CDH 2024

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

VALUE DRIVEN, PARTNER FOCUSED

CDH INVESTMENTS

CONTENTS

ABOUT THIS REPORT

CDH's commitment to sustainability is rooted in our long-term, value-oriented investment philosophy. In 2024, we continued to integrate Environmental, Social, and Governance (ESG) considerations into every investment decision. We believe that ESG not only creates positive societal impacts, but also fosters industry innovation and delivers long-term investment returns.

Amid ongoing global uncertainties, we continue to strengthen our portfolios with a focus on resilience. This year, we enhanced our responsible stewardship approaches to better support portfolio companies in navigating challenges and identifying emerging opportunities.

While ESG's landscape continues to evolve, our commitment remains steadfast. In our 11th annual ESG report, we share our progress and initiatives to drive sustainable value creation across our portfolio companies throughout the year.

NAVIGATING OUR PATH FORWARD

A Word from CDH Management Team

"In an era of global uncertainty, we remain unwavering in our commitment to responsible stewardship - guiding our portfolio companies to navigate challenges while identifying emerging opportunities. We are dedicated to continuously enhancing our ESG initiatives, ensuring alignment with internationally recognized responsible investment frameworks, and driving tangible, measurable progress."

The ESG landscape continued to evolve dynamically throughout 2024. The implementation of new frameworks, such as the IFRS (International Financial Reporting Standards) Sustainability Disclosure Standards, brought enhanced clarity to corporate ESG reporting and facilitated more consistent global benchmarking. However, regional progress diverged markedly - some economies strengthened climate-related regulations, while others pursued localized approaches that balanced disclosure requirements with developmental priorities. Despite divergent regional trajectories in ESG adoption, global momentum persists through a complex but forward-moving trajectory - reflecting varied regulatory maturities and market-driven adaptations.

At CDH, ESG is a fundamental component of our investment methodology, helping us mitigate risks, enhance portfolio resilience, and deliver sustainable financial returns. Over the past year, we have strengthened our ESG approach and management practices through the following initiatives:

- The international expansion of our portfolio companies has heightened ESG compliance demands, as varying regulatory frameworks require simultaneous adaptation to multiple jurisdictions. **In response, CDH has enhanced its stewardship approach through targeted initiatives:** *proactively identifying material environmental and social regulatory gaps, building ESG risk awareness in supply chains among portfolio company leadership, and strengthening measurement capabilities for key performance indicators, particularly carbon emission tracking.* By integrating resilient governance structures into portfolio companies' growth strategies, we translate regulatory complexity into long-term competitive advantage while protecting enterprise value through comprehensive ESG adoption.
- **As a signatory to the Principles for Responsible Investment (PRI), we are preparing to submit our inaugural PRI Transparency Report during the 2025 cycle.** This milestone reflects our formal commitment to internationally recognized responsible investment standards through structured disclosure. Our reporting methodology will rigorously adhere to the latest PRI Reporting Framework, encompassing all mandatory components - *including strategy, implementation, and outcomes* - to enhance both the granularity and comparability of our responsible investment documentation. This approach will facilitate meaningful peer benchmarking while strengthening stakeholder accountability.
- **Moving beyond standard ESG metrics, we actively measure and evaluate the positive social impacts generated by our portfolio companies - a practice that confirms our investments' alignment with global sustainability agendas.** Leveraging the Global Impact Investing Network's (GIIN) IRIS+ framework as a reference, we have developed a tailored impact measurement module and work closely with portfolio companies to gather impact data. We remain committed to advancing these initiatives, systematically quantifying social value creation to demonstrate how responsible stewardship fosters both community advancement and long-term portfolio resilience.

Moving forward, we remain committed to building sustainable futures for our portfolio companies, employees, and investors. Guided by this mission, we will continue to enhance our ESG initiatives, ensuring alignment with leading responsible investment frameworks while delivering measurable outcomes.

2024 SNAPSHOT

Reinforcing our ESG Stewardship

CDH remains committed to maintaining a sustainable, resilient investment portfolio in changing times. In 2024, we identified the most critical ESG challenges affecting our portfolio companies and responded through enhanced stewardship initiatives. We believe that robust ESG integration is fundamental to creating and preserving long-term portfolio value.

Challenge 1. Rising ESG Compliance Challenges for Growing Ventures in International Markets

As market conditions continue to evolve rapidly, many of our portfolio companies are pursuing international expansion, facing increasingly complex ESG regulatory requirements. However, as many of our innovative portfolio companies are still in early-stage development, they require enhanced guidance and support from us as asset managers to effectively identify and mitigate ESG risks.

Our Solution:

As active stewards, we've strengthened portfolio resilience by sharing CDH's ESG frameworks and emerging regulatory insights with our investees. Our targeted pre-investment ESDD identifies critical cross-border ESG risks, while post-investment ESG monitoring focuses on tracking operational growth and evolving regulatory requirements. Through collaborative resource coordination, we've enhanced our oversight capabilities to support portfolio companies.

Challenge 2. Portfolio Companies Struggle to Meet Divergent ESG Disclosure Demands

As regulatory frameworks and investor ESG expectations rapidly evolve, portfolio companies - often constrained by limited in-house ESG expertise - face significant challenges in systematically monitoring shifting ESG disclosure policies, interpreting divergent LP ESG priorities, and measuring ESG performance impacts.

Our Solution:

CDH employs a tailored ESG data collection questionnaire to systematically monitor portfolio company performance. We annually update this questionnaire to ensure it aligns with the latest developments in ESG policies and incorporates the priorities of limited partners, helping portfolio companies track their progress on ESG initiatives. This year, we enhanced the questionnaire with an "Impact Metrics" section to quantify sustainability outcomes across our portfolio, transforming commitments into measurable results.

Challenge 3. Uneven Carbon Accounting Capabilities across Portfolio Maturity Levels

The investment industry continues to prioritize carbon emissions tracking. However, we see significant disparities in data quality across our portfolio. While mature companies consistently demonstrate robust emissions accounting, early-stage ventures often lack the resources and expertise to conduct accurate emissions calculations, resulting in inconsistent reporting standards.

Our Solution:

With mature portfolio companies, we focus on comprehensive data collection and emission source analysis, engaging in ongoing dialogue to identify carbon reduction opportunities. For resource-constrained early-stage ventures, we provide dedicated support through external ESG consultants to establish initial carbon accounting baselines and enhance fundamental knowledge.

ESG by the Numbers[1]

Building on our strengthened ESG stewardship, CDH actively tracks and showcases ESG achievements across our portfolio. In 2024, 52 of our 55 active portfolio companies disclosed their ESG performance through questionnaires and public reporting. Through close collaboration between CDH investment professionals and our ESG team, our portfolio delivered notable accomplishments over the past year, including:

Environmental

Energy Transition

Renewable energy adoption:
9 portfolio companies
(up from 7 in 2023)

Renewable energy share*:
~10% of total energy consumption

Circular Economy

Waste recycled:
Increased by
~9,000 tons
(1% increase from 2023)

Non-hazardous waste recycle rate*:
30%+
(portfolio average)

Social & Governance

Inclusive hiring*:
500+ new hires from vulnerable groups[2]

Board representation:
~70% of reporting portfolio companies include female directors
(5% increase from 2023)

Workplace safety:
170+ work-related accidents reduced
(~70% decline compared to 2023)

Impact Dashboard*

SME[3] support:
3,800+ small and medium enterprises served

Educational reach[4]:
~18 million students impacted, including **~5 million** from vulnerable groups

Service quality:
~97% average client satisfaction rate

* New metrics in 2024.
[1] All comparative data in this report is based on the available metrics from our portfolio companies for both 2023 and 2024.
[2] Vulnerable groups include low-income groups, ethnic minorities, people with disabilities, etc.
[3] We refer to IFC's definition of SME, which has two criteria: 1) 300 employees or fewer; 2) US$15 million or less in assets or annual sales. This result is achieved by 12 of our companies serving enterprise customers.
[4] Achieved by two of our portfolio companies in education industry.

CDH AT A GLANCE

> *"We collaborate with industry leaders, deploying our comprehensive resources to drive sector transformation and sustainable value creation."*

About CDH

Founded in 2002, CDH stands as one of China's most established and cycle-tested alternative asset management firms. With origins in private equity, we have evolved into a diversified investment firm with over 200 professionals, offering comprehensive capabilities across private equity, venture and growth capital, private credit, real asset, wealth management, and public equity.

CDH cultivates enduring partnerships with portfolio companies and maintains an extensive resource network. We identify leading companies within China's real economy, with a focus on innovation-driven enterprises. By deploying substantial capital and strategic support, we empower these companies to transform sector landscapes and create sustainable value. Over twenty years, our investment track record spans more than 350 companies, with over 100 achieving successful listings across international and domestic exchanges. Today, CDH-backed companies play a significant role in supporting China's economic growth and innovation ecosystem.

