



2021
Genertec
Corporate Social Responsibility Report

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Message from the Chairman



Chinese President Xi Jinping has emphasized that state-owned enterprises (SOEs) should take the lead in applying the new development philosophy, promoting innovation-driven development and implementing major national strategies. Genertec thoroughly implements the spirit of important instructions made by Chinese President Xi Jinping, firmly serves national strategies, actively performs social responsibilities, and fulfills the corporate mission of "creating a better life with good technology and quality service" with a strong sense of social responsibility.

The year 2021 is a milestone in the history of the CPC and our country, as well as the first year in our implementation of the 14th

Five-Year Plan. As profound changes unseen in a century are evolving rapidly in the world and the impact of the COVID-19 pandemic is far-reaching, Genertec has resolutely implemented the spirit of important speeches and instructions made by Chinese President Xi Jinping, effectively implemented the decisions and plans of the CPC Central Committee and the State Council, as well as the requirements of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, faced up to challenges and forged ahead, and well coordinated production, reform and innovation, and pandemic prevention and control. As a central SOE, Genertec has comprehensively fulfilled its economic, political and social responsibilities, and secured extraordinary achievements in the last year that marked the centenary of the CPC and the start of the 14th Five-Year Plan.

Focusing on main responsibility and main business, Genertec has witnessed significant improvement in the capacity for serving national strategies. As the only central SOE whose main responsibility and main business are the development and manufacturing of machine tools, we have shouldered important tasks for developing high-end computer numerical control (CNC) machine tools. We have incorporated a machine tool equipment corporation, initiated the establishment of the China Technology Innovation Strategic Alliance for Advanced Machine Tool. We have developed a number of high-end machine tool equipment for major industries and key areas of the country, and made solid progress in tackling key technological challenges. In 2021, our sales of machine tools were up 26% year-on-year, and the operating revenue ranked first in China's machine tool industry, and our role as a leading machine tool enterprise in guiding and supporting the development of the industry has been initially demonstrated. We have shouldered the main responsibility of SOEs for investing in and operating medical institutions, and completed the task of the reform of such medical institutions. Located in 26 provinces, municipalities and autonomous regions across the country, the number of our medical institutions has reached 339. Our medical institutions provide more than 45,000 inpatient beds and receive 28 million outpatient and emergency visits a year. We have sent more than 30,000 person-times of medical personnel to participate in the prevention and control of the COVID-19 pandemic around the country, created the model of Genertec Clinic and accelerated the deployment of the clinic nationwide, and launched elderly care service platform, becoming a new driving force for the Healthy China initiative. We have actively participated in the high-quality Belt and Road Initiative and the international industrial capacity cooperation, and taken part in a number of new energy projects in overseas markets under the model of investment-construction-operation. We have been included in the list of Top 250 International Contractors released by *Engineering News-Record* (ENR) magazine for 11 consecutive years, and retained the position as a major international contractor in China.

Regarding innovation as the primary driving force for development, Genertec has made the engine of innovation more powerful. We have given priority to the development and application of technologies and constantly strengthened the role of innovation in driving development, thus comprehensively enhancing our capacity for independent innovation in core business. We have established technical systems and listed tasks for major scientific established

technical systems and listed tasks for major scientific and technological breakthroughs in such industries as machine tools, new materials, inspection & testing, and made a number of important sci-tech achievements. These efforts have significantly enhanced the role of innovation in propelling development and brought us the honorary title of "outstanding contributor to sci-tech innovation" granted by the SASAC of the State Council in the 2019-2021 service term assessment.

By comprehensively deepening reform, Genertec have gained new vigor and impetus for development. We have earnestly implemented the three-year action plan for SOE reform, and overfulfilled the annual objective set by the SASAC of the State Council, namely completing more than 70% of the tasks set out in the three-year action plan by the end of 2021. We have promoted the construction of the board of directors of our direct subsidiaries, and set up five sub-groups. Our subsidiaries, including Genertec Shenyang Machine Tool and Genertec CAERI, have emerged as role models for SOE reform. Gradually, we have strengthened the driving force for development and vitality of our business through comprehensive reform. In 2021, Genertec got an A in the performance appraisal conducted by the SASAC of the State Council for the three-year action plan for SOE reform and was ranked 17th among central SOEs.

Unswervingly promoting green development, Genertec has contributed to the realization of China's strategy of "carbon peaking and carbon neutrality". We have coordinated the integrated management of energy conservation and carbon emissions reduction, practiced cleaner production, promoted green, low carbon transformation of industries and the application of green, low carbon solutions, released the *14th Five-Year Plan of Genertec for Green Development(2021-2025)*, and established a green development research institute, contributing our wisdom and strength to the national strategy of "carbon peak and carbon neutrality". We have achieved fruitful results in pursuing green and low-carbon transformation. For instance, Topfond Pharmaceutical, which is affiliated to Genertec Meheco, has been rated as "Green Factory" at the national level, and CTACELL, which is affiliated to Genertec Advanced Materials, has been rated as "Green Factory" at the city/district level.

Vigorously implementing the "Craftsmanship Brand Project", a project aimed at improving brand strategies and brand management, Genertec has continuously increased brand influence. We have constantly strengthened brand building and brand management, released the brand slogan of "Good Technology, Good Life", implemented the "Craftsmanship Brand Project", and publicized Genertec's long history and the strengths of our main business. News stories about Genertec were reported and forwarded over 170,000 times by major media platforms last year. In particular, we appeared on news programs like CCTV's prime time news program - *Xinwen Lianbo*, over 20 times a year. As Genertec's popularity and social influence have been continuously increased, the group has gradually cultivated a number of outstanding and prestigious enterprise clusters that enjoy international influence and could guide industries in fulfilling social responsibilities, thus helping Chinese brands and the brands of Genertec go global faster.

Bearing in mind the wellbeing of all people in the country, Genertec has joined the efforts to build a happy and harmonious Genertec family for all. We have actively participated in the preparation, construction and service-related work for the Beijing 2022 Winter Olympic and Paralympic Games, and spared no efforts to contribute high-quality products and high-standard services to a wonderful, extraordinary and remarkable Olympic Games. We have allocated RMB10 million for supporting flood control and disaster relief in central China's Henan Province, and provided more than RMB34 million in funds for the two counties of Wuchuan and Shangdu in north China's Inner Mongolia Autonomous Region, with whom we have paired up under the "pairing assistance" poverty alleviation program. Besides, we have actively responded to the call of the SASAC of the State Council for purchasing work clothing from factories in northwest China's Xinjiang Uygur Autonomous Region to support the economic development of the region. We are marching on the "Field of Hope" toward the beautiful vision of common prosperity together with all the Chinese people.

The new era calls for a stronger sense of responsibility and the new journey requires new actions. At the historic convergence of China's two centenary goals, we will rally closely around the CPC Central Committee with Comrade Xi Jinping at its core, follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, carry forward the great founding spirit of the Party, fully, accurately and comprehensively implement China's new development philosophy, quicken the pace to grow into a world-class enterprise with global competitiveness through concerted efforts and hard work, and give full play to our role as a part of the "backbone" of the socialist economy with Chinese characteristics and a member of the "national team" that serves major national strategies, thus setting the stage for the 20th National Congress of the CPC with concrete actions.

Chairman

China General Technology (Group) Holding Co., Ltd.

About Us

Corporate Profile

Established in 1998, China General Technology (Group) Holding Co., Ltd. (hereinafter referred to as "Genertec" or "Group") is a centrally administered state-owned enterprise, which is directed by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. It was approved by the government as a pilot enterprise of state-owned capital investment in December 2018. As of the end of 2021, Genertec had 508 domestic operating entities and 77 overseas operating entities; 15 affiliated sub-industry groups and second-tier operating entities; 4 listed companies, that is, Genertec SMTCL, Genertec CAERI, Genertec Universal Medical and Genertec Meheco; and, about 69,000 employees in total, among whom 65,000 are on-the-job employees.

In recent years, Genertec has been focusing on three pillar businesses of advanced manufacturing and technical services, medical and healthcare, trade and engineering services, constantly enhanced innovation-driven development, and made special efforts to promote high-quality growth. In 2021, Genertec accelerated the building of the three-level management and control structural system, and incorporated five sub-industry groups including machine tool equipment, capital, high-tech and new materials, trade and engineering services successively, marking a specialized management system that supports the implementation of the group's strategy has been preliminarily established. In 2021, Genertec achieved an operating revenue of RMB172.1 billion, and fully fulfilled the operating target of "two profits and four rates", realizing a good start for the 14th Five-Year Plan.

In the field of advanced manufacturing and technical services, Genertec has taken an active role in serving the national strategy for upgrading the country's manufacturing sector and positioned the development of high-end CNC machine tools as its core business. Since the founding of the People's Republic of China, Genertec has produced dozens of national firsts in the field of machine tool equipment, and about 20 workers have been honored as role model of the nation, a testament to the group's dedication and commitment as exemplified by Ma Hengchang Team. At present, Genertec owns one machine tool research institute and six machine tool production and manufacturing companies. Genertec has incorporated a machine tool equipment corporation in collaboration with Tianjin Municipal People's Government, taken the lead to establish the China Technology Innovation Strategic Alliance for Advanced Machine Tool, and set up an innovation and R&D base for equipment digitalization. Genertec has grown into an industrial leader that boasts the broadest product line, the widest service areas, and the strongest comprehensive technical capabilities. It is also the biggest provider of high-end core equipment for key industries and areas. Genertec has been vigorously promoting the industrialization of new solvent-based cellulose fiber, making China the second country in the world to master the technology in the industrialization of green cellulose fiber. Its production now reaches the biggest amount in China and takes the second place in the global market. Genertec's strong inspections and testing capabilities allow it to successfully launch an early warning platform for the safety of national-standard new energy vehicles, establish a vehicle standard innovation center (Chongqing) in the national standard innovation base, and facilitate the building of a national hydrogen quality supervision and inspection center.



