the company had 8,590 full-time employees and 12,718 part-time employees. In 2020, 56% of the employees were women; it had 382 people of ethnic minority and 27 with disabilities.



LOHO

As of the end of 2021, LOHO had approximately 2,000 full-time employees with nearly 60% being female. The company is committed to diversity and inclusion, promoting equal opportunities for all staff, as well as providing industry-leading social benefits to stay competitive.





FEATURE STORY

Dr. Sun Yuan, Dean of Beijing Jingdu Children's Hospital

Social Responsibility at the Heart of Jingdu's Culture

Dr. Sun Yuan, Dean of Beijing Jingdu Children's Hospital, had only just arrived at her in-laws' home in China's northeast province of Heilongjiang on lunar New Year's day, 2020, when news out of the central Chinese city of Wuhan saw her head straight back to the capital. She always works on New Year's Eve, she says, as she likes to give as many of her staff the chance to celebrate the most important Chinese festival with their families.

"The staff all came back on the third day. We were one of the first hospitals to open a fever clinic, and we saw the most outpatient children of any hospital in the whole district," Dr. Sun says, sitting in the meeting room in the specialist child hematology department.

Jingdu Children's Hospital is in Changping District, on the northwest edge of the city, around 30 kilometers from downtown. Previously largely rural, now Jingdu Hospital serves a large commuter community, around 1 million people out of the 2.2 million population of Changping. Although a private hospital, it accepts government social insurance, which makes it a real community hospital in an area which had no high-quality pediatric facilities.

During the first Covid wave, the hospital was at the heart of community efforts to keep the district safe, a role it continues to play, donating resources and healthcare staff for testing and vaccination.



By June 2020, the hospital had built up capacity and was able to extend Covid nucleic acid tests to adults in the district. Many doctors and nurses are always on standby to help with testing and vaccination, with some 20 nurses always deployed to support the government.

"It was tough," Dr. Sun says. "The staff, working shifts of four hours in full PPE and masks, had to stand outside in summer heat and humidity, unable to take a sip of water."

Huilongguan had two community outbreaks, one in July 2021, the other in October 2021. Huge communities of thousands of people were put in snap lockdown, and the hospital found it 200 of its 700 staff was quarantined during the second outbreak.



Beijing Jingdu Children's Hospital

Fast Facts

Nucleic Acid Tests Conducted During Covid-19

500,000
Since June 2020

900+
Average tests/day

5000
Tests on peak day

Fever Clinics Treatments

100,000+
Since June 2020

36 departments

700 total staff

200 doctors

260 nurses

300 bed capacity

Dr. Sun had just arrived in Wuhan to attend a pediatric academic conference. She turned round immediately, and on the plane made a plan to cover staff absences. "I told the staff we were in a state of emergency," she says. "We combined wards, nurses did longer shifts. Heads of departments slept in their offices."

Around 60 volunteers came to help from Tsinghua University, medical professionals, including psychologists as well as people to help manage patients. In fact, the number of outpatients increased at this time. Dr. Sun virtually lived at the hospital. On her nightly rounds, she said none of the staff complained. The lockdown lasted 26 days.

"When I look back, it was actually the best of times. I was very moved by our colleagues' dedication and care."

This ethos of putting staff and her patients first is core to the way Dr. Sun runs her hospital, helping to build it up from nothing to become one of China's foremost hospitals in the treatment of pediatric blood diseases and cardiac conditions, as well as general surgery, stomatology, ophthalmology and other children healthcare related disciplines.

Dr. Sun was attracted to the job at Jingdu because she would be able to shape the hospitals' systems and mechanisms.

"At the beginning it was really hard. No patients. We started with 7 or 8 staff. But gradually by 2018, my hematology department became the largest in northern China. We also set up the Children's Hematology Center," Dr. Sun says.

After three years, she was promoted to vice dean of the hospital responsible for medical research. "So I was also involved in our buildup of our lab capabilities for

inpatients... we also built it from zero." Today, Dr. Sun is proud that the hospital runs 90% of its own tests.

Jingdu is recognized as a leader in the field of treating childhood lymphoma and leukemia. It has one of the biggest stem cell transplant centers in China, performing over 100 stem cell transplants a year, one of the highest in China. While most hematology inpatients come from all over China, most of the outpatients are local residents.

Since being promoted to Dean in February 2021, Dr. Sun is continuing her plans to improve capacity, recruit more pediatricians and develop more specialties.

She points to the importance of staff retention and benefits. The dormitory for staff is almost free, and there is subsidized healthcare and food, as well as team building activities.