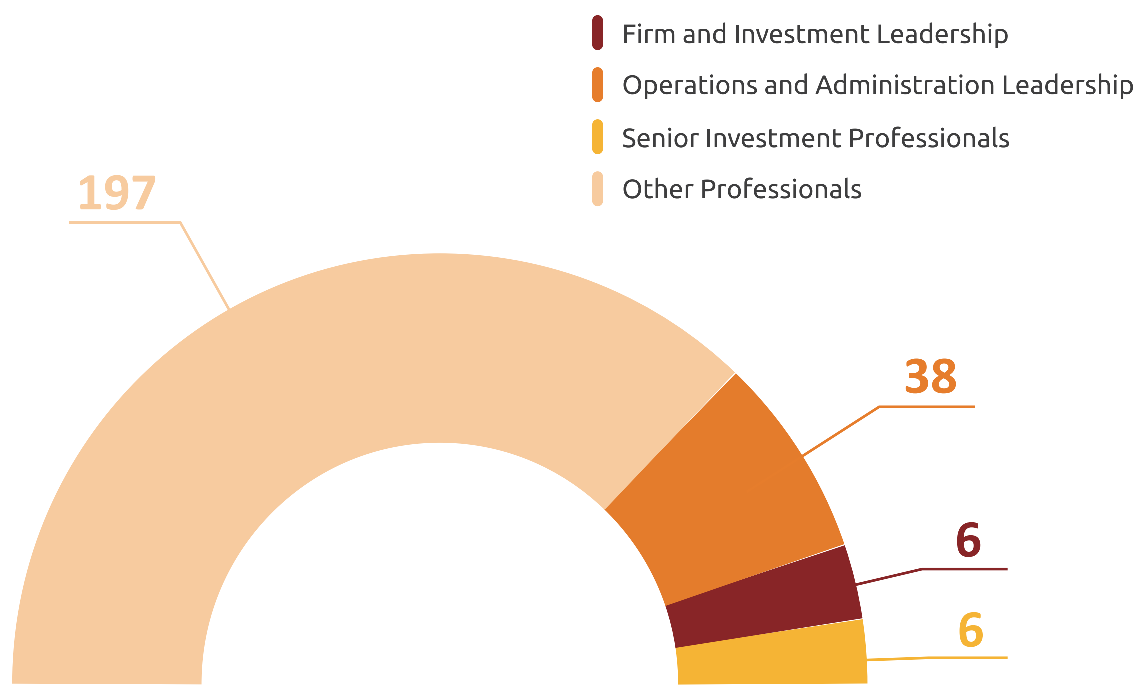
As of December 31, 2024, our total Assets Under Management (AUM) were US$ 17.8 billion:

$3.9 billion	Private Equity
$2.6 billion	Venture and Growth Capital
$1.5 billion	Private Credit
$0.7 billion	Real Asset
$4.1 billion	Wealth Management
$5.0 billion	Public Equity

Diversity and Inclusion

We foster a corporate culture that champions diversity and embeds inclusion as a core principle. Through equitable policies and practices, we cultivate a respectful, balanced workplace. Demonstrating this commitment, we have appointed women to critical leadership positions across our executive team and senior management. As of 2024, women comprise over 50% of our total workforce - a testament to our unwavering dedication to gender parity throughout all organizational levels.

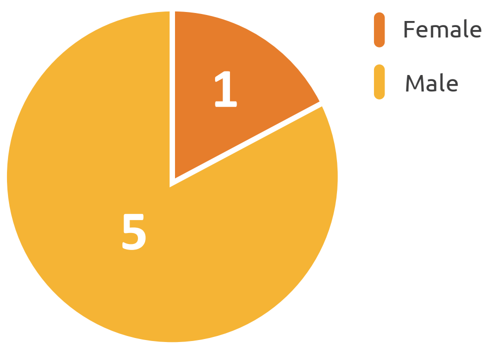
Distribution of Professionals and Management



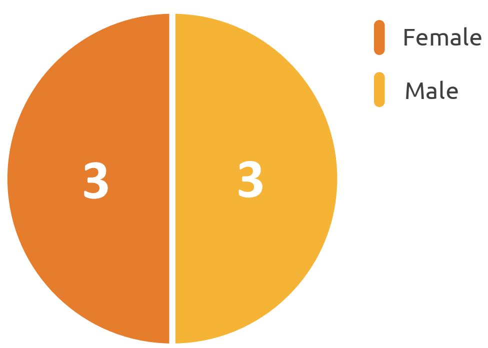
Note: "Other Professionals" refers to "Other Investment Professionals (not senior)" and "Other Operations and Administrative Professionals".

Employees

Firm and Investment Leadership



Operations and Administration Leadership

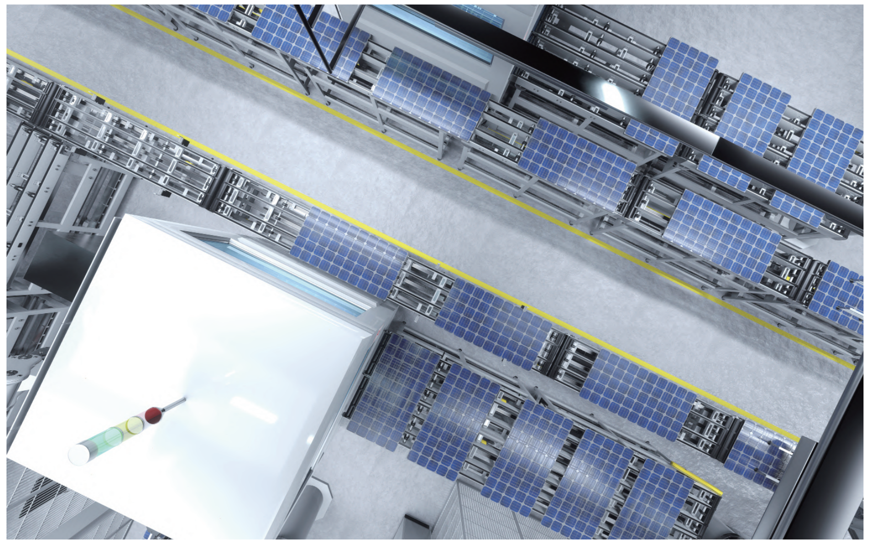


To empower our employees' professional growth, we provide targeted development programs featuring product briefings and knowledge-sharing sessions. These investments in human capital development advance workforce capabilities, foster collaborative innovation, and support sustainable career progression.

Our Investments as of 2024

"For over twenty years, CDH has contributed to China's remarkable economic transformation, gaining valuable industry insights and a deep understanding of sector-specific value creation."

CDH harnesses business innovation to advance environmental sustainability and societal welfare, with substantial investments in health technologies, digital transformation enablers, and climate solution pioneers. We strategically leverage commercial capabilities to scale impact, ensuring our portfolios generate sustainable financial returns while creating social value through comprehensive ESG integration.



Investments for Green Transition

CDH contributes to decarbonization through investments across renewable energy, information technology, and environmental protection sectors. Our portfolio features manufacturers of premium solar components, green electricity distributors, energy efficiency innovators, and industry pioneers developing solutions for pollution reduction and carbon mitigation.

Investments for Digital Innovation

CDH drives digital transformation through investments in cutting-edge technology firms specializing in artificial intelligence, cloud computing solutions, and software-as-a-service (SaaS) solutions. Our value-driven portfolio companies deliver innovative products that address market demands for both enterprise and consumer applications.

Investments for Health

CDH advances healthcare innovation through investments in pioneering medical enterprises. Our portfolio encompasses: biotech companies developing CAR-T treatments for cancer, ophthalmic pharmaceuticals, and vaccines for infectious diseases; medical device innovators creating advanced solutions for liver cancer treatment and cardiovascular care; and healthcare technology firms enhancing diagnostic and therapeutic efficiency.

CDH Portfolio Overview

CDH Fund V, L.P.("Fund V"), CDH Fund VI, L.P.("Fund VI"), and CDH VGC Fund II, L.P. ("VGC II") have invested over US$ 3.5 billion in 77 portfolio companies[5] . Below are charts outlining the investment composition by industry for each of our funds.