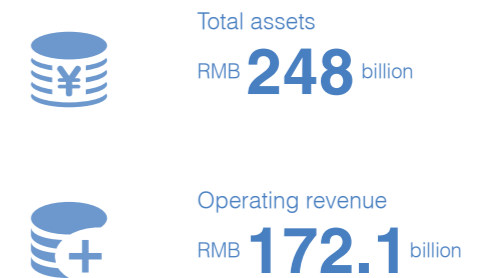
In the field of pharmaceutical, medical and healthcare, Genertec is one of the three central SOEs approved by the SASAC of the State Council to take pharmaceutical, medical and healthcare as the main business. Genertec Meheco, with 92 commercial medical branches across the country, is a major pharmaceutical commercial circulation enterprise in China, a national unit for medical reserves and storage, and a leading integrated service provider for the supply chain of medical instruments and consumables. Genertec has shouldered the tasks of investing in and operating medical institutions, and established cooperation relations with 20 central and local SOEs accumulatively. It has built five operations and management platforms of Genertec Medical, Genertec Universal Medical, Genertec Guozhong Healthcare, Genertec AMHT and Genertec Gem Flower Healthcare. Genertec owns 339 medical institutions in 26 provinces, municipalities and autonomous regions across the country, and has more than 45,000 inpatient beds in operation, with the number of outpatient and emergency visits reaching 28 million person-times yearly. It has been developed into a centrally-administered medical group that leads in the number of beds with a complete network coverage and a comprehensive industry chain.

In the field of trade and engineering services, Genertec is the main channel and a major force for the imports of advanced technology and key equipment in China. Its introduction of 156 advanced technologies and full equipment in the early years of the People's Republic of China laid a solid foundation for the country to develop manufacturing business. Over the past 70 years, it has imported and introduced more than USD340 billion of state-of-the-art technologies and complete sets of equipment for various industries, making a significant contribution to the nation's progress toward industrialization and the localization of major technical equipment. Genertec's vigorous participation in the tangible growth of the "Belt and Road" Initiative has also driven and promoted Chinese standards, technologies and equipment to many parts of the world. It has been included in the ENR's Top 250 International Contractors for 11 consecutive years. The group has won a total of 87 nation-

al-level awards in the construction industry, including the China Construction Engineering Luban Prize and the National Quality Engineering Awards, in recognition of its rich history and track record of performance in participation of significantly important construction projects across China. As an integrated service provider for the supply chain of mobile communication terminal products, Genertec is also a leader in the field of terminal product distribution of mobile communication for many years.

Looking into the future, Genertec will continuously pursue its mission to "creating a better life with good technology and quality service" while living its core values of integrity, inclusiveness, innovation, entrepreneurship, excellence, and mutual benefits. Genertec is committed to becoming a world-class enterprise with global competitiveness.

Operating performance in 2021



Corporate Philosophy

Corporate vision

To become a world-class enterprise with global competitiveness

Corporate mission

Creating a better life with good technology and quality service

Core values

Integrity, Inclusiveness, Innovation, Entrepreneurship, Excellence, Mutual Benefits

Development Strategy

In July 2021, Genertec grandly released its 14th Five-Year Plan, setting the goal of doubling its operating revenue and total profits by 2025 compared to 2020. This is the first five-year plan since the corporate vision of "to become a world-class enterprise with global competitiveness" was proposed, determining the strategic positioning and development orientation of the three pillar businesses, formed the "1699" strategic system, and setting a great vision for the group's development in the forthcoming five years and the long-range development objectives through 2035 in an all-around manner.

To further serve the national strategy for regional development, optimize domestic business layout, and enhance regional collaboration, Genertec has formulated the *14th Five-Year Plan for Regional Development of Genertec*, which takes the regional layout of various business segments as the core and the existing business layout as the basis, breaks down the 14th Five-Year Plan for various business segments at the regional level, and determines the "1+4+N" regional development vision and objectives, so as to promote the optimization of state-owned capital layout structure and regional coordinated development of the group.

Strategic Positioning

- To build a world-class high-end CNC machine tool equipment group to implement the nation strategy
- To build an all-round health industry group with international influence to promote Genertec to grow bigger and stronger
- To build a major force for high-quality imports and high-level exports to achieve sustainable development

Strategic Plan (Three-Step Strategy)

Business integration and layout (2021-2022)

By 2022, the strategic layout of the three pillar businesses will be basically completed; the *Three-Year Action Implementation Plan for Reform of the Group (2020-2022)* will be effectively implemented and the results will be achieved; and the group will basically embark on a path in line with high-quality development orientation.

Corporate synergy (2023-2025)

By 2025, Genertec will reach international leading level in some fields, key stages and major indicators; basically realize modernization of the group's system and capacity for governance; facilitate its main business to grow stronger, and achieve high-quality development.

Leapfrog development (2026-2035)

By 2035, the operating capability, corporate governance, core technologies and brand value of the group will reach international leading level, and the group will become a trustworthy world-class enterprise.

Global business layout



Corporate Governance

Regulatory Governance

Genertec has accelerated the improvement of modern enterprise system, promoted the modernization of the group's system and capacity for governance. It has formulated, revised and refined the rules of procedure of the board of directors, the list of rights and responsibilities relating to major decisions, and other rules and regulations, further clarified the boundaries of rights and responsibilities of its three governance bodies of the leading Party group, the board of directors, and the management, and established a corporate governance mechanism featuring statutorily-defined and transparent rights and responsibilities, coordinated operations, and effective checks and balances. It has revised the *Management Operating Systems and Measures of China General Technology (Group) Holding Co., Ltd.*, which clarifies the classified and decentralized management systems and approval processes and aims at improving the regulatory operation and scientific decision-making of the group's management systems.

Genertec has continuously refined the institutions and systems relating to the board of directors. The strategy and investment committee, audit and risk committee, nominations committee, and remuneration and appraisal committee under the board provide advisory opinions and suggestions for the board, and guarantee the board to play the role of determining strategies, making decisions and preventing risks. Genertec has promoted its subsidiaries at various levels to regulate the building of board of directors, selecting personnel with rich experience in corporate management and business operations from the heads of departments at group's headquarters and members of the leadership teams of the second-tier companies as full-time directors, so as to enhance the capabilities of the board of the second-tier companies in

determining strategies, making decisions and preventing risks. Based on the working experience and professional background of the directors, the group arranges them to take positions in the corresponding business fields. The group also assigns directors who are familiar with finance, investment or human resources to each second-tier company, basically guaranteeing that each of them has experts in the relevant field on its board. Genertec has cultivated and built a responsible talented team of full-time directors who are proficient in professional work, achieving full coverage of full-time directors and a majority of outside directors on the board of second-tier companies.



In 2021

- held **35** meetings including board meetings of the group, meetings of special committees, and meetings with outside directors
- the board of directors of the group conducted **4** learning activities
- heard **14** reports and proposals
- examined and approved **53** proposals
- the special committees of the board studied and discussed **23** related matters

Risk Prevention and Control

Enhancing risk management and control

Genertec has established a dynamic assessment mechanism featuring the integration of comprehensive risk assessment and specific risk assessment. Through the mechanism, Genertec has identified the group's six major risks of the year and important risks of various affiliated companies, comprehensively enhancing ex-ante, interim, and ex-post management and control. Insisting on the integration of comprehensive business risk inspection and specific inspections for major fields, Genertec has refined the monitoring and early warning mechanism focusing on day-to-day risk monitoring and key business risk warnings, strengthened joint prevention and control for major risks, and taken effective measures to reduce existing risks and prevent potential risks. In 2021, the group had resolved and handled 49 existing risks; with those efforts, the value at risk was decreased by RMB3.6 billion.

Refining internal control system

Focusing on effective implementation of the group's 14th Five-Year Plan and the "i-SCORE+" management system, Genertec has established the "1+N" internal control system led by the construction of internal control system and supervision system and supported by specific operation regulations in all areas. The 2020 internal control evaluation and total risk management evaluation had been conducted. The evaluation indicators and approaches have been continuously optimized, to promote continuous improvement of the internal control system.

Strengthening audit supervision

Genertec has pushed forward the reform on internal audit systems and mechanisms, and accelerated the building of an integrated vertical management work system. A long-term mechanism for audit rectification has been established and improved to fully and effectively implement rectification measures for the issues raised by National Audit Office, completing the "second half article" of audit rectification carefully. Genertec has worked for full audit coverage in a deep-going way, focused on major decisions and plans, highlighted key management and control fields, carried out specific audits and financial income and expenditure audits, intensified overseas audit supervision efforts, and effectively conducted post-investment evaluation to promote the regulated operation of power. In 2021, Genertec planned to audit 154 projects group-wide, and a total of 259 projects were actually audited, with a completion rate of the plan reaching 168.18%.

Managing the Enterprise by the Rule of Law

Improving the level of the rule of law


Genertec has held the conference on the rule of law at the group level, revised the *Administrative Measures for Legal Work*, clarified the objectives and requirements of managing the central SOE by the rule of law, and formulated the *Implementation Plan for Enhancing the Management of the Central SOE by the Rule of Law*, promoting the effective implementation of the duties and responsibilities of principal persons liable for implementing the rule of law. Special legal examinations on the work of the rule of law have been carried out. Centering on the five dimensions of organizational leadership, governance by the rule of law, regulatory management, case management and handling, and the building of legal personnel team, Genertec has made concrete, meticulous, and effective efforts in the work of managing the enterprise by the rule of law.

Enhancing legal support

Genertec has effectively conducted the legal review work in day-to-day corporate operations, carried out legal review and examination work on the group's major projects, strictly controlled legal compliance risks, organized exchange activities on benchmarking work, and promoted the in-depth integration of legal work and operations management. Genertec has released the *Administrative Measures for Legal Disputes*, and made special efforts to enhance the management and handling of legal disputes. Genertec takes the initiative to set up a smart legal portal, aiming at optimizing the legal dispute management system and improving the informatization of legal management.

Strengthening legal safeguards in overseas market

Genertec has completed the inspection on legal risks of overseas institutions, carried out investigation and research on the construction of compliance management system, and conducted special legal compliance examinations on overseas business, aiming at preventing and controlling legal risks in overseas market. Genertec has formulated specific compliance guides and compliance manuals for overseas business, and refined the basic code of conduct in line with legal compliance.



Promoting the culture of the rule of law

Genertec has formulated work programs for the Eighth Five-Year Plan (2021-2025) on carrying out publicity and education to raise public awareness of the law. Centering on the key contents including Xi Jinping Thought on the Rule of Law, the Constitution, the Civil Code, rules and regulations of the Party, and laws and regulations closely related to the group's main business, Genertec has carried out training programs, as well as publicity and education to raise employees' awareness of the law. Efforts have been intensified to build a high-quality legal team and to improve the corporate lawyer system, aiming at promoting the culture of the rule of law.