"The dean, and our leadership are not bosses, but we serve our staff. Actually, I'm evaluated every year by my staff. They rate my performance," she says.

Dr. Sun's phone pings with alerts. It is Christmas Eve, and former patients are sending messages to thank her. She has over 4,000 contacts, in particular groups to help patients during the pandemic and foundations that help to raise money to treat children. Other community work includes visiting orphanages.

Recently, she was asked to serve as chairwoman of the Changping Private Hospital Alliance to improve the service and status of private hospitals in the district.

"Social responsibility is at the heart of our culture. I want to play a role in building the brand of private hospitals overall," Dr Sun says.

UIB Shanghai Boosts Community Services

UIB Shanghai has further enhanced its professional strength by scaling up its highly skilled medical team to 118 doctors and nurses licensed with senior professional titles.



UIB Healthcare Group is a leading paediatrics, obstetrics, and gynaecology healthcare services provider. With more than 600,000 outpatient visits annually, the group is one of the largest private hospital groups in China. In Shanghai, the group currently owns and operates three hospitals – Shanghai Pubin Children’s Hospital, Shanghai EverBetter Obstetrics and Gynaecology Hospital and UIB International Maternity Care Centre.

Every detail in the Shanghai Pubin Children’s Hospital has been designed with children and families in mind, from the castle-like exterior to the whimsical artwork interior. In addition, Shanghai Pubin Children’s Hospital has adopted various forms of humour or laughter therapy – such as clown care – to relieve children’s anxiety.

In addition to outpatient and inpatient services, UIB also proactively seeks to serve its local communities through free seminars and community charity works. In 2021, Shanghai EverBetter Obstetrics and Gynaecology Hospital launched four sessions of onsite consultations focused on caring for expectant mothers with the participation of nearly 100 families. UIB Shanghai as a whole, organized 19 online charity healthcare training sessions over the year, which were attended by more than 2,800 participants.



UIB Shanghai At a Glance



High-End Private Pediatric Hospital in Pudong, Shanghai



One of only two OB/GYN Hospitals in Pudong, Shanghai



A "Little Chinese Doctor" Workshop at UIB Shanghai



Largest Postpartum Care Center in Pudong, Shanghai

3 premium facilities in Shanghai;
100,000 patients served in 2021;
55 community outreach events in 2021;
 attended by **2,800** families;
90% of staff are female



Our Governance

Corporate Governance over Portfolio Companies

As investors, we believe that effective governance over the companies in which we invest is essential for us to grow and succeed. Through our influence and board seats in our portfolio companies, we help our portfolio companies improve their corporate governance management with due consideration for shareholders’ interests and enhance long-term enterprise value. We maintain ongoing dialogue with companies to evaluate their corporate governance and we assist them in managing or improving related issues.

Supply Chain Engagement

Consumer, healthcare, business services sectors which Centurium invests, generally involve a long and complex supply chain, which represents larger exposure to potential ESG risks, typically including environmental pollution, food safety incidents and labour practice violations. During the COVID-19 pandemic, the global supply chains experienced massive disruptions, particularly among suppliers with poor workplace health and safety practices. Product safety and a sustainable supply chain management system are on top of our governance watchlist for our portfolio companies’ ESG performance.



Meican

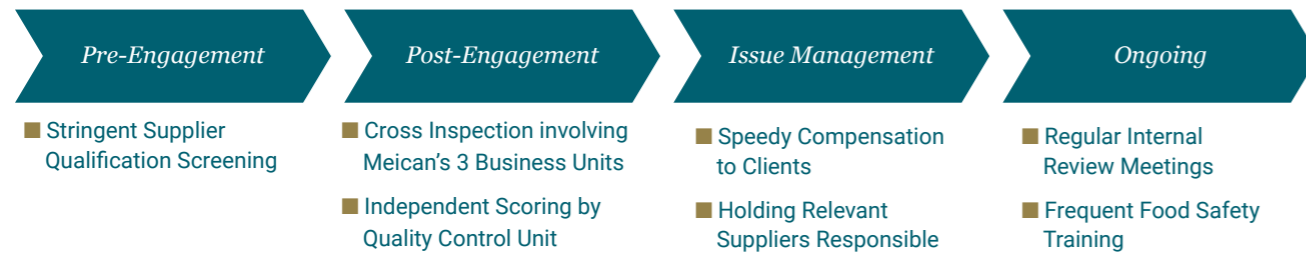
Product Safety and Quality Control



In 2021, Centurium invested in Meican, a leading SaaS-enabled corporate catering solutions provider in China. The catering business directly contributes to the sustainable development goals of ensuring healthy lives and promoting well-being. As a SaaS-based catering group, Meican operates its B2B business with a mission of assisting its customers in providing high-quality dining services to their employees. As part of its commitment to high-quality and safe food, Meican structured a four-step food safety management system that integrates food safety principles into various aspects of the business operation, from supplier management and material sourcing to daily operations.