CDH Fund V Portfolio Overview

Fund V Investments by Industry (US$ million as of December 31, 2024)

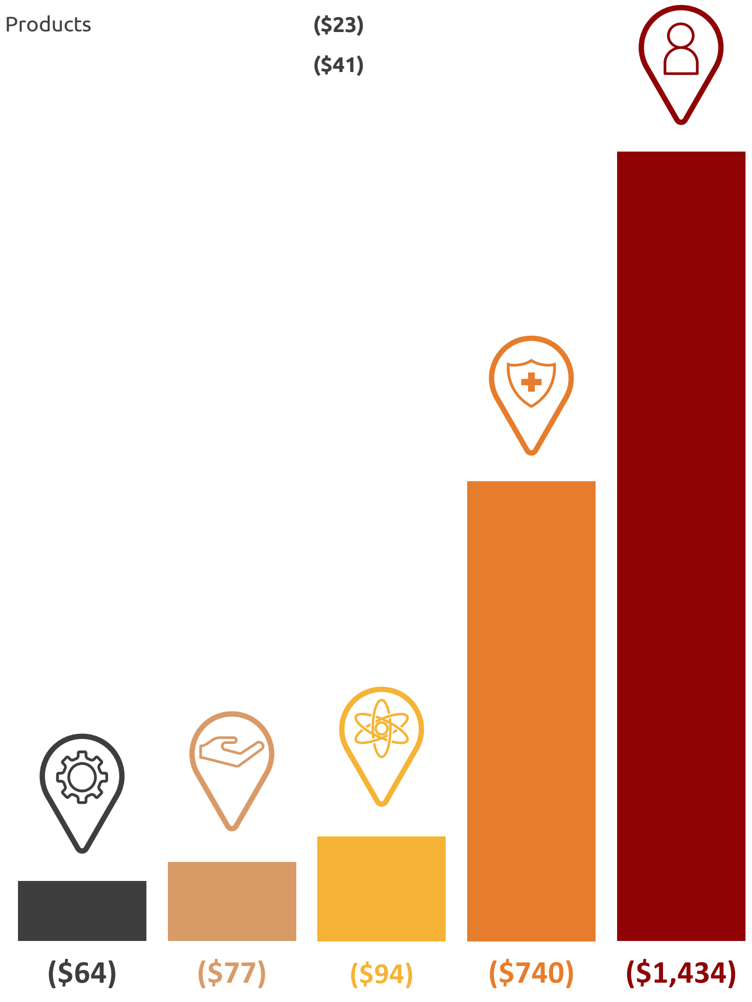
Consumer	($1,434)
Household Appliances	($259)
Apparel, Accessories & Luxury Goods	($255)
Packaged Foods & Meats	($251)
Battery Brand	($154)
Internet Retail	($150)
Education Services	($131)
Food Retail	($108)
Drug Retail	($85)
Fast-casual Dining	($40)

Healthcare	($740)
Pharmaceuticals	($382)
Health Care Equipment	($199)
Health Care Service	($159)

Advanced Manufacturing and Technology	($94)
Internet Software & Services	($41)
Environmental & Facilities Services	($53)

Services	($77)
Specialized Finance	($40)
Heavy Electrical Equipment	($36)

Others	($64)
Leisure Products	($23)
Others	($41)



[5] Including both existing and exited companies.

CDH Fund VI Portfolio Overview

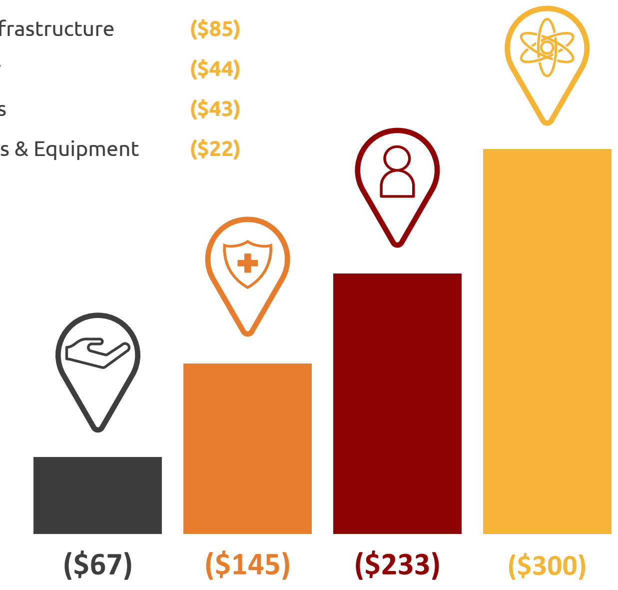
Fund VI Investments by Industry (US$ million as of December 31, 2024)

Consumer	($233)
Leisure Products	($99)
Food Retail	($75)
Household Products	($59)

Healthcare	($145)
Biotechnology	($130)
Health Care Services	($15)

Services	($67)
Real Estate Services	($10)
Air Freight & Logistics	($54)
Financial Exchanges & Data	($3)

Advanced Manufacturing and Technology	($300)
Communication Equipment	($106)
Internet Services & Infrastructure	($85)
Renewable Electricity	($44)
Commodity Chemicals	($43)
Electrical Components & Equipment	($22)



CDH VGC Fund II Portfolio Overview

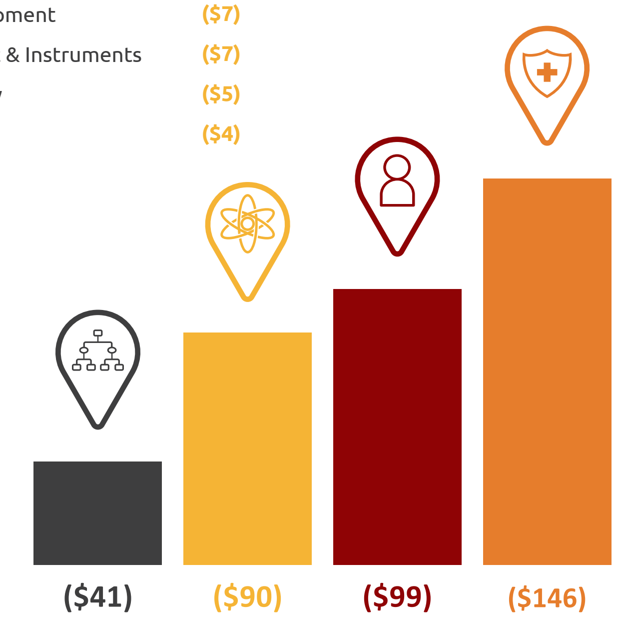
VGC Fund II Investments by Industry (US$ million as of December 31, 2024)

Life Sciences	($146)
Biotechnology	($85)
Life Sciences Tools & Services	($52)
Health Care Equipment	($9)

Consumer	($99)
Internet & Direct Marketing Retail	($28)
Renewable Electricity	($26)
Air Freight & Logistics	($18)
Restaurants	($15)
Application Software	($7)
Apparel, Accessories & Luxury Goods	($4)

Enterprise Solutions	($41)
Application Software	($21)
Internet Services & Infrastructure	($16)
Human Resources & Employment Services	($5)

Technology	($90)
Semiconductors	($52)
Data Processing & Outsourced Services	($15)
Communication Equipment	($7)
Electronic Equipment & Instruments	($7)
Renewable Electricity	($5)
AI Technology	($4)

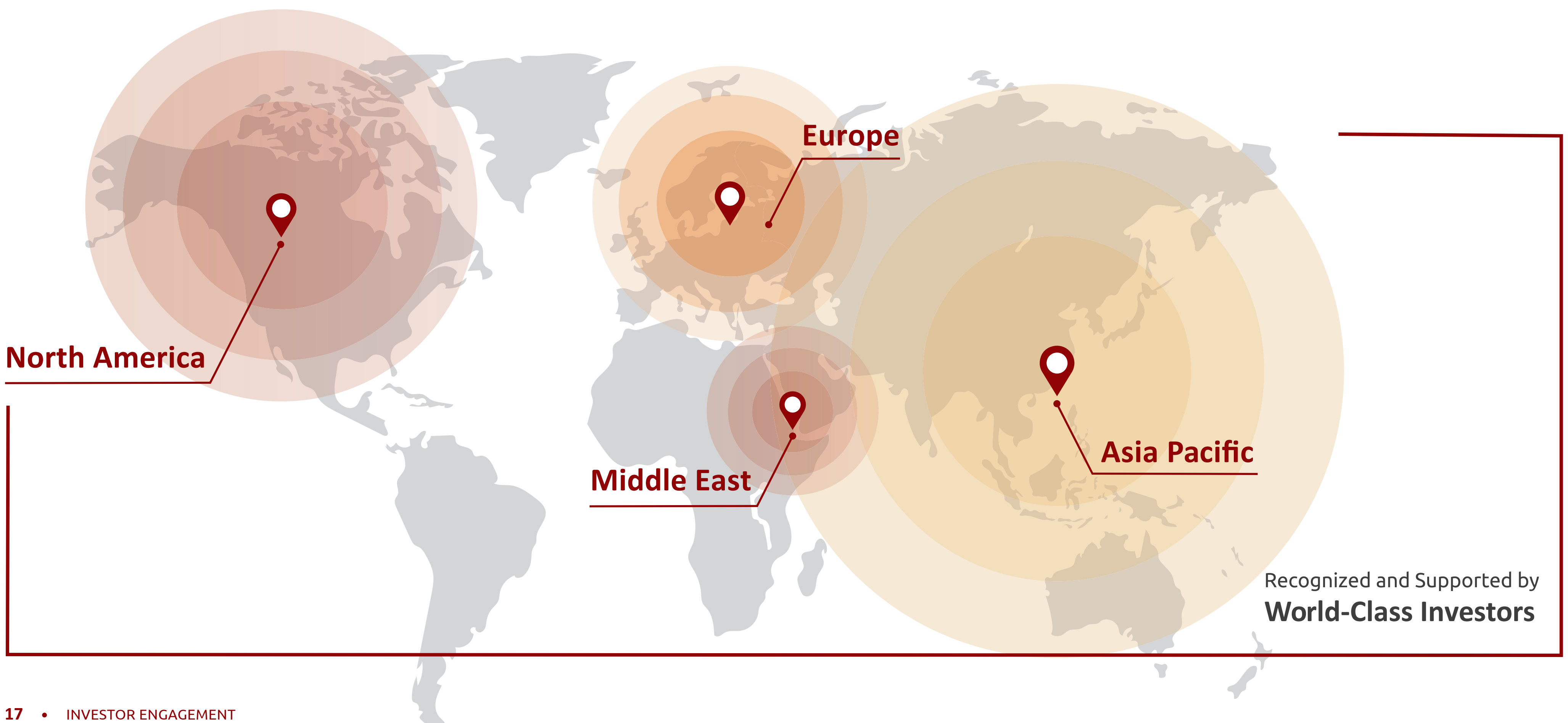


INVESTOR ENGAGEMENT

Our Investors

CDH benefits from a diversified investor base that provides stable long-term capital - the essential foundation for delivering sustainable returns to all partners. Our investors include sovereign wealth funds, pension funds, insurance companies, endowments & foundations, fund-of-funds, and family offices spanning international markets.