Genertec's performance in managing the enterprise by the rule of law, 2019-2021

Legal review rate of corporate rules and regulations, economic contracts and major decisions

100%

100%

100%

2019
2020
2021

Topic I

Marching against Challenges and Sticking to the Posts in the COVID-19 Pandemic Fight

Since 2021, the COVID-19 pandemic has re-emerged in Henan Province, Xi'an City, Shanghai Municipality and many other areas, featuring multi-point occurrence and major local outbreaks. Genertec focuses on the overall situation of the prevention and control of the COVID-19 pandemic. While unremitting grasping its own normal pandemic prevention and control work, the group plays to the advantage of its main business, mobilizes all forces, reacts unconditionally and swiftly and fights with all its strengths, interpreting the great love of mankind and manifesting the original intention and mission of the employees of the group with their tenacious spirit and courageous commitment.

Marching toward danger to participate in medical treatment

In the face of sporadic pandemic outbreaks in China, nearly 100 medical institutions of Genertec have acted in response by actively cooperating with local governments and enterprises in nucleic acid testing, centralized quarantine site guarantee and other urgent difficult tasks. We sent medical and nursing staff of more than 30,000 person-times for the COVID-19 pandemic control around the country and carried out nucleic acid testing for more than 6 million person-times, safeguarding people's lives and health, and ensuring stable economic and social development.

Genertec supported the pandemic control in Xi'an City, Shaanxi Province

In response to the escalation of the pandemic in Xi'an in December 2021, various medical platforms of the group quickly dispatched several medical teams with more than 3,000 health care workers to Xi'an and the surrounding areas to carry out nucleic acid sampling and build a solid defense line to prevent and control the pandemic, fully demonstrating the mission in the medical industry who rise to the occasion at critical times.



In December 2021, Xi'an Electric Power Hospital affiliated to Genertec Guozhong Healthcare acted quickly and set up a nucleic acid sampling team

Genertec stuck together and went forward to safeguard Shanghai

When the pandemic broke out in Shanghai in April 2022, the group responded quickly, set up a leading group and a working group of medical workers to support Shanghai and dispatched a medical team of 222 people, contributing to the stabilization of the pandemic situation in Shanghai.



In January 2022, medical workers of Genertec Universal Medical carried out nucleic acid testing in communities



In March 2022, Jilin City Hospital of Chemical Industry affiliated to Genertec Gem Flower Healthcare set up a medical team to support mobile cabin hospitals in Jilin City, Jilin Province



In April 2022, Genertec AMHT's medical team departed to support Shanghai



Genertec Meheco supplied more than 70,000 boxes of medication for 28 provincial administrative regions' front line of pandemic fight



China Meheco Guangdong Pharma, a subsidiary of Genertec Meheco, supplied over 1.25 million sets of oximeters to support Hong Kong SAR

Guaranteeing material supply security

Genertec focuses on the resource advantages, gives full play to its role as a main channel of national medical supplies procurement and reserve, and actively safeguards the supply of pandemic prevention materials. In January 2021, when the pandemic broke out in Hebei Province, trucks and nucleic acid testing vehicles loaded with pandemic prevention materials such as masks and protective clothing left for Shijiazhuang City from the warehouse of China Meheco Hubei Pharma, a subsidiary of Genertec Meheco; upon arrival, employees from China Meheco Hebei Pharma manually unloaded tens of thousands of nucleic acid detection kits in freezing weather conditions. In the news reported by *Oriental Horizon* on CCTV news channel on January 16 that Hubei donated RMB10 million worth of pandemic prevention materials to support Hebei, Genertec took up the task of allocating and distributing the materials. In early 2022, Genertec Meheco signed the contract with Pfizer on PAXLOVID™, the COVID-19 medication co-package including Nirmatrelvir tablets and Ritonavir tablets. During the term of the contract, Genertec Meheco will be in charge of the commercial operation of Pfizer's COVID-19 drug PAXLOVID™ in China's mainland, and will fully promote the adoption of the COVID-19 medicine.

Since the COVID-19 outbreaks in Hong Kong SAR, Shanghai and Jilin, the group has been making every effort to guarantee the supply of COVID-19 medication and other materials, transporting more than 70,000 boxes of Pfizer's COVID-19 drugs to Shanghai, Jilin, Guangdong and other front lines of the pandemic, and completing the task of supplying more than 1.25 million sets of oximeters and some pharmaceutical and medical equipment for Hong Kong with high quality. We persisted in securing medical supplies such as nucleic acid detection reagents, masks and protective clothing needed for the pandemic control in Shanghai, and actively carried out the stockpiling of antigen kits and nucleic acid detection reagents.

Serving the international pandemic fight with the intention to do good deeds

While supporting domestic pandemic prevention and control, Genertec insists on implementing the concept of "a community of common health for mankind" proposed by Chinese President Xi Jinping, pays constant attention to the changes of the pandemic around the world, actively responds to the needs of pandemic prevention in various countries, and deeply participates in international cooperation against the pandemic. We have supplied various medical materials and equipment to more than 90 countries, regions and international organizations, contributing to the global fight against the pandemic. Genertec Xinxing took the initiative to donate drugs, provide pandemic prevention materials and exchange experience in the fight against the pandemic to government departments, partners and people in Kazakhstan and other countries to build a solid anti-pandemic defense line.

Topic II

» Providing Quality Service for the Beijing 2022 Winter Olympic and Paralympic Games

On February 20, 2022, the Beijing Winter Olympics ended successfully. On and off the stage of the gala of ice and snow, Genertec carried out the work requirements of the Party Committee of the State-owned Assets Supervision and Administration Commission of the State Council and the Beijing Winter Olympics Organizing Committee, and participated in the preparation and construction of the Beijing 2022 Winter Olympic and Paralympic Games and the service guarantee work with high quality and high standards, contributing the strengths of Genertec to a wonderful, extraordinary and outstanding Olympic event.

Hard-core support demonstrating Genertec quality

■ Facilitating to build the landmark venue

As a professional procurement and supply chain management platform, Genertec CGCI, a subsidiary of Genertec International, successfully won the bid and became the tender agency for Winter Olympic projects. The company has undertaken more than 30 tender and procurement projects for the Beijing 2022 Winter Olympic and Paralympic Games in Yanqing District, including the alpine skiing center, sliding center and supporting infrastructure ropeway equipment procurement, the National Alpine Skiing Center snowmaking system scheme and equipment tender project, and the National Alpine Skiing Center, and successfully completed the work in December 2019, laying a solid foundation for the completion of the Beijing Winter Olympic venues on schedule.

■ Constructing transport hub

As a builder of Olympic projects, Genertec Xinxing constructed the key supporting project of the Winter Olympics, Yanqing Comprehensive Transportation Service Center, with a total construction area of 126,000 square meters, which effectively guaranteed the parking tasks of Olympic bus lines, Olympic shuttle buses and other related vehicles of the Olympic Games and effectively improved the level of urban infrastructure construction.



Key supporting project of the Winter Olympics – Yanqing Comprehensive Transportation Service Center undertaken by Genertec Xinxing

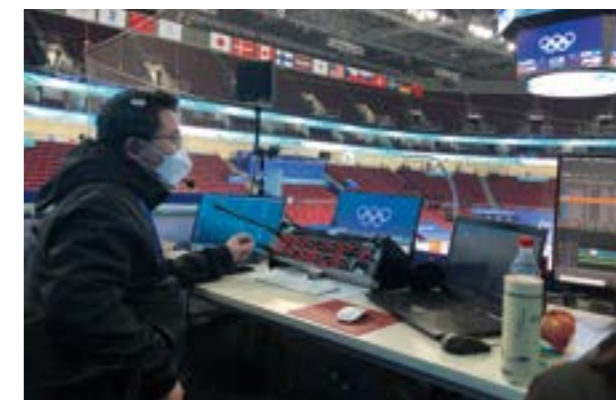


■ Providing real-time communication service

Stable communication service is a necessary element to ensure the smooth running of the Beijing Winter Olympics. As the general contractor of system integration and operation and maintenance services, INSTEC Technology, a subsidiary of Genertec CNIC undertook the important task of providing a Data Intercom Video Audio (DIVA) network for real-time communication for all 12 competition venues (sites) and three award plazas, which has greatly improved the communication efficiency and ensured the real-time efficiency and orderliness of the communication in competition venues.

Extended reading

The Data Intercom Video Audio network is one of the important projects required to implement by *Olympic Agenda 2020 and Olympic Games: The New Norm*. It is firstly put into use in Beijing 2022 Winter Olympics, providing a new application scenario of service and guarantee for technology enterprises and bringing new experience of communication network for a "simple, safe, and splendid" Winter Olympics.



Winter Olympics team of INSTEC Technology, a subsidiary of Genertec CNIC, on the service site

■ R&D of disinfectant wipes for pandemic prevention

To hold a worldwide winter event under the COVID-19 pandemic, it is particularly important to take measures for pandemic prevention and control. During the Olympic Winter Games, the star product "G-FIBER® NWCELL Alcohol Disinfectant Wipes" produced by Genertec Advanced Materials was selected and included in the Winter Olympics Pandemic Prevention Kits. One thousand pandemic prevention kits were supplied in Beijing and Zhangjiakou for China Institute of Sport Science, athletes from provincial teams, journalists, and staff of the Winter Olympics.



The G-FIBER disinfectant wipes, which Genertec holds 100% independent intellectual property right, were selected and included in the Winter Olympics Pandemic Prevention kit

■ Guaranteeing the supply of COVID-19 treatment medications

As a nationally designated strategic reserve and procurement unit for drugs and medical protection materials, Genertec Meheco, giving full play to its professional advantages in importing medications, completed the task from importing medications to delivery to designated hospitals in 39 hours, successfully introducing PAXLOVID™, creating a miracle in the speed of importing medications from procurement to delivery, and making positive contributions to the prevention and control of the pandemic during the Beijing 2022 Winter Olympic Games.

New materials empowering a scientific and technological Winter Olympics

■ Escorting domestic bobsleighs to achieve good results

In the two-men bobsleigh competition at the Olympic Winter Games Beijing, Chinese athletes drove the "China Red" domestic bobsleighs and created good performances. As a supplier of hot rollers for carbon fiber spinning with domestically leading technology, stable quality, and quality service, Beijing Zhongfang Jingye Electromechanical Device Co., Ltd, a subsidiary of Genertec Advanced Materials, supplied carbon fiber hot rollers and helped the production of TG800 domestic carbon fiber that was successfully applied to the production of Olympic bobsleighs and bobsleigh helmets, which more than doubled the strength of the bobsleigh body and escorted the Chinese Olympic athletes.