Meican's Supplier Screening and Management System



Qualification Screening

To ensure food safety from material sourcing, Meican sets strict food supplier screening standards. While it is not unusual to encounter suppliers with fraudulent credentials, Meican designed a digitalized platform and technological tools to scrutinize the business license, production permissions, original invoices and ingredients samples presented by suppliers.

Performance Monitoring

Meican conducts raid inspections on the suppliers, focusing on personnel hygiene, working environment, material storage, and food processing in accordance with a 50-item checklist that includes 25 zero-tolerance requirements.

Incident Management

Meican clearly outlines the responsibilities concerning food safety incidents to improve the efficiency of food safety management. The supplier is responsible for food safety incidents for failing to comply with Meican's food safety standards. In accordance with its zero-tolerance policy, Meican terminates agreement with the supplier for food safety incidents or counterfeit qualification issues.

Supervision & Review

Meican organizes nationwide food safety training monthly to raise awareness of food safety among all staff.



LOHO

Sustainable Supply Chain Management



In 2019, Centurium invested in LOHO, a game-changer in China's large yet fragmented eyewear market. Enabled by its internet-based CRM capabilities and strong supply chain system, LOHO offers fast-fashion and direct-to-customer eyewear products to China's young consumers through its online and offline stores.

It takes LOHO around 20 days from design to new product launch at affordable costs to customers. An ESG-integrated supply chain management system is the backbone of its outstanding efficiency and quality.

Non-compliance in labor and environmental practices is a common ESG issue in supply chain management. As part of its mitigation strategy, LOHO incorporated a range of ESG factors into supplier sourcing and selection criteria. These criteria include fair compensation to employees, workplace safety and wellbeing, as well as compliance with regulatory requirements. LOHO's sustainable supply chain management is a reflection of its social responsibility, which helps to significantly promote its brand image.



LOHO's direct-to-customer model shortens supply chain and improves efficiency





Our Investments

ANE



2020 | Centurium Capital USD Fund I

ANE Inc. operates a leading express freight network in China's less-than-truckload ("LTL") market. The company mainly provides transportation services, value-added services and dispatch services to its freight partners and direct customers.



Arion Cancer Hospital

2020 | Centurium Capital RMB Fund I

Arion is a private tertiary cancer hospital in Beijing. Dedicated to personalized full-cycle cancer treatments and management, from prevention and early test of symptoms, to adoption of most advanced cancer treatment methods, the hospital brings globally-leading treatment skills, concept and talents to cancer patients in China.



Fadada

2021 | Centurium Capital RMB Fund I

Fadada, a domestic leading 3rd-party e-contract platform, provides e-contract, e-signature and digital evidence preservation services. It also provides value-added services such as judicial expertise and legal consultancy for corporate clients in various sectors and government bodies.



Gaussian Robotics

2021 | Centurium Capital RMB Fund II

Gaussian Robotics is a technology driven company focusing on SLAM ("Simultaneous Localization And Mapping") application and development. Gaussian Robotics is a pioneer and leader in the enterprise-level AMR ("autonomous mobile robots") cleaning robotics space with six key products covering seven major cleaning functions.

Genebox



2019 | Centurium Capital RMB Fund I

Genebox is a leading direct-to-consumer genetic testing platform in China, committed to provide accurate, useful and convenient genetic testing product and services to hundreds of millions Chinese consumers. The company is investing heavily on consumer experience, including building its own lab.

Happy Kids



2019 | Centurium Capital USD Fund I

Officially launched in 2014, Happy Kids Education (Zhangtong Jiayuan, "Happy Kids") is the largest SaaS-based online pre-school education technology platform offerings surveillance, instant message and a variety of ERP administration and management services to kindergartens, parents and education government bodies in China.

Iluvatar CoreX



2020 | Centurium Capital RMB Fund I

Iluvatar CoreX is a chip research and development company focused on high-end GPGPU (General Purpose computing on Graphics Processing Units) with Chinese IP, addressing the most critical issues in computation capacity of today's AI era.