Our investors play a crucial role in supporting and overseeing our ESG efforts. We maintain rigorous transparency and accountability through regular environmental and social performance reporting, annual ESG disclosures, and timely responses to investors' ESG questionnaires. CDH actively solicits and incorporates LP feedback into our ESG management processes, ensuring prompt and thorough responses to stakeholder inputs and recommendations.



Meeting Investors' Expectations

In 2023, CDH conducted a comprehensive analysis of LPs' ESG surveys, identifying four priority areas shared across our investor base. In 2024, we built on these insights and enhanced our governance framework through integration of evolving ESG policies, elevation of portfolio stewardship responsibilities, and strengthening of disclosure protocols. These improvements, reflected in the CDH ESG approach (the next section), help generate measurable advancements throughout our operations and portfolio companies.

LP ESG focus:

- ESG Commitment & Governance
- Stewardship Management
- ESG Integration
- Climate Risk & Carbon Management

CDH ESG APPROACH

CDH operates in alignment with the PRI principles and standards of responsible investors, leveraging resources to drive substantial ESG progress across our investments portfolios. Throughout the past year, we have reinforced key mechanisms to fulfill our ESG commitments. Through investor engagement, portfolio empowerment, policy and industry engagement, and an unwavering focus on long-term value creation, our ESG framework delivers sustainable impact alongside robust financial returns.

CDH ESG Principles and Commitments

PRI Principles for Responsible Investment

We commit to the six **PRI principles**

Our investments shall comply with **CDH internal exclusion list**

Dedicated Internal & External ESG Resources

■ ESG Intergration ■

- Conduct ESG due diligence and incorporate ESG commitments into the investment decision.
- Monitor ESG performance and improvements in the post-investment stage.
- **Enhance ESG risk management*.**

6 ESDD conducted, covering 100% of new projects in 2024

■ Monitoring and Engagement ■

- Monitor corrective action plans.
- Conduct follow-up reviews.
- Track ESG performance metrics and **social impact outcomes*.**

52 of **55** active portfolio companies disclosed ESG data

■ Reporting ■

- Publish annual ESG reports.
- Respond to limited partners' questionnaires.
- **PRI Reporting*.**

20+ LP questionnaires responded

Long-term Value Focused	Investor Engagement	Portfolio Empowerment	Policy & Industry Engagement

* New initiatives that CDH conducted in 2024.

Governance and Organization

CDH ensures effective implementation of our ESG framework through a robust Environmental and Social Management System (ESMS), overseen by a designated senior management executive. This ESMS Officer bears full accountability for the system's operation, including producing and disseminating annual environmental and social performance reports, addressing ESG concerns with project teams, conducting ESG policy training, and engaging in critical discussions with business and advisory committees.

The ESMS Officer is supported by an ESMS Coordinator responsible for in the day-to-day development, implementation, and operation of ESG-related matters. Together with our analysts and associates, they compose the dedicated ESG Team. This team delivers tailored training programs for all investment professionals, ensuring full integration of ESG policies and initiatives across the entire investment lifecycle.

Special Committee
Supervision and Advice

ESMS Officer
Responsible for implementing the ESG Policy and Procedures

External Consultant
Professional consultant contracted from a word-class ESG consulting firm

ESMS Coordinator
Responsible for conducting and monitoring ESDD & Corrective Action Plans; Preparing the Fund's annual ESMS performance report

ESG Integration

CDH's commitment to ESG is embedded throughout our investment lifecycle. We initiate potential investments with comprehensive ESG risk assessment, including preliminary screening, internal evaluation, and ESG due diligence. Where material risks are identified, we develop targeted Corrective Action Plans (CAPs) that inform investment decisions. Post-investment, we continuously monitor CAP implementation and track key ESG performance metrics of our portfolio companies. As a responsible investor, we leverage our influence to drive continuous ESG improvements, generating positive impact across our portfolio.

PRE-INVESTMENT

- Preliminary screening against the internal E&S exclusion list of CDH.
- E&S risk categorization.
- Internal evaluation or professional ESG due diligence.

INVESTMENT DECISION

- Incorporate ESG due diligence findings in investment decision reports.
- Investment committee review of ESG considerations.
- Sign ESG improvement agreements with portfolio companies.

POST-INVESTMENT

- Develop an ESG management and monitoring plan.
- Monitor ESG performance of portfolio companies.
- Allocate resources to support ESG implementation where necessary.

2024 UPDATE: Enhance ESG Risk Management

Recognizing our portfolio companies' international operations, CDH maintains proactive surveillance of emerging ESG-related market and regulatory risks, while continuously refining our risk management framework. To address these dynamic risks, we implement a dual-phase approach:

Pre-investment

We incorporate jurisdiction-specific ESG requirements into due diligence processes.

Post-investment

We implement systematic monitoring for expansion-related risks.

This approach enables continuous ESG risk mitigation through structured executive engagements, targeted resource deployment, and adaptive compliance optimization.

Monitoring and Engagement

CDH conducts annual ESG performance assessments across our portfolio companies. Through tracking of CAPs and key ESG metrics, we evaluate historical performance while identifying future value creation opportunities. We continually refine our tailored ESG metrics to both satisfy stakeholder reporting requirements and maintain regulatory compliance. Furthermore, we promote transparent ESG disclosure through active engagement, providing ESG consultation and technical support to empower portfolio companies in achieving their sustainability objectives.

Key Metrics in our ESG Monitoring Questionnaire

Environmental

- Greenhouse Gas Emissions
- Energy Consumption
- Water & Waste
- Impact on the Ecosystem

Social

- Diversity & Inclusion
- Employment Practices
- Health & Safety
- Community Welfare
- Care for Vulnerable Groups

Governance

- Business Ethics and Code of Conduct
- ESG Policy and Goals
- Supply Chain Management
- Internal and External Grievance System
- Information Disclosure

2024 UPDATE: Track Social Impact Outcomes

Moving beyond internal ESG performance tracking, CDH actively measures the operational impact generated by our portfolio companies. In 2024, we enhanced our assessment framework by introducing an "**Impact Metrics**" section to our ESG evaluation process. Leveraging the methodologies and measurement tools of the Global Impact Investing Network's (GIIN) IRIS+ system as a reference, we carefully quantify the social impact outcomes of our portfolio companies.

Our Key Impact Metrics Include:

- Number of customers from vulnerable groups
- Volume of Small and Medium Enterprises (SMEs) served
- Measures to improve product affordability and accessibility
- Number of new hires from vulnerable groups
- Client satisfaction rate

Reporting

CDH upholds transparency as a fundamental pillar of our responsible investment approach. We have established a robust reporting mechanism to provide stakeholders with comprehensive visibility in our ESG management practices and performance. Our multi-channel disclosure system includes publication of annual ESG reports, updates/reports of environmental and social performance, and ongoing investor engagements through dedicated communications, including conference calls, emails, and responses to LP ESG questionnaires. Furthermore, we adhere to collaborative reporting programs such as the ESG Data Convergence Initiative (EDCI) to ensure data standardization and benchmarking capabilities when required.

2024 UPDATE: Preparation for PRI Reporting

In January 2023, CDH formally joined the United Nations-supported Principles for Responsible Investment (PRI), marking a significant milestone in our commitment to transparency and accountability.

As the preeminent global advocate for responsible investment, the PRI maintains the world's most comprehensive dataset on responsible investment practices. For CDH, PRI membership enables performance benchmarking against asset management peers, connectivity to international investor networks, and refinement of our responsible investment approach in alignment with global industry standards.

In 2025, CDH will complete its inaugural PRI Report as a signatory, implementing the PRI Reporting Framework through three mandatory pillars:

Strategy
Establishing responsible investment objectives and governance

Implementation
Demonstrating ESG integration across investment processes

Performance
Measuring sustainable investment outcomes

PORTFOLIO COMPANY ACHIEVEMENTS IN 2024

> *In 2024,CDH gathered annual ESG performance data from **52** of **55** active portfolio companies. Below we highlight select ESG achievements demonstrating our portfolios' sustainability progress.*

Environmental Footprint Reduction[6]

In 2024, our portfolio companies made measurable progress in reducing environmental impact through significant advancements in energy efficiency, wastewater management and waste reduction. Compared to 2023, the key results include:

Energy consumption

Over 50% of comparative portfolio companies reduced electricity consumption intensity.