A subsidiary of Genertec Advanced Materials participated in the manufacturing of Olympic bobsleighs and bobsleigh helmets

■ Contributing professional "textile" strengths

As a professional platform for the group to vigorously develop new fiber materials, Genertec Advanced Materials contributes its professional technical strength to making the uniforms for the Beijing 2022 Winter Olympic and Paralympic Games. The head of the company was invited to be a member of the expert group for deepening revision of the design of award ceremony costumes for the Beijing 2022 Winter Olympic and Paralympic Games, helping demonstrate the concept of Beijing Winter Olympics and better spread the Chinese culture. As a textile and apparel inspection organization with strong credibility and high recognition in the industry, Chinatesta Textile Testing & Certification, a subsidiary of Genertec Advanced Materials, formulated the *Evaluation Plan for Physical and Chemical Performance Testing of Finished Uniforms for Beijing Olympic and Paralympic Winter Games*, and provided quality assurance for the special apparel for the Winter Olympics through precise examination and strict control.



Chinatesta Textile Testing & Certification, a subsidiary of Genertec Advanced Materials, supported the apparel testing for the Winter Olympics

Medical services safeguarding dreams of the ice and snow

Genertec insisted on providing professional and efficient medical guarantee for the Winter Olympics and ensured the safety bottom line of major sports events. It actively organized Beijing Electric Power Hospital affiliated to Genertec Guozhong Healthcare, as well as the Aerospace Center Hospital and the 731 Hospital affiliated to Genertec AMHT, to set up a medical support team for the Winter Olympics to ensure immediate rescue on the field and reduce the risk of accidents and injuries to athletes. Beijing Electric Power Hospital has set up a special power protection medical guarantee team to provide routine medical treatment, emergency first aid and medication consultation services for the power supply workers of the Winter Olympics. The Aerospace Center Hospital and Beijing Electric Power Hospital sent medical personnel to undertake doping testing, making contribution to safeguarding fair competition, sports ethics and the Olympic spirits and ensuring a smooth and orderly Winter Olympics.



The Winter Olympics medical support team of Aerospace Center Hospital affiliated to Genertec AMHT were helping an injured athlete

Topic III

➤ Making Concrete Efforts to Boost Rural Revitalization

In 2021, after achieving overall poverty eradication, the focus of work related to agriculture, rural areas, and farmers has made a historical shift toward comprehensively promoting rural revitalization. In order to thoroughly implement the major decision and deployment of the CPC Central Committee and the State Council on consolidating and expanding the achievements of poverty eradication to effectively connect with rural revitalization, Genertec continues to increase the assistance to Wuchuan County and Shangdu County in Inner Mongolia Autonomous Region. The group formulated and issued the 2021 Targeted Assistance Program of China General Technology (Group) Holding Co., Ltd., appointed personnel and established the Targeted Assistance Work Leading Group, and concentrated resources to comprehensively promote rural revitalization, helping realize a new picture of beautiful countryside with flourishing industry, pleasant ecology, civilized morals, effective governance and rich life.

In 2021, Genertec was awarded as a "National Advanced Group in Poverty Alleviation". Genertec's Poverty Alleviation Working Group in Wuchuan County and Poverty Alleviation Working Group in Shangdu County were awarded as the "Advanced Group in Poverty Alleviation in Inner Mongolia Autonomous Region". Genertec CAERI was awarded as the "Advanced Group in Poverty Alleviation in Chongqing".



In 2021, Genertec was awarded as a "National Advanced Group in Poverty Alleviation"

Genertec's rural revitalization "grade report" in 2021

| | | |
|----------------------------------|---|---|
| Investing assistance funds | Introducing assistance funds | Selecting and designating cadres to serve temporary positions |
| RMB 34.025 million | RMB 1.0102 million | 3 person |
| Training primary-level cadres | Training leaders for rural revitalization | Training technicians |
| 410 person-time | 660 person-time | 120 person-time |
| Purchasing agricultural products | Helping sell agricultural products | |
| RMB 14.7075 million | RMB 2.38 million | |



In September 2021, Yu Xubo (middle), Chairman of Genertec, conducted an investigation and research tour to Shangdu County in Inner Mongolia Autonomous Region for the targeted assistance work



In December 2021, Lu Yimin (second from the left), President of Genertec, conducted an investigation and research tour to Wuchuan County in Inner Mongolia Autonomous Region for the targeted assistance work

Multiple measures tailored to local conditions

Industrial revitalization

Promoting industrial prosperity is the key to rural revitalization. Based on the resource endowment of Wuchuan County and Shangdu County, Genertec guides and supports the development of a number of special industries in the two counties to promote employment and increase income through industry, and build up momentum and energy for rural revitalization.

Wuchuan County

- Invested RMB **5.6491** million to support and guide the development of Chinese herbal medicine industry in Wuchuan County, expand the independent planting of Chinese and Mongolian herbs, and promote the modes of order-based planting and cooperative planting.
- Employed labor forces of totally **1,050** person-times, and paid RMB **157,800** for the labor service.
- Invested RMB **4** million to support leading enterprises in the edible mushroom industry in Wuchuan County for equipment renewal, new product development and technical training.

Shangdu County

- Invested RMB **1.2** million to support the vegetable greenhouse project in Village No. 85 of Xiaohaizi Town and meanwhile undertook vegetable sales work, completed the construction of 40 greenhouses, increasing the village's collective income by RMB **70,000** per year.
- Invested RMB **550,000** to support chicken farm construction in the village where the group's assigned first secretary was stationed to strengthen the collective economy of the village.



Astragalus planted in Genertec's demonstration park of Chinese herbal medicine industry-based poverty alleviation in Wuchuan County

■ Talent revitalization

Talent revitalization is the key to rural revitalization. Genertec trains primary-level cadres, rural revitalization leaders and professional technicians in the targeted counties to accelerate the cultivation of talents for rural governance and industrial development. Meanwhile, the group has set up a fund to care for orphans, single parent families and left-behind children, set up the China Genertec Education Development Fund for the fifth year in a row, supported the University Student Volunteer Service Program for Western Regions, and continuously supported the construction of education infrastructure and information technology to strengthen the soft power of rural education. In 2021, the group invested RMB2 million to help build 40 smart classrooms in Shangdu County, creating the first batch of demonstration smart classrooms.



Genertec helped build smart classrooms for primary and middle schools in Shangdu County, facilitating education resource sharing

■ Cultural revitalization

Cultural revitalization is an important path to realize rural revitalization. Genertec has launched a pilot project in Quannaози Village, Shibaqing Town, Shangdu County, investing RMB380,000 to build Quannaози Village Cultural and Recreational Center, including a library and reading room, a dance room, a chess and poker room, and an activity room to enrich the cultural life of villagers. At the same time, the cultural publicity facilities on both sides of the Quannaози Village Committee compound were renovated to create a good cultural atmosphere in the village.

■ Ecological revitalization

Ecological revitalization is an important pillar for rural revitalization. In 2021, Genertec invested RMB2 million in Wuchuan County to plant 2,000 mu of public welfare forests, RMB3.8 million in Shangdu County to support the improvement of village appearance in the core area of the Chahannur (Lake) basin, and RMB2.6 million to renovate 37 water wells for 36 villages including Renjia Village in Xiaohaizi Town, Shangdu County, to continuously improve the living environment and polish the ecology for rural revitalization.

■ Organizational revitalization

Organizational revitalization is the guarantee for rural revitalization. The 11 Party branches of Genertec and its affiliated companies went to the two counties to carry out Party branch joint building activities through a series of activities such as Party member talks and exchanges and "Jointly Building New Villages" donated money and goods to children in special need and nearly 1,000 books and toys to Genertec Primary School and Genertec Kindergarten, constantly bringing into full play the role of rural Party organizations. Around the celebration of the 100th anniversary of the founding of the Party, various units of the group carried out "red resources co-constructing and sharing" activities at the Genertec Party Education Base in Daqingshan, Wuchuan County, holding a total of 19 training sessions for 865 person-times of participants, generating a revenue of more than RMB1.13 million for the education base.



In July 2021, Genertec AMHT went to Wuchuan County for Party history learning, education and training

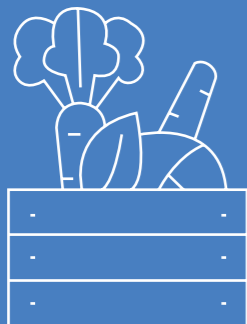


In October 2021, Genertec Xinxing went to Shangdu County to carry out the paired assistance



spending
RMB **750,900**
to buy critical disease insurance
and accident insurance

guaranteeing
7,509 people



Innovative targeted assistance with high efficiency

■ Medical assistance

Genertec has continued the measures of purchasing "supplementary medical insurance" and "preventing return-to-poverty insurance" for poor households in Wuchuan County as before during the poverty alleviation period, spending RMB750,900 to buy critical disease insurance and accident insurance for 7,509 people, providing protection for farmers who would be helpless or even return to poverty in the face of accidents, critical diseases and property losses. The group donated "Genertec mini mobile medical treatment vehicles" to the targeted counties, striving to solve the problem of inconvenient access to medical treatment for people living in remote areas. Genertec AMHT and Wuchuan County General Hospital signed *the Framework Agreement of Beijing Aerospace Center Hospital's Assistance to Wuchuan County General Hospital* to carry out paired support and collaboration, supporting the medical discipline construction and health sector's development in Wuchuan.



Genertec donated "Mobile Genertec Clinic" to the targeted counties, providing quality, efficient, safe and accessible medical service for people at the community level

■ Consumption-based assistance

Genertec has formulated and issued a notice on carrying out in-depth consumption-based assistance, widely carried out production and marketing matchmaking for agricultural products, included agricultural products from the two counties in the employee welfare procurement catalog, and organized "Genertec Assistance Gift Package" and "Agricultural Products in the Canteen" activities, purchasing RMB14.7075 million of agricultural products and helping sell RMB2.38 million of agricultural products in the year.

■ Joint assistance

Genertec has mobilized all units of the group to participate extensively in the assistance activities, and strived to build a three-dimensional assistance and collaboration mechanism that involves the participation of multiple parties with complementary advantages. The affiliated companies of the group in Beijing donated computers to Shangdu County and Daqingshan Party Education Base in Wuchuan County; Genertec CAERI signed *the Agreement on Sponsoring Students from Difficult Families in Shangdu County* with the Bureau of Education and Sports of Shangdu County and donated money to students in difficulty to cover study and living expenses; Genertec Meheco assigned one cadre to help Wuchuan County and allocated an assistance fund of RMB3 million; Genertec CNTIC, a subsidiary of Genertec International, went to the two counties to carry out industrial research with focus on new energy and distributed power generation to explore industrial cooperation opportunities; Genertec CMC, a subsidiary of Genertec International, and Beijing Golden Harvest Science and Technology Development Co., Ltd., a subsidiary of Genertec Xinxing, sent working groups to Shangdu County to negotiate waste treatment projects and consumption assistance projects respectively; Genertec CNTIC, a subsidiary of Genertec International, carried out the "Small Wishes" donation activity for children in rural areas; Genertec CGCI, a subsidiary of Genertec International, organized "Small Wishes" take-a-wish activities and helped 32 children from difficult families in Ping'an Primary School realize wishes; Genertec Investment, a subsidiary of Genertec Capital, donated RMB3 million to Wuchuan County and purchased RMB33,000 of agricultural products from Wuchuan County and Shangdu County.



