



Project Summary Information

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| Date of Document Preparation: September 1, 2024 | |
| Project Name | Legend Capital Healthcare Technology Fund |
| Document Code | 000364 |
| Country | China |
| Sector/Subsector | Finance / Investment Funds |
| Status of Financing | Approved |
| Project Description | To address the changing healthcare demands and more complex healthcare challenges, AIIB is seeking to partner with a leading healthcare technology fund manager to facilitate technology applications and digitalization of the healthcare industry in China. AIIB as a Limited Partner investor will invest in LC Healthcare Fund II (the "Fund"), which will be managed by a leading venture capital fund management firm, Legend Capital Co., Ltd ("Legend Capital"). The Fund targets to invest in early stage and growth stage healthcare companies, covering the following primary sub-sectors: medical technology, digital health and professional services and biotechnology. |
| Objective | Finance and support the growth and venture capital fund which invests in healthcare technology and digital hospital companies with a focus in China. The project aims to foster more mature applications of technology and digitalization to improve capacity, efficacy, inclusiveness and resilience of the Chinese healthcare infrastructure and service delivery. |
| Expected Results | Project indicators include the following <ul style="list-style-type: none"> o Number of investments in healthcare technology and digital hospital companies o Gross AIIB amount invested in healthcare technology and digital hospital companies o Investment Returns |
| Environmental & Social Category | FI |
| Environmental and Social Information | AIIB's Environmental and Social Policy (ESP), including the Environmental and Social Exclusion List (ESEL) and if applicable, the Environmental and Social Standards (ESSs), is applicable to the Project. The Project has been placed in Category FI because it involves the provision of funds to a financial intermediary, the Fund. AIIB will delegate the decision-making on the use of AIIB funds to the Fund |

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| | <p>manager, Legend Capital, for investments in portfolio companies that meet the conditions in the Fund’s enhanced Environmental and Social Management System (ESMS) to be agreed with AIIB.</p> <p>The Fund has an Environmental, Social and Governance (“ESG”) policy, which commits the Fund to practicing sustainable development, socially responsible investing, and green finance. The Fund commits to adopt an enhanced ESMS that requires the screening of potential investees against the ESEL, screening and categorization of environmental and social (ES) risks and impacts, conducting ES due diligence, and monitoring and reporting on the investee companies’ compliance against the applicable ES regulatory requirements in their jurisdiction of operation and, for higher ES risk transactions (Category A and high risk Category B transactions¹), the relevant ESSs. The enhanced ESMS acceptable to AIIB, will be adopted by the Fund manager’s prior to use of AIIB’s funds. The Fund will conduct ESMS training for the staff involved in the ESMS implementation.</p> <p>The Fund will be required to create an External Communication Mechanism (ECM) to periodically disclose its investments and to address third-party views, enquiries or concerns regarding its own ES processes and outcomes, as well as ES impacts and performances of its portfolio companies. Investee companies using AIIB’s financing will be required to disclose the relevant ES information on their subprojects and to establish appropriate subproject-level grievance redress mechanisms (GRM).</p> <p>AIIB will review and validate the Fund’s ES screening, categorization, and due diligence of the initial subprojects to be financed using AIIB funds. The Fund will submit to AIIB an annual ES monitoring report on the ES performance of all AIIB-supported investments. AIIB will conduct regular monitoring of the Fund’s activities, including visits to selected subprojects.</p> |
| Cost and Financing Plan | AIIB Equity: USD30 million |
| Fund Manager | Legend Capital Co., Ltd |
| Date of first disbursement | March 2021 |

¹ These would include: Category B transactions that may potentially result in: (i) land acquisition or involuntary resettlement, (ii) risk of adverse impacts on Indigenous Peoples and/or vulnerable groups, (iii) significant risks to or impacts on the environment, community health and safety, biodiversity, and cultural resources, (iv) significant retrenchment of more than 20% of direct employees and recurrent contractors, and/or (iv) significant occupational health and safety risks.

| Contact Points: | AIIB | | Legend Capital Co., Ltd |
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| Date of Final Review Decision | 1 September 2020 | | |
| Date of Financing Approval | 15 October 2020 | | |

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| Independent Accountability Mechanism | <p>The Project-affected People's Mechanism (PPM) has been established by the AIIB to provide an opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy in situations when their concerns cannot be addressed satisfactorily through subproject-level GRMs or AIIB Management's processes.</p> <p>Information about AIIB's PPM can be found through visiting https://www.aiib.org/en/policies-strategies/operational-policies/policy-on-the-project-affected-mechanism.html</p> |
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