Wastewater

Over 70% of comparative portfolio companies lowered wastewater discharge intensity.

Waste

Nearly 70% of comparative portfolio companies reduced waste generation intensity.

[6] The intensity data in this report is calculated based on portfolio company's revenue value.

Portfolio Company A

Grocery Retailer – Minimizing Waste Through Recycling

The company collaborated with a leading oral health brand to launch the "Recycle Old Toothbrushes – Build A Green Future" campaign across its stores nationwide. To encourage sustainable consumer behaviors, customers who return used toothbrushes for recycling will receive an exclusive 40% discount on new toothbrush purchases. In 2024, approximately **700kg** of recycled toothbrushes were repurposed into waste bins, helping reduce plastic pollution.

Used brushes are processed into plastic pellets, which are then used to make recycled office bins.

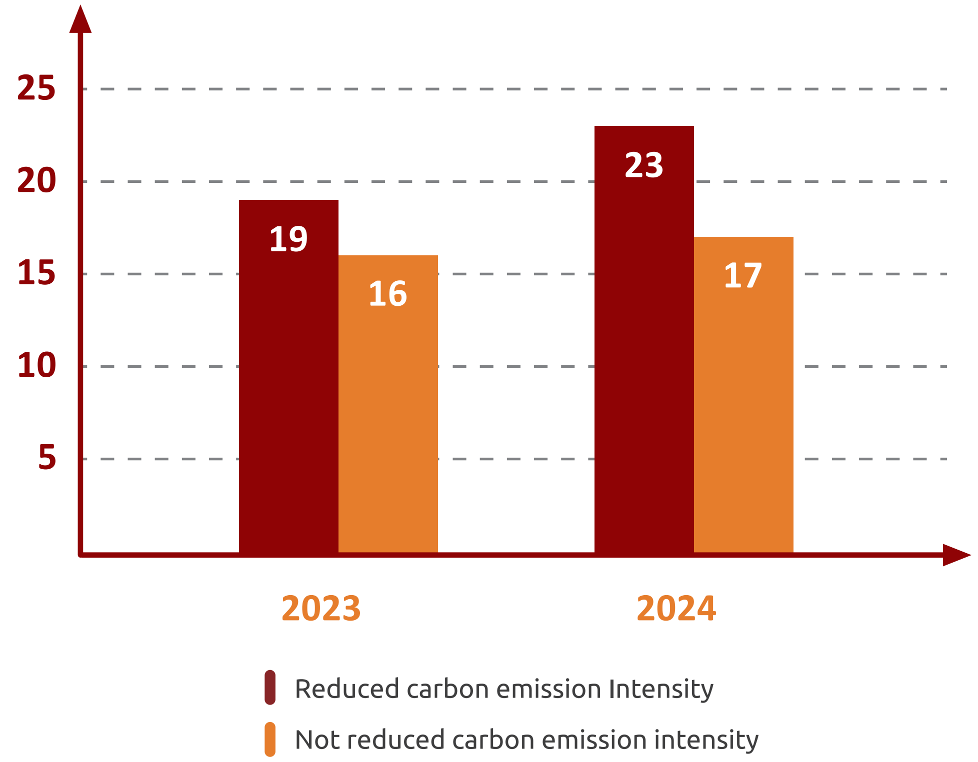
Carbon Emissions Accounting and Reduction

2024 represents the third consecutive year of CDH's carbon accounting assistance for portfolio companies requiring emissions measurement support. Over the past three years, we have systematically tracked portfolio-wide emission trends while providing targeted guidance to facilitate carbon footprint reduction across our portfolio companies.

Carbon Intensity Reduction Trend:

In 2024, we obtained or estimated carbon emissions data from **46** of **55** active portfolio companies. Compared to 2023, GHG emissions intensity declined across around **60%** of reporting portfolio companies in 2024, marking the second straight year where a majority of our active portfolio companies have reduced emissions intensity.

Number of companies with comparative GHG data



Portfolio Company B

Solar Photovoltaic (PV) Module Manufacturer – Decarbonization Through Rural Solar Farms

In 2024, the company supplied **160 GWh** of clean solar energy to rural homes and farms through new countryside installations. This green energy output directly displaces the annual combustion of **40,000** tons of coal while preventing over **100,000** tons of CO_2 emissions. In addition to these significant environmental benefits, the project has stimulated local economic growth by creating more than 1,000 jobs[7] and increasing disposable income across served communities.

Solar power stations are set up in rural areas to provides clean electricity to local farms while reducing carbon emissions.

[7] Data collected from the company's 2024 ESG Report.

Promoting People – Centered Growth

Talent acquisition, development and protection form the foundation of sustainable business success. In 2024, our portfolio companies collectively achieved significant workforce results:

500+

500+ new hires from vulnerable groups*

2.5 million+

2.5 million+ training hours delivered

170+

170+ work-related accidents reduced (**~70%** decline vs 2023)

* New metric in 2024.

Portfolio Company C

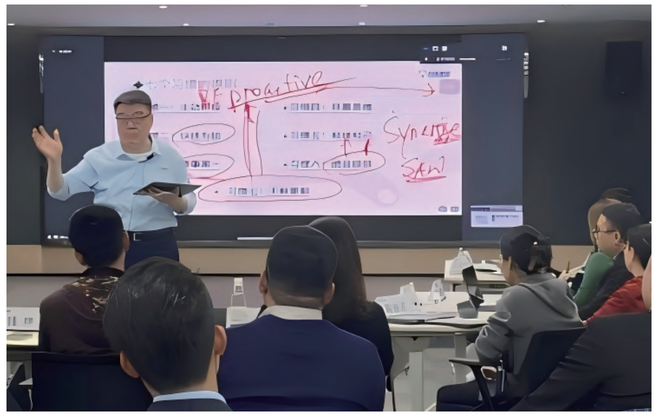
Medical Equipment Manufacturer – Human Capital Development

The company has implemented a comprehensive workforce development program, including:

- A dedicated internal training team of 30 instructors
- Development of ~90 high-quality training courses
- An External Training Management Policy covering tuition reimbursement for qualified external programs and incentives for academic degree advancement

By the end of 2024, this investment has yielded significant talent development outcomes:

- **5** employees achieved senior professional positions
- **Nearly 40** achieved intermediate professional positions
- **Nearly 20** are recognized as high-level talents by government authorities



Throughout 2024, the company provided training to 729 employees (accounting for over 80% of total employees).

The company has developed a comprehensive training system, serving employees from senior management to junior employees.

Impactful Social Contribution

Our portfolio companies actively drive social well-being by leveraging business power to create meaningful societal impact throughout their growth journey. In 2024, these efforts translated into measurable impacts across the following priority areas:

Caring for Vulnerable Communities:

~RMB 23 million donated to support vulnerable groups (an increase of **~190%** vs. 2023)

Medicine Assistance*:

~RMB 5.8 million worth of medicines distributed to underserved patients

Educational Reach*:

~18 million students impacted

SME Development Support*:

3,800+ small and medium enterprises served

* New metric in 2024.

Portfolio Company D

Vaccine Company – Protecting Vulnerable Seniors Through Strategic Partnership

Recognizing elevated health risks for elderly populations during seasonal influenza outbreaks - including greater susceptibility to severe complications - the company forged a partnership with a senior health foundation in 2024. The company donated approximately **RMB 2 million** worth of influenza vaccines to the foundation, significantly improving immunization access for at-risk seniors. This collaboration exemplifies the company's unwavering commitment to its mission:Supply Vaccines to Eliminate Human Diseases.

The company provides free vaccination service to the elderly group.

EXAMPLES OF ESG PRACTICES IN PORTFOLIO COMPANIES

CASE 1

Company Redefining Sustainable Mobility Infrastructure

CDH VGC Fund II made an investment in 2020 in an electric vehicle (EV) charging network operator ("E-Charger"). Since the investment, CDH has actively guided the company's ESG practices through leadership communications, board-level ESG governance enhancement, and annual ESG performance evaluations.

Founded in 2014, E-Charger has been continuously promoting innovation to build sustainable and flexible EV charging networks.

Today, E-Charger has emerged as a market leader in China's EV charging sector, now operating over 50,000 charging stations across more than 360 cities nationwide. By deploying green charging solutions, the company is transforming China's urban energy infrastructure and supporting climate change mitigation through sustainable mobility. In addition, the company is proactively seeking adaptive solutions to address climate-related physical and transition risks.