Genertec CNTIC, a subsidiary of Genertec International, carried out the "Small Wishes" donation activity for children in rural areas

In the new journey of comprehensively promoting rural revitalization, Genertec will continuously innovate assistance measures based on the advantages of its core business to promote a new chapter of rural revitalization in the targeted counties, further solidify the foundation of rural revitalization and bring out better effects with practical actions.

01

Driving Chinese High-End Equipment Manufacturing with Cutting-Edge Technologies

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Focusing on achieving sci-tech self-reliance and self-strengthening at higher levels, and bearing in mind the country's most fundamental interests, Genertec has taken the initiative to serve the national strategy for upgrading China from a manufacturer of quantity to one of quality. Continuous and targeted efforts have been made to develop machine tool equipment, new textile material, and inspections and testing, and so on, striving to reach international leading level. Genertec has given full play to its champion role in the industry, facilitating the high-quality development of China's high-end equipment.



Empowering New Reforms with Technological Progress

Genertec has been implementing its original aspiration and corporate mission with technology at the center, taken the development of high-end CNC machine tools as its core business, and mobilized resources to achieve breakthroughs in core technologies in such key fields as machine tool equipment, new textile material, and inspections and testing. Special efforts have been made to enhance the strength of innovation in science and technology and to leverage the synergy effects among industries, contributing to the building of "manufacturing highlands" for advanced equipment.



The sales of machine tools increased **26%** year-on-year

the size of operating revenue in domestic machine tool industry took **No.1** position

Machine Tool Equipment

Actively promoted the layout of main equipment and key functional components of machine tools, built a relatively complete industry chain, and strived to realize independent and controllable industry chain and supply chain of high-end CNC machine tools.

The sales of machine tools increased 26% year-on-year, and the size of operating revenue took No.1 position in domestic machine tool industry.

New Textile Material

Built a science and technology innovation system with Genertec CTA, a subsidiary of Genertec Advanced Materials, at the core, and conducted R&D of key technologies for product differentiation by relying on green fiber industry.

Vigorously promoted the industrialization of new solvent-processed cellulose fiber (Lyocell), and ranks first in China and second in the world in Lyocell production.

Genertec Advanced Materials was recommended as the president unit of the first Lyocell association in China.

Inspections and Testing

Achieved full coverage of inspections and testing in the automotive, textile, machine tools, medical and healthcare, and ecological environment industries and strived to build an inspection and certification group which integrates scientific research, inspection, testing, measurement, certification, consulting, and equipment R&D and manufacturing by relying on national R&D and testing institutions including Genertec CAERI, Chinatesta Textile Testing & Certification affiliated to Genertec Advanced Materials, and the national inspection center affiliated to Genertec Machine Tool Research Institute, a subsidiary of Genertec Machine Tool, as well as Genertec TIC.

Launched a safety early warning platform for new energy vehicles, facilitated the building of a national hydrogen quality supervision and inspection center, and established a vehicle standard innovation center (Chongqing) in the national standard innovation base.

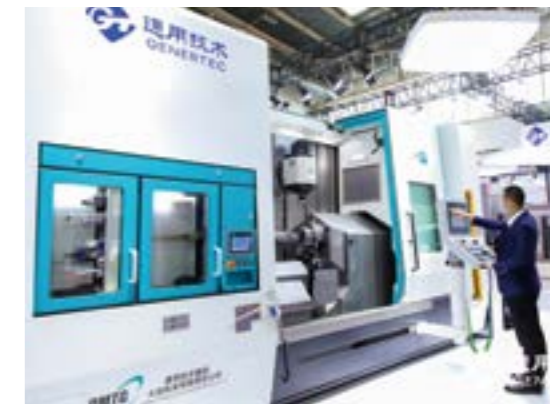


Case

Intelligent manufacturing technology empowers transform and upgrade of machine tool industry

Genertec has strengthened industrial integration and coordination, and built a unified digital industry platform with "1+N" structure for the construction of the equipment sector, i.e., one digital platform plus multiple enterprises and factories, so as to reconstruct the new Genertec equipment manufacturing ecological development system.

- » The group independently developed and manufactured the intelligent machine tool-YK2712 CNC double-cutter straight bevel gear generator using domestic GSK system, realizing 100% home-made parts for the machine tools.
- » The COMAC C919 model machined by the group's five-axis machining center is made of 6061 aviation aluminum alloy, and during the machining process, the cutting force is dynamically adjusted through real-time data collection and analysis to avoid vibration at thin-walled locations like wings and tails, so the accuracy and surface quality are improved.
- » The i5 CNC system developed by Genertec Shenyang Machine Tool sets up an exemplar of the world's leading intelligent CNC system through the integration of network and information technology, forming a unique intelligent solution.



Case

Nanometer time grating project with world leading technology launched in Chongqing

Nanometer time grating is a world-leading original research result that improves displacement measurement accuracy by "measuring space with time", which won the Second Prize of National Technical Invention Award and the Gold Prize of China Patent Award. In order to achieve a new breakthrough in time grating technology, Genertec has founded Guoce Time Grating Technology Co., Ltd., launching the industrialization project of nanometer time grating in Chongqing.

The nanometer time grating project of Genertec caters for the major needs of machine tool industry and high-end equipment field. It builds a three-in-one platform of "scientific device + national engineering research center + industrialization base" around the original nanometer time grating technology, constructs an innovation chain of "basic research - application research - technology development - industrialization" and provides high-performance key functional components to support the innovative development of high-end CNC machine tools and other fields. At the same time, with nanometer time grating technology as the core, the project develops integrated technology of measurement, drive and control, conducts R&D of "nanometer time grating +" key functional components and intelligent equipment, and effectively enhances the independent controllability of the machine tool industry chain.



Case CTACELL, a subsidiary of Genertec Advanced Materials, developed Lyocell ultra-shortcut fiber to improve technological core competitiveness

Lyocell fiber is made of green and renewable natural cellulose fibers. With environmentally-friendly production process and biodegradable products after use, it is known as the "green fiber of the 21st century". As the first enterprise with the full independent intellectual property rights of G-FIBER® in China, CTACEL has closely followed the great structural change of textile raw materials triggered by Lyocell fiber and innovatively developed Lyocell ultra-shortcut fiber to improve the core competitiveness of the enterprise. By the end of 2021, the daily production capacity of Lyocell ultra-shortcut fiber can reach 15 tons. There're broad prospects for its application in clothing, home textile and industrial use, providing support for the green development of industries.

Case Genertec CAERI has completed R&D of the first domestic cross-border vehicle data transmission detection system

In response to the requirements of the Vehicle Data Security Management Provisions (for Trial Implementation) of China, Genertec CAERI independently developed the first domestic cross-border vehicle data transmission detection equipment, which can simulate scenarios such as vehicles at rest with power turned on, vehicles locked with power cut off, and vehicles driving, and successfully completed the final test work, the results of which were highly recognized by the relevant departments. The development of the detection equipment has filled the gap in domestic vehicle data transmission detection, escorting the high-speed development and information security of China's Internet of Vehicles.



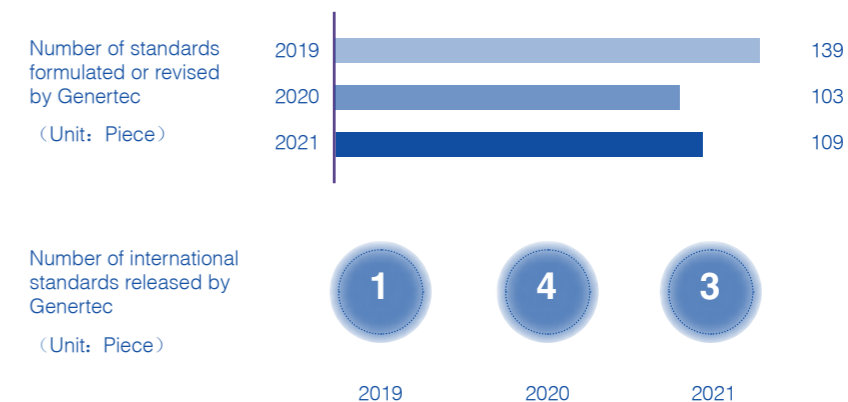
Fostering New Partners with Industry Exchanges

Genertec has given full play to its core competitive capabilities and resource strengths, focused on the frontiers of development, actively participated in and guided the construction of industry standards, constantly enhanced industry exchanges and mutual learning, and promoted the integration of industry chain and innovation chain of the main business internally and externally, striving to build a good relationship featuring cooperation and win-win results.

Facilitating to Develop Industry Standards

Genertec has strived to play an important role in the construction of domestic and international standards, taken the initiative to participate in the formation of national, local and industry standards, as well as international standards, and meticulously organized preparatory work meetings and training programs on standards. Those efforts have played a positive role in promoting the sound development of the industry and developing a voice in international discourse.

Genertec's performance in standard formulation, 2019-2021



Case Genertec Machine Tool Research Institute, a subsidiary of Genertec Machine Tool, holds preparatory work meeting for the launch of National Technical Standard Innovation Base (High-End CNC Machine Tools) & the launch of SAC/TC22 International Working Committee on Standardization

In October 2021, the preparatory work meeting for the launch of National Technical Standard Innovation Base (High-End CNC Machine Tools) & the launch of SAC/TC22 International Working Committee on Standardization co-organized by the research center of standards affiliated to Genertec Machine Tool Research Institute and the China Technology Innovation Strategic Alliance for Advanced Machine Tool was held successfully. The National Technical Standard Innovation Base (High-End CNC Machine Tools) will constantly deepen the exchanges and cooperation in the aspect of machine tool standardization, and the SAC/TC22 International Working Committee on Standardization will facilitate the coordinated development of domestic and international standardization of machine tool industry.