Keking



2019 | Centurium Capital USD Fund I

Founded in 2015, Keking is a financial factoring and SaaS company specializing in serving trucking SMEs and truck drivers in the logistics sector in China. By reducing logistics cost and improving efficiency for its users, Keking's SaaS and fintech solutions help solve the pain points of its users.

LOHO



2018 | Centurium Capital USD Fund I

Founded in 2011 in Shenzhen, China, LOHO is the first O2O fashion glasses retail platform in China. The M2C mode firstly launched by LOHO has broken the industrial monopoly and created a mode that directly connects manufacturing to end-user. It cuts the cost of intermediate links and gains an absolute advantage in cost and price.

Luckin Coffee



2018 | Centurium Capital USD Fund I

Luckin Coffee is a fast-growing coffee network, committed to providing premium coffee and experiences to consumers. The company has pioneered a technology-driven new retail model to provide coffee and other products with high quality, high affordability and high convenience to customers.

Meican



2021 | Centurium Capital USD Fund II

Founded in 2011, Meican is China's largest group catering solutions provider. The Company offers comprehensive catering solutions to corporate clients and their employees, including both on-premise and off-premise catering and SaaS solutions. It also offers SaaS solutions to traditional group dining players.

MitrAssist



2020 | Centurium Capital RMB Fund I

MitrAssist is a leading angiopathy treatment devices company. It has introduced a minimally invasive approach to Mitral Regurgitation (MR) treatment that is neither repair nor replacement. The company's "valve-in-valve" approach overcomes the various challenges of MR and offers an improved treatment solution for all MR patients.

Phiskin



2021 | Centurium Capital USD Fund II

Founded in 2012 and headquartered in Shanghai, Phiskin has 6 clinics in operation across top tier cities in China. Phiskin primarily offers customers non-invasive and minimally invasive dermatology and aesthetic procedures, including anti-aging and other skin treatments.

Qlife



2021 | Centurium Capital RMB Fund II

Qlife is a biomedical company developing high-throughput mass spectrometry technology, which is fully incorporated into omics study to drive for innovative medical laboratory tests and diagnosis. The company launched Qlife Lab 9000 in 2020 and expanded its offerings to meet hospital needs.

Red Earth



2019 | Centurium Capital USD Fund I

Red Earth is a leading online Direct-To-Consumer (DTC) beauty brand mainly catering to young consumers, originating in Australia. Red Earth Group currently operates three brands: Red Earth, Happiness and Felt Formula, mainly targeting young females aged from 15 to 25 and brings them cost-effective and in-trend cosmetics.

Sinotau Pharmaceutical



2021 | Centurium Capital RMB Fund II

Sinotau is a leading innovation-driven pharmaceutical company focused on the research, development and production of nuclear medicine for targeted therapy for cancer, neurodegenerative disease and angiopathy. Headquartered in Beijing, the company has established production facilities in Jiangsu, Guangdong and Sichuan provinces.

Taibang Biologic Group



2018 | Centurium Capital USD Fund I

Taibang Biologic Group (formerly known as CBPO), is a leading fully integrated plasma-based biopharmaceutical company in China. China Biologic's core capabilities include plasma collection, and the manufacturing and commercialization of human plasma-based biopharmaceutical products.

UIB Healthcare



2019 | Centurium Capital USD Fund I

UIB Healthcare Group is a leading pediatrics, obstetrics and gynecology healthcare services provider with a primary focus in top-tier cities in China. The group currently owns and operates a number of hospitals and facilities in Beijing and Shanghai, with annual number of outpatient visits and clients of 600,000 person-times.



Xpeng

2017 | Centurium Capital RMB Fund I

Founded in 2015, Xpeng Inc. is a leading Chinese smart electric vehicle ("Smart EV") company that designs, develops, manufactures and markets Smart EVs in China. The company is a proven leader in the rapidly growing Smart EV market, producing popular and environmentally-friendly vehicles.



YGL

2019 | Centurium Capital RMB Fund I

YGL is China's first and leading AI-enabled high-tech car wash solution provider with over 1,600 car wash outlets covering most provinces in China. Leveraging its self-developed intelligent operation system, YGL offers one of the most efficient and environmentally-friendly car wash services for customers in China.



YXT (Yunxuetang)

2020 | Centurium Capital USD Fund I

YXT (Yunxuetang) is a leading corporate training SaaS and services provider in China. Founded in 2011, Yunxuetang provides one-stop training solutions including SaaS, content development and services to thousands of big corporate clients and nearly 30,000 SMEs.



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