Mitigating Climate Change by Adopting Clean Energy

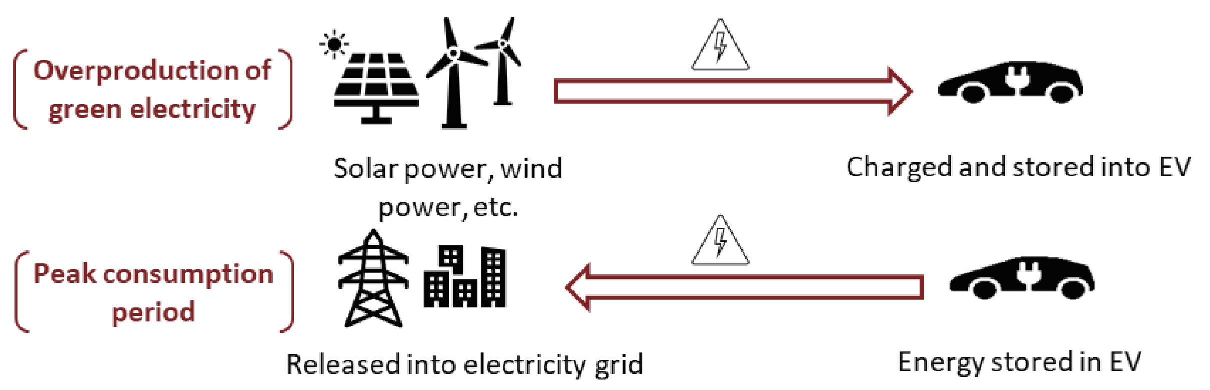
China's electric vehicle market has achieved remarkable scale, surpassing 30 million units by 2024[8]. This substantial expansion has created a significant surge in electricity demand that, if met primarily through fossil fuel-based power generation, would cause a considerable rise in carbon emissions, thereby exacerbating the adverse impacts of climate change. To address this challenge, E-Charger has proactively incorporated renewable energy into its EV charging operations. In 2024, the company sources approximately **700 GWh** of green power from the grid while deploying solar generation systems at its charging stations. Through strategic partnerships with solar-equipped facilities, E-Charger continues to increase renewable energy utilization across its network. These initiatives exemplify concrete climate mitigation through the adoption of sustainable energy solutions.

The inherent variability of renewable energy creates grid integration challenges, particularly when peak solar/wind generation misaligns with demand cycles. This mismatch forces grid operators to curtail clean energy during periods of low demand while relying on carbon-intensive generation during peak hours, ultimately hindering the broader adoption of renewables. E-Charger addresses this issue through an intelligent charging infrastructure. Its Vehicle to Grid (V2G) technology leverages EVs as mobile energy storage assets, enabling them to charge during renewable energy surpluses and discharge during shortages. This bi-directional energy exchange significantly reduces wasted green electricity while enhancing overall grid efficiency.

[8] According to government data (Available at: https://www.gov.cn/zhengce/jiedu/tujie/202501/content_6999527.htm)

V2G Technology

- When EVs are parked and charging, excess green electricity can be stored in their batteries.
- During peak demand periods, the stored energy can be fed back into the grid.



Adapting to Climate Change by Alleviating Physical and Transition Risks

As an industrial pioneer, E-Charger proactively addresses climate-related physical risks through resilient green infrastructure. During a 2024 heatwave, the city of Chengdu in southwest China faced critical power shortages as surging electricity demand overwhelmed its grid. In response, E-Charger deployed Vehicle to Grid (V2G) technology at a local charging station, converting four parked EVs into instant power sources that supplied an entire building. This successful intervention demonstrated V2G's potential to enhance grid stability during extreme climate events. With EV adoption accelerating across China, E-Charger is scaling this solution into a 4.7 GW "virtual power plant". At maximum capacity, the V2G mechanism could generate 41 billion KWh of electricity per year, which is equivalent to the electricity consumption of around 6 million people annually[9].

E-Charger also actively seeks solutions to the transition risks associated with urban decarbonization while fostering sustainable development in vulnerable regions. In Fuxin, a resource-depleted former coal mining city in northern China facing economic stagnation, the company deployed a strategic network of 100+ smart chargers across transportation hubs and commercial districts. This critical infrastructure catalyzed the city's low carbon transition, enabling **full electrification** of public transport and contributing to an **81% increase in EV adoption in 2024**. By converting industrial centers into green mobility hubs, E-Charger helps alleviate the socioeconomic disruptions of energy transitions while enhancing community resilience. This holistic strategy establishes the company as a leader in integrated climate adaptation frameworks that address both physical and transition risks.

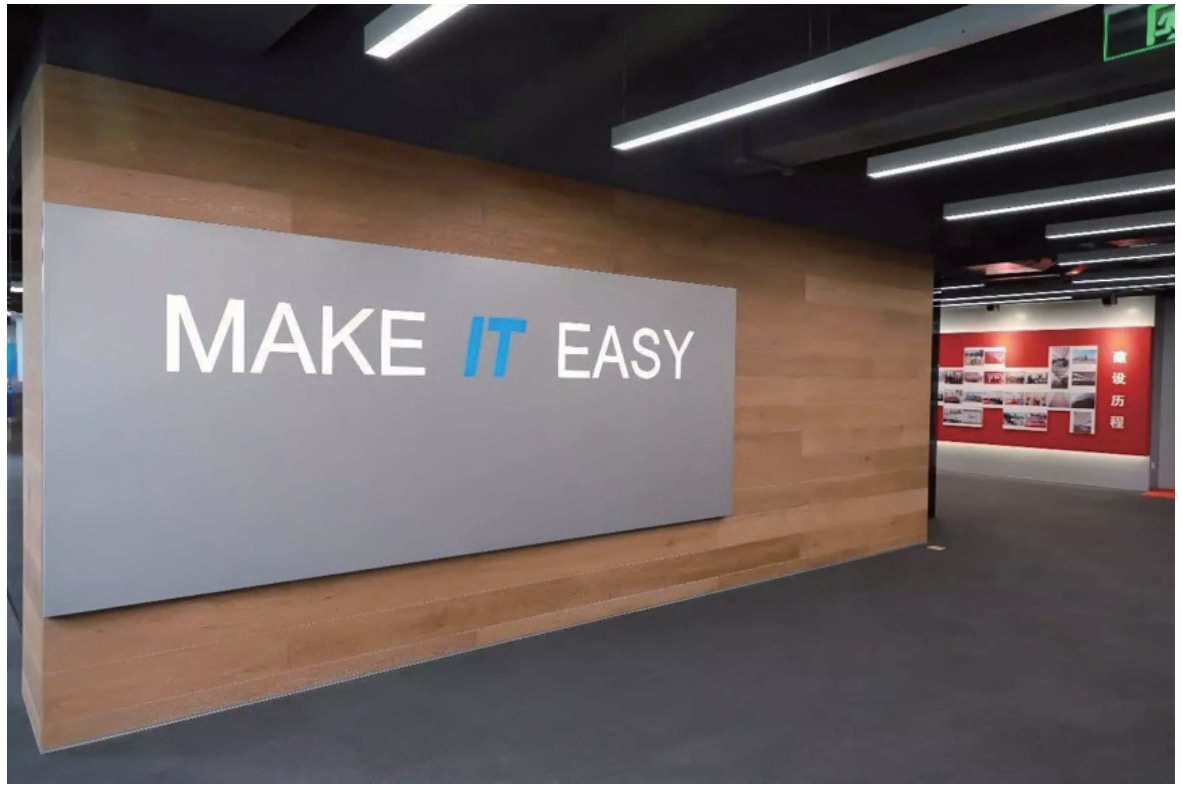
E-Charger provides charging services to 700+ public transport companies across 260+ cities in China.

[9] According to China's National Energy Administration, the per capita electricity consumption in 2024 is approximately 7,000 kWh.

CASE 2

Company Depicting the Future of Data Centers

In 2021, CDH Fund VI invested in a leading Chinese cloud computing and Internet Data Center (IDC) services provider ("Cloud"), a company dedicated to facilitating digital transformation across vital sectors such as finance, healthcare, and government. This investment reflects CDH's commitment to supporting essential digital infrastructure that drives sustainable economic development.



Guided by its mission to "make IT easy", Cloud drives digital transformation across pivotal industries.

Enhancing Sustainable Operation in AIDCs

The rapid advancement of artificial intelligence (AI) is fundamentally transforming data centers, driving their evolution from conventional IDCs to Artificial Intelligence Data Centers (AIDCs) designed to meet next-generation computational requirements. This technological shift, however, exacerbates a critical industry challenge: the enormous energy demands of AI workloads. According to International Data Corporation research, as AIDC capacity expands, energy consumption is projected to grow at a compound annual growth rate (CAGR) of approximately 45% through 2027[10]. This escalating energy intensity creates immediate operational challenges while simultaneously increasing environmental concerns and regulatory pressures across the sector.

Cloud stands at the forefront of green innovation in AIDCs. This leadership is exemplified by the newly completed Shanghai Lingang AIDC project, which showcases comprehensive sustainability through four advances:

- **Renewable Energy Integration:** The installation of solar panels across over 50% of available rooftop space generates **800** MWh of clean electricity, while reducing carbon emissions by over **300** tons annually.
- **High-efficiency Power Systems:** The company's "eco-operation" power supply system maximizes energy efficiency and reduces electricity loss to only **1%** (comparing to **4%** in conventional systems).