Case

National standard for safety of turning machines drafted by Genertec Shenyang Machine Tool officially released

In December 2021, *the Machine Tools Safety – Turning Machines (GB/T41093-2021)*, a national standard drafted by Genertec Shenyang Machine Tool, was officially released. The standard specifies the requirements and methods for eliminating hazards or reducing risks in the design of various types of metal cutting lathes and turning centers, providing a standard basis for the safety issues involved in the design and development of various types of lathes, as well as a technical guarantee for the high-quality development of the machine tool industry.



Case

Genertec CTA, a subsidiary of Genertec Advanced Materials, released three standards

In 2021, Genertec CTA released three international standards, which fills the international gap and shows that China is in the leading position and will drive the production and trading in the relevant fields.

- In January 2021, the ISO 9073-4:2021 Nonwovens – *Test Methods Part 4: Determination of Tear Resistance by the Trapezoid Procedure*, which was drafted at the initiative of Genertec CTA, further improved the test standards in the field in the world.
- In May 2021, two international standards in the ISO 2313 series of standards, *Textiles-Determination of the Recovery from Creasing of a Folded Specimen of Fabric by Measuring the Angle of Recovery*, which were drafted at the initiative of Genertec CTA, were officially released, promoting the fully automatic fabric crease-recovery tester independently developed by a Chinese enterprise to the world and helping reduce the economic losses that may be caused by different test results.



Case

Two Genertec CAERI-led CSAE standards released

In October 2021, the two Genertec CAERI-led CSAE standards – *the Technical Requirements and Test Evaluation Methods for Electromagnetic Immunity Performance of Intelligent Networked Vehicles and the Test Method for Surface Transfer Impedance of High-Voltage Shielded Cables and Connectors for Electric Vehicles* was approved to release by China Society of Automotive Engineers.

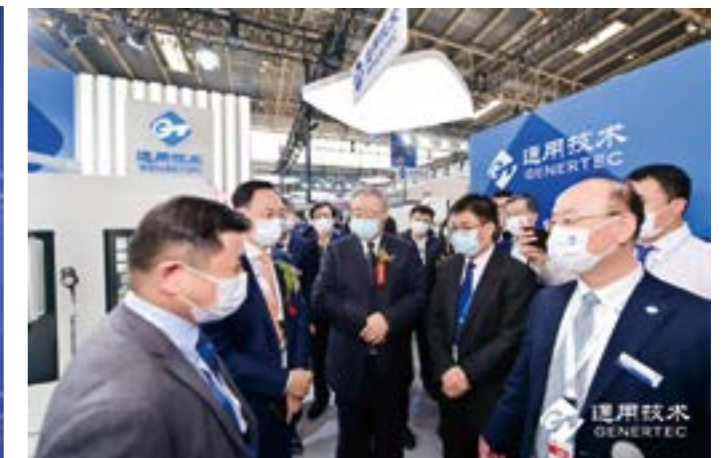
- *The Technical Requirements and Test Evaluation Methods for Electromagnetic Immunity Performance of Intelligent Networked Vehicles* is the first publicly available electromagnetic compatibility standard for intelligent networked vehicles in the industry, which fills the gap in the field of electromagnetic compatibility testing for intelligent networked vehicles in the industry and plays a positive role in promoting the electromagnetic compatibility performance of intelligent networked vehicles.
- *The Test Method for Surface Transfer Impedance of High-Voltage Shielded Cables and Connectors for Electric Vehicles* is the first publicly available standard for shielding performance of high-voltage shielded cables and connectors, which fills the industry gap and facilitates main equipment manufacturers to formulate their shielding effectiveness standards, develop test equipment, and carry out commissioned testing and other standard-related technical services.

Deepening Industry Exchanges and Cooperation

Genertec has been committed to building an exchange platform for cooperation and sharing and working closely with enterprises both at home and abroad. It has actively participated in or organized industry forums and exhibitions, and promoted industry technologies and ideas, aiming at achieving mutual benefits and common development.



In May 2021, Yu Xubo, Chairman of Genertec, attended the summit meeting of the 5th World Intelligence Congress and delivered the keynote speech titled "Revitalizing machine tool industry through intelligentization, and contributing to building a manufacturing power"



In April 2021, seven machine tool enterprises of Genertec participated in the 17th China International Machine Tool Show, showcasing new products and technologies with the largest booth of 1,756 square meters



In September 2021, the PT Expo China 2021 undertaken by Genertec PTAC was held. The expo shared application of 5G and other representative technologies in a number of vertical fields such as industrial manufacturing, energy and transportation



In October 2021, Genertec Advanced Materials, through holding the brand release conferences and participating in the 2021 Yarn Expo, interpreted the corporate mission of "creating a better life with good technology and quality service"



Case

Genertec organized the BRICS Business Council work exchange meeting

In the work exchange meeting organized by Genertec in November 2021, its relevant subsidiaries and divisions, China Unicom, the Chinese leading unit of BRICS Business Council Digital Economy Working Group, and Beijing Arc Xingxing Science & Technology Co. Ltd., the Chinese leading unit of BRICS Business Council Skills Development Working Group, communicated the performance of the relevant working groups and the activities planned to be held next year, as well as the establishment of the BRICS innovation base in Xiamen City and arrangements for 2022 BRICS Skills Competition, with relevant arrangements being made.



Case

Textile and clothing market in Xinxiang prospers thanks to CTACELL, a subsidiary of Genertec Advanced Materials

In recent years, CTACELL has been a leading enterprise in the manufacturing of textile raw materials in Xinxiang City, central China's Henan Province, has been stimulating the development of the surrounding area and facilitating the planning and establishment of the special green fiber park with a total area of 10.47 square kilometers there, efficiently driving the clustering of downstream enterprises specialized in, among others, spinning, shell fiber manufacturing, dyeing, finishing and clothes manufacturing, with a whole industry chain covering the supply, research, manufacturing and sales of fibers taking shape. At present, a whole industry chain covering artificial fiber manufacturing, spinning, weaving, dyeing and clothes manufacturing has been formed preliminarily in the area as more than 20 textile and clothing enterprises, including CTACELL, and three research platforms, including China Textile Academy's branch in Xinxiang City, has entered the park successively.

**Boosting Development of Machine Tools and Scaling New Heights**

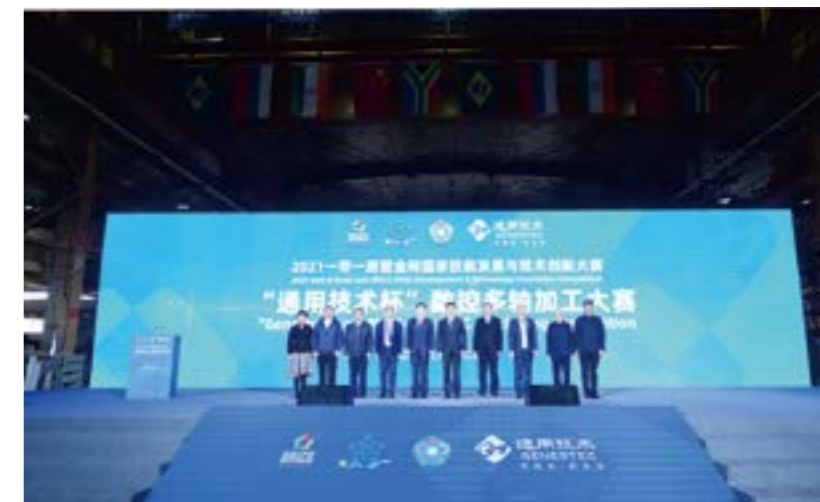
Case

Genertec Cup CNC multi-axis machining competition of the 2021 Belt & Road and BRICS Skills Development & Technology Innovation Competition held successfully

Genertec has been resolutely committed to revitalizing national machine tool industry, strived to build a collaborative innovation union consisting of the government, industry, colleges and universities, research institutions and users, and deepened the integration of industry chain and innovation chain of machine tool industry, working hard to serve as the backbone in implementing national strategy.

The 2021 Belt & Road and BRICS Skills Development & Technology Innovation Competition (BRICS Competition) was an international event approved by the Ministry of Foreign Affairs of China and authorized by the BRICS Business Council, covering, among other fields, welding and the assembly, commissioning and maintenance of industrial robots. As a major unit of the BRICS Competition, the Genertec Cup CNC multi-axis machining competition was a top-grade competition in the field held in China.

In December 2021, the Genertec Cup competition was kicked off in Genertec Shenyang Machine Tool with 11 teams from colleges, universities and enterprises attending. It was a big event and a good opportunity for excellent professionals in equipment manufacturing to exchange and share experience, providing valuable experience for the development of high-skilled professionals and technology innovation in the field and making new contribution to the high-quality development of the equipment industry in "Belt and Road" and BRICS countries.



Case

Genertec to establish state key lab for high-end CNC machine tools

Genertec has applied for establishing a state key lab for high-end CNC machine tools after careful preparation and has been urging other enterprises and external experts in the machine tool sector to work out a work plan. It invited two academicians to participate in the plan discussion meeting for planning, studying and promoting the establishment of the lab. After justification at the early stage, approval and other processes, the lab project has been recommended by the SASAC of the State Council.



02



Prioritizing Medical Care for Accelerated Development of Inclusive Health

As one of the central SOEs with pharmaceutical, medical and healthcare as its main business approved by the SASAC of the State Council, Genertec has gained a thorough understanding of the significance of the strategy of Healthy China. It has been making special efforts from multiple points and long-term layout in the field of medical and healthcare, continuously improving the healthcare industry chain, innovating medical services, strengthening cooperation and exchanges in the pharmaceutical, medical and healthcare industries, and promoting the health and well-being of the people.

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Expanding into New Areas of Healthcare

Genertec has effectively implemented the national requirements relating to the reforms and plans of investing in and operating medical institutions by SOEs, and bravely shouldered the tasks of investing in and operating medical institutions. It has been committed to introducing quality medical resources, vigorously implemented price controls on drugs and medical products, conducted research and put forward opinions on promoting high-quality development of medical and healthcare industry, and actively explored new development paths of investing in and operating medical institutions by SOEs in a high-quality manner. Closely centering on its own business, Genertec has given full play to the support role of its medical and healthcare sector. It has established and improved the big health ecosystem covering all round and all life cycle consisting of drugs and medical supply, health management, senior health care, rehabilitation, financial services, etc. It has been developed into a centrally-administered medical group that leads in the number of medical beds with a complete network coverage and a comprehensive industry chain.



In February 2022, the deepening reform of professional integration signing ceremony between Genertec and the Gem Flower of China National Petroleum Corporation

Currently, Genertec has established cooperation relations with 20 central and local SOEs accumulatively, and owns five medical groups of Genertec Medical, Genertec Universal Medical, Genertec Guozhong Healthcare, Genertec AMHT and Genertec Gem Flower Healthcare. Genertec has undertaken the transfer of 339 medical institutions in 26 provinces, municipalities and autonomous regions across the country, including 27 Grade III hospitals, 69 Grade II hospitals, 243 Grade I hospitals & non-rated medical institutions, in addition it has more than 45,000 inpatient beds in operation, with the number of outpatient and emergency visits reaching 28 million person-times yearly. It has provided a wide variety of convenient and reliable medical services for the employees of SOEs and the people.



Genertec has established cooperation relations with **20** central and local SOEs accumulatively



has undertaken the transfer of **339** medical institutions



distributed in **26** provinces, municipalities and autonomous regions across the country



Case Aerospace Center Hospital, a subsidiary of Genertec AMHT, responds to the improvement action of Chinese SOEs benchmarking world-class management, becomes a role model among medical institutions invested in and operated by central SOEs

In the *List of Improvement Action of Chinese SOEs Benchmarking World-Class Management: Benchmarking Enterprises, Projects and Models* issued by the SASAC of the State Council in July 2021, Aerospace Center Hospital was selected as the only medical institution in the list of benchmarking enterprises. And got a A-Class minotoring indicators of ASCH evaluation on the country's Grade III hospitals (group without annual report disclosures), making it a role model among SOE-run hospitals.

ASCH deeply understood the importance of creating management benchmarking indicators and vigorously carried out the project of "reducing the average hospitalization days", which reduces the average hospitalization days from 8.61 days to 8.29 days, ensuring that more patients are provided with quality service under the current situation of hospital bed allocation. The project was awarded the first prize of "2021 Best Practice Project of Benchmarking Management" by Genertec. ASCH gave full play to the advantages of specialized management of the central SOE, fully drew on the advanced ideas and experience of modern enterprise management, and combined them with the actual work of medical and healthcare to form a modern hospital management system with its own characteristics, which has effectively played the role of management for development.



Case Genertec implements policies on medical reforms and price controls on drugs to reduce burden on patients

Genertec resolutely implemented the requirements of Pilot Program of the Centralized Procurement and Use of Drugs Organized by the State, participated in and promoted the Beijing's comprehensive reform of separating drug sales from medical services in a deep-going way, and constantly deepened the reform of payment schemes of medical insurance, striving to reduce the burden on patients.

Genertec promoted comprehensive reform of separating drug sales from medical services in an orderly manner. All medical institutions cancelled the profit markup of drugs and medical consumables, and facilitated hospitals to enter a virtuous circle through offering quality medical services. In 2021, Genertec took the initiative to respond to the country's fourth and fifth round of centralized volume-based procurement of drugs, and the use ratio of drugs purchased under the centralized volume-based procurement scheme was significantly increased.

Genertec deepened the reform of payment schemes of medical insurance in a deep-going way. All medical institutions took the initiative to adapt to the DRG/DIP payment reforms of medical insurance. Special efforts were made to transform the reduction of the use of drugs and medical consumables into endogenous driving force, and promote all medical institutions to improve cost consciousness and service consciousness. The reforms and improvements were promoted simultaneously to enhance the sense of gain of patients, and let people actually enjoy the effectiveness of medical reform.



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Several departments of Beijing Electric Power Hospital, a subsidiary of Genertec Guozhong Healthcare, took effective measures to jointly promote the smooth implementation of the comprehensive reform of separating drug sales from medical services



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In January 2021, Aerospace Center Hospital, a subsidiary of Genertec AMHT, officially launched its contactless medical insurance payment system, facilitating the insured people to use the national medical insurance electronic certificate to make real-time settlement in the hospital

Inspiring New Vitality with Quality Service

Developments of Genertec's medicines and medical services in 2021:

Bearing the mission of better serving the people's health and creating a better life for the people in mind, Genertec has been committed to making quality medical services benefit every household.

Took the initiative to increase the allocation of quality medical resources to community-level medical institutions; completed the building of **105** Genertec Clinics in **15** provinces and municipalities, with a coverage of more than five million people.

Promoted the Healthy Enterprise Initiative, formulated the *Health Security Program for Employees of Central SOEs*, provided total solutions for corporate medical coverage and health management for over 10 central SOEs, jointly built **17** Genertec Clinics with a number of central SOEs.

Served the "Belt and Road" Initiative, dispatched medical teams to a number of foreign countries; provided anti-pandemic drugs, medical devices and other supplies for overseas project departments of more than **30** Chinese enterprises; offered medical services to more than **50** overseas project departments of over **40** central SOEs successively.

Optimized the layout of elderly care industry; operated and managed **59** various kinds of elderly care institutions and integrated health & social care projects in **19** provinces (municipalities/autonomous regions) across China, offering over **7,200** beds for elderly care.

Holding **15** Internet hospital licenses which accelerated the development of Internet hospitals.



Case

Genertec Medical Chain enhances healthcare security and builds new ecosystem for digital medical services

In June 2021, Genertec, based on Chang'an Chain, officially known as ChainMaker, the first independent and controllable sophisticated technology system with high performance in China, together with Beijing Academy of Blockchain and Edge Computing, jointly launched the Genertec Medical Chain, a blockchain ecological platform for the national medical and healthcare field. The launch of Genertec Medical Chain is of great importance for enriching ecological application system of ChainMaker and for promoting the digital development of the country's medical and healthcare industry. Genertec Medical Chain will widely connect hospitals at all levels, community-based health service centers, medical device service providers, financial and insurance institutions and competent government authorities, achieving credible data connectivity and value connectivity of the whole ecosystem. Genertec will work together with all participants to promote the high-value and high-quality data of medical, pharmaceutical, device and healthcare on the chain and realize safe and effective data sharing; and carry out extensive application development of innovative blockchain scenarios with the purpose of improving national medical and healthcare services and serving the general public.



Case

Empowering medical business with technology to create "intensive effect" of whole lifecycle health services

Genertec has been actively responding to the trends of digital development, laying out the digital platform of "Internet + medical and healthcare", accelerating the development of Internet hospitals, and fully empowering the high-quality development of the medical and healthcare industry.

Xianyang Caihong Hospital is a medical institution affiliated to Genertec Universal Medical. With the hospital's innovative use of the Internet health platform, the average length of a patient's visit was saved by 60 minutes and the number of window operations by medical staff was reduced by an average of 37,000 per month, resulting in more convenient medical access for patients, a further increase in hospital service efficiency and a further reduction in operating costs.

Genertec Medical put forward a new initiative based on Genertec Cloud Health, an Internet medical platform for convenient access to medical services, to promote the access of its hospitals to provide patients with Internet-based online medical diagnosis and treatment, medical services, doctor-patient interaction, telemedicine, condition management and disease diagnosis and treatment, and other services. Patients can conduct one-on-one online consultation with medical experts through the platform of Genertec Cloud Health.

Genertec Guozhong Healthcare launched Guokang Health Cloud, which adopts the "cloud + terminal + service" model to build one-stop health service capabilities such as the whole process of intelligent medical examination, family doctor, Internet-based diagnosis and treatment, health consultation, health monitoring and evaluation, group health analysis, and integrated education and promotion for mental and physical health.

Genertec AMHT focused on promoting the Healthy Enterprise Initiative, gave full play to the strengths of digital technology, and intensified efforts to build the "AMHY Youyou" Health Management Platform. Through the "platform + product + service" model and combined with its high-quality medical resources, Genertec AMHT provided "online and offline" comprehensive health services for enterprises and workers, such as quick consultation, video-based consultation, health service appointment, chronic disease management, health monitoring, and collaborative medical access services. Genertec AMHT has served more than 2,000 corporate clients accumulatively and provides health services for more than 1.5 million people annually.

Gem Flower Internet Hospital affiliated to Genertec Gem Flower Healthcare took the Gem Flower Big Health Platform as the cloud platform of the headquarters and the affiliated hospitals as Internet branch hospitals, and empowered each hospital with targeted policies. Since the first pilot Internet hospital of Panjin Liaohe Oilfield Gem Flower Hospital went online in September 2020, a total of 14 internal hospitals and three external hospitals have been empowered to go online and fully carry out comprehensive Internet medical services such as intelligent medical consultation, online medical treatment, electronic prescription and health management.

Xianyang Caihong Hospital, affiliated to Genertec Universal Medical, innovatively used the Internet health platform, and the average length of a patient's visit was saved by

60 minutes



Genertec AMHT has served more than **2,000** corporate clients accumulatively



Genertec AMHT has provided health services for more than **1.5** million people annually



Case Genertec Guozhong Healthcare accelerates layout of elderly care industry, builds development platform for elderly care business