[10] International Data Corporation, 2024. IDC Report Reveals AI-Driven Growth in Data Center Energy Consumption, Predicts Surge in Data Center Facility Spending Amid Rising Electricity Costs. (Available at: https://my.idc.com/getdoc.jsp?containerId=prUS52611224)

- **Advanced Energy Storage Integration:** The project integrates Tesla's cutting-edge Megapack energy storage solution into its power infrastructure, enabling intelligent load optimization through dynamic charging/discharging strategies and enhancing renewable energy utilization in daily operations.

- **Innovative Cooling Solutions:** Data centers demand considerable energy input while generating substantial thermal output. The company implements cooling solutions precisely engineered to operational specifications, achieving optimal thermal management efficiency with minimized power and water consumption.

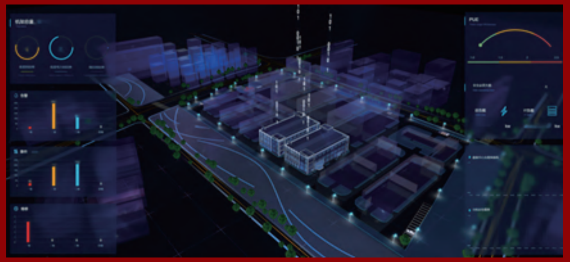
The rooftop photovoltaic system generates 800 MWh of green electricity to meet the energy demand of Lingang AIDC.

The integration of Tesla's Megapack system enables a smart and flexible power eco-system for Lingang AIDC.

These innovations have generated measurable environmental benefits, earning the project the recognition by the Chinese Academy of Social Science as a "pioneer of innovative green data center" and setting an industry benchmark that meets China's stringent resource-efficiency requirements for data centers.

Comprehensive Data Security Framework

Cloud establishes data security as a foundational pillar of the digital economy, acknowledging its vital importance in protecting national and enterprise assets. The company implements a two-tiered strategy that combines physical infrastructure and cybersecurity innovations. This integrated approach delivers complete protection throughout entire data lifecycle - storage, transmission, and processing - while ensuring regulatory compliance and enhancing client trust.



The intelligent maintenance platform provides real-time monitoring of operational data and sends early warnings if anomalies detected.

Cloud ensures continuous operational stability to protect data assets through purpose-built physical safeguards in its data centers. The company implements redundant backup power systems to prevent single points of failure, fire-resistant construction materials to mitigate fire hazards, and multi-layered physical security monitoring to deter unauthorized access. Furthermore, an advanced maintenance system combines manual inspections with automated robotic patrols for comprehensive facility oversight. These engineering controls are integrated with digital twin technology, providing real-time monitoring and analysis of thermal conditions, power utilization, and workloads to detect anomalies. Together, these integrated measures form a holistic system that minimizes physical disruption risks while guaranteeing uninterrupted operations.

Cloud also delivers comprehensive data and privacy protection through an integrated cybersecurity architecture designed to actively neutralize digital threats while ensuring strict regulatory compliance. The infrastructure assures robust network resilience to effectively mitigate diverse cyberattacks. Critical assets are safeguarded through continuous vulnerability scanning, multi-layered application security protocols, and redundant next-generation firewalls. Advanced data encryption secures access credentials by preventing data leakage and tampering while maintaining compliance. These measures rigorously uphold data confidentiality and integrity, underscoring Cloud's commitment to stakeholder privacy assurance.

CASE 3

Company Advancing Inclusive Healthcare

In 2014, CDH Fund V invested in a leading pharmaceutical company ("Pharma"). Pharma specializes in nuclear medicine for tumor diagnosis and treatment, precision interventional technologies for cardiovascular and cerebrovascular diseases, as well as pharmaceutical and biotechnology innovations.

Since CDH's investment, our partnership has centered on strategic realignment and international expansion to drive sustainable value creation for Pharma. Guided by its patient-centric mission, Pharma has enhanced operations to improve the quality and accessibility of its healthcare solutions. This has enabled the company to translate its vision into tangible healthcare outcomes.

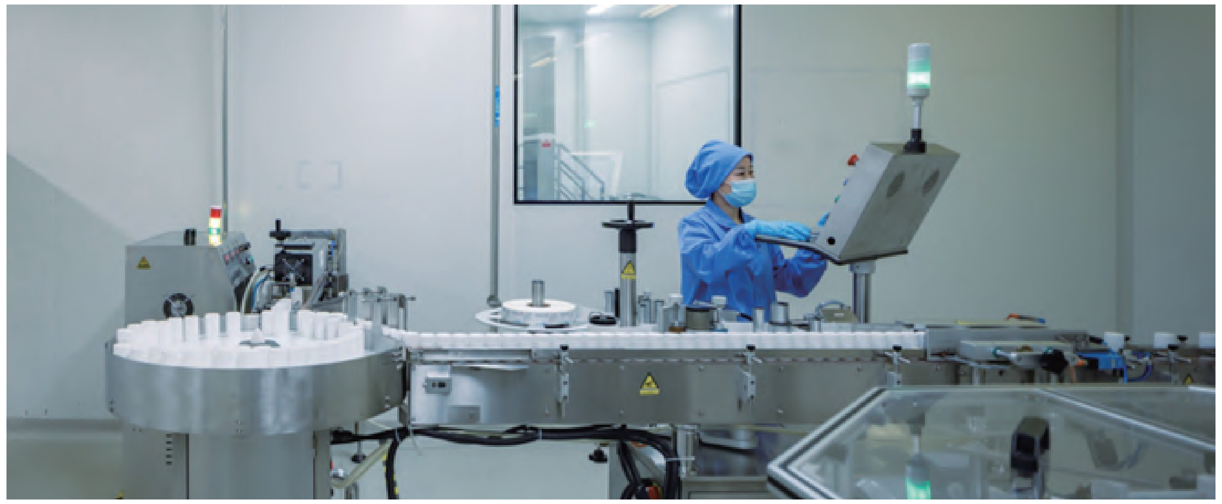
Pharma is an advanced international pharmaceutical company, aiming to provide advanced and diverse treatment solutions to patients worldwide.

Delivering High-Quality Healthcare

Quality healthcare is essential for achieving positive patient outcomes. The World Health Organization (WHO) highlights that substandard care contributes to significant global mortality and productivity losses, whereas robust health systems could save millions of lives each year. Recognizing this critical need, Pharma has embedded quality excellence across its entire product lifecycle.

To ensure pharmaceutical excellence, Pharma has established a comprehensive quality management system. The company adheres strictly to Good Manufacturing Practice (GMP) standards and ISO quality management systems, supported by a systematic risk control framework that oversees every stage - from product development to final delivery. Rigorous quality inspections and audits are conducted to identify and address potential issues at the earliest opportunity.

Pharma further strengthens its supply chain reliability by ensuring all suppliers undergo training on its code of business conduct. Additionally, the company develops and executes a comprehensive annual supplier audit plan, tailored to the management level and criticality of each supplier.



Pharma's robust quality management system ensures excellence throughout the product lifecycle, spanning R&D, technology transfer, commercialization, and product termination.

Pharma's endeavor to quality excellence in 2024:

- 60+ Completed **over 60** external quality audits with **0** major defects identified
- 1537 **1,537** trainings on the supplier code of business conduct, covering **100%** of suppliers
- 100% Maintained **100%** GMP certification across all products

For pharmaceutical companies deeply engaged in R&D, adherence to clinical ethics serves as a moral foundation in the pursuit of discovering, developing, and delivering innovative medicines. Pharma prioritizes scientific integrity and patient safety in clinical research through robust protective measures. The company has established an Ethics Committee to comprehensively oversee ethical reviews and ensure strict privacy protection throughout clinical trials. All participants are required to provide informed consent by signing a Clinical Study Informed Consent Form, guaranteeing their voluntary and fully informed participation. Pharma maintains rigorous confidentiality protocols to safeguard all participants' medical data.

Advancing Accessible and Affordable Healthcare

The concept of Universal Health Coverage, introduced during the 58th World Health Assembly in 2005, represents a global call to ensure equitable access to essential healthcare services at affordable costs. This vision underscores the urgent need for fair and accessible healthcare systems worldwide.

At Pharma, improving healthcare access is central to its ESG commitments. Through pioneering research and development, the company addresses critical unmet medical needs worldwide while confronting complex global health challenges. In the past year, Pharma advanced approximately 150 R&D initiatives, with 32% being innovative programs, and their efforts yielded over 30 new product approvals. A particular focus on rare diseases has resulted in five marketed orphan drugs, with four additional therapies currently in development as of 2024.

Pharma exemplifies how pharmaceutical innovation can align with healthcare affordability. Through collaborations with government agencies and industry stakeholders, Pharma advocates for reasonable drug pricing. By the end of 2024, over 260 Pharma products had been included in China's National Drug List for Basic Medical Insurance, Work-Related Injury Insurance, and Maternity Insurance - a milestone that has significantly reduced patient financial burdens while maintaining therapeutic quality.

Demonstrating its commitment to healthcare accessibility, Pharma has pioneered payment models to reduce patient financial burdens. In 2024, the company partnered with a medical technology company to launch the "Yttrium-90 Microspheres" health insurance program, specifically designed to support liver cancer patients. This initiative is projected to benefit more than 25 million patients in China.

Pharma prioritizes the health needs of patients and is committed to improving the affordability of medicines.

INTERNATIONAL RECOGNITION

Since its establishment in 2002, CDH has consistently delivered innovative solutions that create tangible value for all our partners. Our disciplined approach to building a transparent, partner-focused, and value-driven investment platform has earned international recognition.

投中榜 CVAWARDS

- Top 5 Best Foreign Private Equity Investment Institutions 2024
- Top 10 Private Equity Investment Institutions Most Popular with LPs 2024
- Top 10 Best Real Estate Investment Institutions 2024
- Top 20 Best New Consumer Industry Investors 2024 (Hu Xiaoling)
- Top 20 Best Private Equity Investors 2024 (Hu Xiaoling)
- Top 20 Best Private Equity Investment Institutions 2024
- Top 30 Best Private Equity Investors 2024 (Wang Lin)
- Best Value-added Service Team for Private Equity Investment 2023
- Top 3 Private Equity Investment Institutions Most Popular with LPs 2023
- Top 5 Best Foreign Private Equity Investment Institutions 2023
- Top 10 Best M&A Funds 2023
- Top 10 Best Real Estate Investment Institutions 2023 (CDH Mezzanine Investment)
- Top 10 Healthcare Industry Investors 2023 (Wang Lin)
- Top 15 Best Private Equity Investment Institutions 2023
- Top 30 Best Advanced Manufacturing Investment Institutions 2023
- Top 30 Best Biomedical Investment Institutions 2023
- Top 100 Private Equity Investors 2023 (Hu Xiaoling, Wang Lin)

ZERO2IPO 清科创业 Zero2IPO Ventures

- Top 10 Private Equity Investment Institutions in China 2024
- Top 10 M&A Investment Institutions in China 2024
- Top 10 Private Equity Investors in China 2024 (Hu Xiaoling)
- Top 30 Investment Institutions in the Healthcare Field 2024
- Top 100 Investors in the Investment Industry 2024 (Wang Lin)
- Top 100 Investors in the Investment Industry 2024 (Hu Xiaoling)
- Top 10 ESG Outstanding Institutions 2023
- Top 11 Private Equity Investment Institutions in China 2023
- Top 30 Investment Institutions in the Healthcare Field 2023
- Top 30 Investment Institutions in the New Energy/New Materials Field 2023
- Top 100 Investors in the Investment Industry 2023 (Hu Xiaoling)
- Top 100 Investors in the Investment Industry 2023 (Ying Wei)
- F40 Young Chinese Investors 2023 (Yang Fan)
- F40 Young Chinese Investors 2022 (Gao Jieliang)

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- Best Chinese ESG Investment Practice Investment Institution 2024
- Most Influential Chinese Industry Investment Fund 2024
- Most Popular Chinese Investor for Entrepreneurs 2024 (Hu Xiaoling, Wang Lin)
- Top 5 Chinese Private Equity Investment Firms in the Equity Investment Industry 2024
- Most Popular Private Equity Investment Firm for Entrepreneurs 2023
- Most Influential Private Equity Investment Firm 2023

融中财经

- Best Chinese M&A Investment Institution 2024
- Best Chinese Total Asset Management Institution 2024
- Best Return Chinese Private Equity Investment Institution 2024
- Best Chinese M&A Investor 2024 (Hu Xiaoling)
- Top 10 Private Equity Investment Institutions 2024
- Top 50 Outstanding Chinese Investors 2024 (Wang Mei)
- Outstanding Chinese Real Estate Fund Management Institution 2024
- Best Chinese M&A Investment Institution 2023-2024
- Best Chinese Healthcare Investment Institution 2023-2024
- Best Chinese Artificial Intelligence Investment Institution 2023-2024
- Best Chinese Digital Economy Investment Institution 2023-2024
- Best Chinese M&A Investment Institution 2023
- Best Chinese Total Asset Management Institution 2023
- Top 10 Chinese Private Equity Investment Institutions 2023
- Top 50 Outstanding Chinese Investors 2023 (Ren Yiqiao)
- Outstanding Chinese Real Estate Fund Management Institution 2023 (CDH Mezzanine Investment)

AVCJ Asian Venture Capital Journal

- Exit of the Year - IPO 2023: CSl Solar, Nominated
- Exit of the Year - Mid Cap 2023: SciClone Pharmaceuticals, Nominated
- Deal of the Year – Small Cap 2022: Well-Link
- Deal of the Year 2017 (Early Stage): AI Company
- Deal of the Year 2014 (Large Cap): Nanfu Battery
- AVCJ Special Achievement Award of 2013 (Wu Shangzhi)
- Best Financing Institution of the Year 2010

Private Equity International

- Firm of the Year in China- 3rd Place, Asia-Pacific Awards 2023
- Deal of the Year 2013 in Asia: Shuanghui International
- China’s Best Private Equity Fund of 2012 – 2nd Place
- China’s Best Private Equity Fund of 2010

财富 FORTUNE CHINA

- China's Most Influential Investor in 2023 (Ying Wei)
- The 30 most influential investors in China 2020 (Jiao Zhen)
- The 30 most influential investors in China 2018 (Jiao Zhen)
- The 30 most influential investors in China 2017 (Jiao Zhen)
- The 30 most influential investors in China 2016 (Jiao Zhen, first place)

Forbes 福布斯

- China's Top Private Equity Firm 2018
- China's Top Private Equity Firm 2017
- China's Top Private Equity Firm 2015
- China's Top Private Equity Firm 2014
- China's Top Private Equity Firm 2013
- China's Top Private Equity Firm 2012

21世纪经济报道 21st CENTURY BUSINESS HERALD

- Impact M&A Investment Institutions 2023-2024
- Impact Venture Capital and Private Equity Institutions 2023-2024
- Impact Healthcare Investment Competitiveness Venture Capital and Private Equity Investment Institutions 2023-2024

中国证券报 CHINA SECURITIES JOURNAL

- Golden Bull Outstanding Investment Institution in the M&A Field 2024
- Five-year Golden Bull Private Equity Investment Continuous Outstanding Institution 2024
- Three-year Golden Bull Private Equity Investment Outstanding Institution 2023
- Five-year Golden Bull Private Equity Investment Outstanding Institution 2023
- Golden Bull Best IPO Case 2023 (CSI solar)

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- Top 10 Industrial Capital Management Institutions of the Year in Industrial Investment List 2023
- Top 10 Biopharmaceutical Industry Investment Institutions of the Year in Industrial Investment List 2023
- Top 50 Best Investment Institutions of the Year in Equity Investment Value List 2023

甲子光年 JAZZYEAR

- Top 30 Best Hard Technology Private Equity Investment Institutions in China 2023
- Top 30 Best Technology Investors 2023 (Wang Lin)

2023 全球PE论坛 Global PE Forum

- Top 5 M&A Investment Institutions in China 2024
- Top 20 Private Equity Investment Institutions in China 2024
- Top 20 Active Investment Institutions in the Healthcare Field in China 2024

Others

- Top 50 Demonstration Institutions in Comprehensive Strength (First China Private Equity and Venture Capital Excellence Showcase Awards) 2024, China Fund News
- Top 100 Best IPO Investment Institutions 2023, IPO Insider
- The First Pilot Manager License for Real Estate Private Equity Funds in China 2023 (CDH Mezzanine Investment), Asset Management Association of China
- Top 10 Best Real Estate Funds 2023, Shanghai Private Equity Association
- Top 3 Best Special Opportunity Investment Management Institutions 2023 (CDH Mezzanine Investment), Shanghai Private Equity Association
- Best Private Equity Firm 2022, NewFortune
- Best Healthcare Investment Return Fund of the Year 2022, Haoyue Capital
- Best Biopharmaceutical Investment Institution of the Year 2022, Haoyue Capital
- Best Exit PE Firm 2022, Beijing Private Equity Association
- Top 20 Popular Investment Institutions Voted by LPs 2022, FOFWEEKLY
- Top 20 Unicorn Investment Institutions 2022, FOFWEEKLY
- Best-Performing VC/PE Firms in Biomedicine 2022, VBDATA.CN
- Top 10 best private equity investment institutions 2020, LIEYUNPRO.COM
- Excellent Investment Institution 2019, Shanghai Securities News
- Best Investment Institution in Logistics Industry 2019, CCTAW
- Belle Case - HKVCA ESG Award of Excellence 2019, HKVCA
- Most Consistent Performing Buyout Fund Managers 2017, Preqin
- Top 10 USD PE Fund Management Institutions in Greater China, Top 10 PE Fund Management Institutions in Greater China 2014, CVCA
- Top 10 Most Innovative Comprehensive Fund Management Institutions in China 2013, CVAwards
- Top 5 Best Industrial Investment Institutions in China – Healthcare 2013, CVAwards
- Best Private Equity Institution in China 2010, Private Equity International
- Top 100 Global Venture Capital Institutions 2009, Red Herring
- Best Private Equity Institution in China 2009, Private Equity International

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