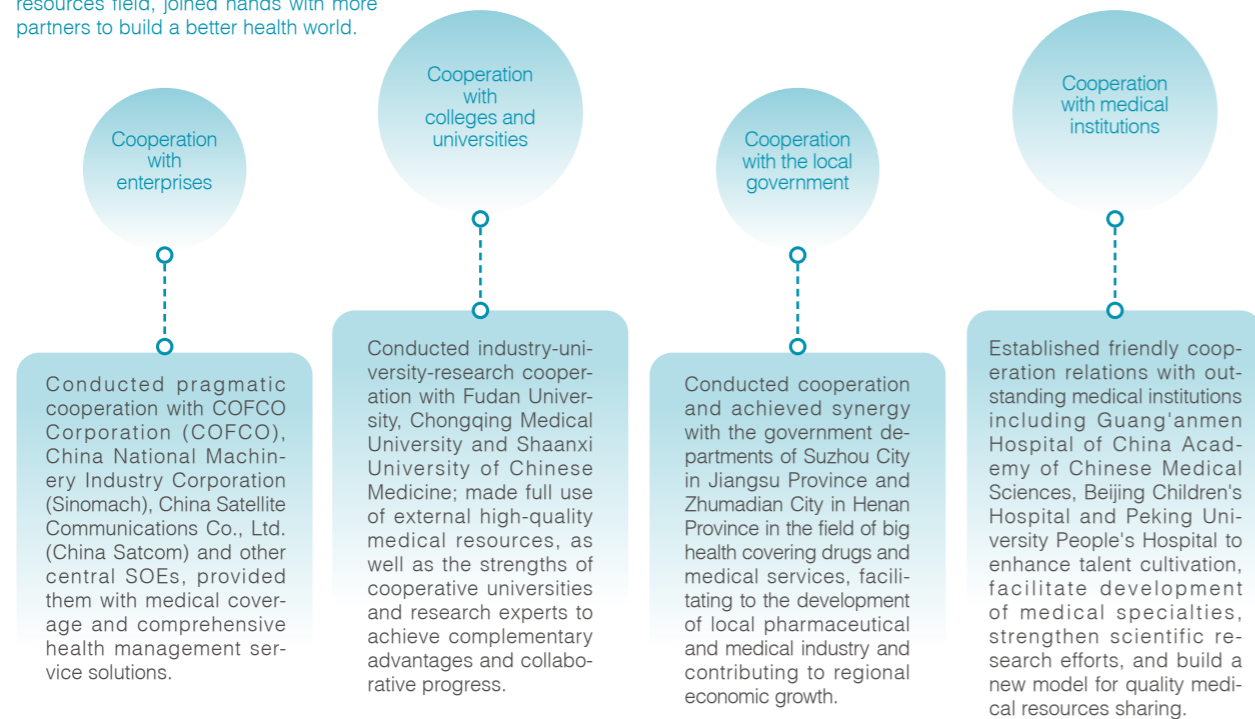
Genertec Guozhong Healthcare has been actively exploring the development model of health and elderly care industry and promoting the professional operation and industrialization of health and elderly care business. In 2021, Genertec Guozhong Healthcare completed the delisting and capital increase of Hualu Health and Elderly Care Development Co., Ltd., and incorporated the company into its management system. Genertec Guozhong Healthcare also promoted the smooth opening of five training and healthcare institutions transforming into elderly care projects. Genertec Health and Senior Care Industry Co., Ltd. was established as a whole lifecycle health management and elderly care service platform for the so-called "90-7-3" system, where 90% of the elderly people live with family, 7% visit community centers and 3% pay for private senior homes. Genertec Guozhong Healthcare focused on the construction of geriatric disciplines, forming multidisciplinary alliances involving geriatric medical health, including geriatrics, and creating a variety of elderly care service solutions such as "Internet + telemedicine" and platform-based intelligent elderly care. Genertec Guozhong Healthcare also promoted the affiliated Beijing Electric Power Hospital to be listed as the Beijing branch of the National Clinical Research Center for Geriatric Disorders, aiming at improving the professional level of geriatrics. Continuous efforts were made to enhance the training of elderly care professionals and reserve a talented team of professionals, which provides a vivid practice for exploring the integrated medical and healthcare service model, optimizing the health and elderly care industry chain, coping with the aging of population.

Enhancing New Support with Exchanges and Cooperation

Conducting Diversified Cooperation

Genertec has been focusing on the advantages of the "circle of friends" of the big health industry both at home and abroad, as well as inside and outside of the industry. Through carrying out higher-level communication with partners, Genertec has effectively improved the accessibility, coverage and depth in medical and healthcare resources field, joined hands with more partners to build a better health world.

Genertec has constantly enhanced the cooperation and synergy of enterprises in medical sector, attached great importance to strategic cooperation and business exchanges with enterprises, colleges, research institutions, government and well-known hospitals. Working together to build a strategic cooperation platform and create a mutually beneficial and symbiotic health industry ecosystem.



Case Genertec signs strategic cooperation framework agreement with Peking University People's Hospital to promote integrated industry-university-research-hospital development

In February 2022, Genertec signed a strategic cooperation framework agreement with Peking University People's Hospital. According to the agreement, the two sides will strengthen cooperation in the construction of national medical center, regional medical synergy, transformation of science and technology achievements, co-construction of key disciplines and development of health and elderly care, etc., to jointly improve the ability to treat major diseases, enhance medical research and technology, increase the supply of quality medical resources, and jointly promote the integrated industry-university-research-hospital development. The strategic cooperation between the two sides is not only a concrete practice to serve people's health, but also an important initiative to implement the central government's decision to promote the high-quality development of public hospitals.



Case Genertec signed cooperation agreement with Zhumadian to build China's "medicine valley"



In November 2021, Genertec signed a strategic cooperation framework agreement with the Zhumadian Municipal People's Government in central China's Henan Province. The two sides exchanged ideas and reached a consensus on deepening cooperation in drugs and medical devices and broadening cooperation fields. In the future, the two sides will make use of their comparative advantages in the field of pharmaceutical, medical and healthcare, such as industrial resources, scientific research strength, technical reserves and application scenarios, to build a new highland for cooperation between the local government and enterprises and promote it as a carrier for the construction of the whole industry chain to undertake the R&D, production and marketing of drugs and medical devices at home and abroad, so as to lay a solid foundation for the construction of China's "medicine valley".

Case Chone Hospital project delivered by Genertec Meheco helps elevate the China-Ecuador medical and health cooperation level

The Chone Hospital project in Ecuador is a high priority implementation project of the Chinese government's assistance to the post-disaster reconstruction of the great earthquake of 2016 in Ecuador, and as a partner, Genertec Meheco is responsible for the supply, installation and after-sales service of some medical devices and equipment of the hospital.

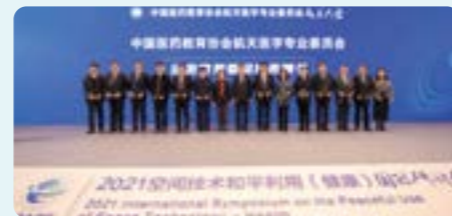
Since its launch in the second half of 2019, through the impact of the COVID-19 pandemic and unexpected riots, the Chone Hospital project was finally and successfully delivered in May 2021, the first comprehensive hospital in the region that integrates medical care, scientific research and disease prevention. The hospital will bring better and more convenient medical services to the people of Chone City and the surrounding areas, and will also further enhance the ability of Ecuador to combat the COVID-19 pandemic and the level of China-Ecuador medical and health cooperation, benefiting more than 300,000 local people.



In July 2021, Genertec signed the strategic cooperation framework agreement with Guang'anmen Hospital of China Academy of Chinese Medical Sciences to jointly build National TCM (Cancer) Medical Center



In November 2021, Genertec signed the strategic cooperation framework agreement with Beijing Children's Hospital to jointly build National Children's Medical Center



In November 2021, Genertec AMHT took the lead to establish the Specialized Committee of Aerospace Medicine to promote the innovative development of aerospace medicine

Deepening Industry Exchanges

Genertec has taken the initiative to organize and participate in domestic and international association forums, academic conferences and exhibitions to build a strong platform for medical and discipline exchanges, broaden the industry's development ideas, share the industry's development experience, and expand the group's pharmaceutical and medical brand influence.

Case Genertec Universal Medical holds symposium on rehabilitation medicine & experience exchange meeting to jointly boost development of the discipline

The development of rehabilitation medicine is an essential part of the implementation of the strategy of Healthy China. In April 2021, the symposium on rehabilitation discipline construction & experience exchange meeting organized by Genertec Universal Medical was successfully held. The symposium shared topics such as function-based medical insurance model, application of new technologies and equipment in rehabilitation medicine, response strategies to external changes, internal management and talent echelon construction, integrated rehabilitation service model, and construction of the rehabilitation medical system of Longyan CIAI Hospital. Genertec Universal Medical seized this opportunity to fully implement its corporate mission of "safeguarding health and wellness through quality healthcare" and promote the prosperous development of domestic rehabilitation medicine together with colleagues in the industry.

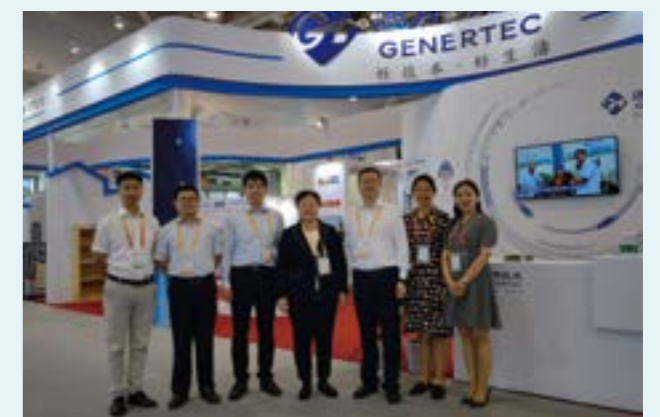
Case Genertec Guozhong Healthcare holds Beijing international forum on frontiers of diagnosis and treatment of biliary tract diseases in the elderly to promote discipline development

In December 2021, Beijing Electric Power Hospital affiliated to Genertec Guozhong Healthcare held the Beijing International Forum on Frontiers of Diagnosis and Treatment of Biliary Tract Diseases in the Elderly & the 6th National Continuing Education Workshop on the Diagnosis and Treatment of Biliary Tract Diseases in the Elderly and New Advances.

With the theme of new theories, new technologies and new methods for the diagnosis and treatment of biliary tract diseases in the elderly, the workshop shared the latest achievements and academic developments of biliary tract diseases in the elderly in a comprehensive, systematic and deep-going way through various means including lectures by famous experts at home and abroad, lectures by academicians and discussions by famous doctors.

Case Genertec AMHT establishes specialized medical alliances to promote resource integration

Genertec AMHT has given full to the advantages of the group, professionalism and intensive management, integrated specialty resources around existing advantageous technologies, and established specialized medical alliances such as ultrasound, orthopedics and nursing successively. Seven new specialized medical alliances were established in 2021, and as of the end of the year, the number of specialized medical alliances had reached 10. Genertec AMHT also held the 1st Annual Academic Conference of Aerospace Medicine in 2021. Those alliances brought together well-known external expert resources to promote the sharing of high-quality medical resources and the homogenization of medical services, and the influence of disciplines continued to expand. Genertec AMHT increased assistance and gave policy support in medical scientific research and soft subject research. The enthusiasm of each alliance was further stimulated. Combined with the characteristics of each specialty, Genertec AMHT took various measures to promote the alliance construction and lead the coordinated development of various academic disciplines.



In September 2021, Genertec participated in BRICS Forum on Partnership on New Industrial Revolution, the 21st China International Fair for Investment & Trade and other activities, and attended related medical health theme exhibitions

03

Conducting International Cooperation for Inclusive Development

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Adhering to the principles of extensive consultation, joint contribution and shared benefits, Genertec has intensified its efforts to develop overseas business, constantly deepened exchanges and cooperation with the countries along the Belt and Road and the enterprises in those countries, vigorously promoted sustainable economic and social development of the countries where its business is conducted, and effectively improved the well-being of local people, contributing to developing a new development pattern, expanding all-round opening up and building an open world economy.



Fostering New Development with the Belt and Road Initiative

In line with the general development trend of economic globalization, Genertec has been actively implementing the Belt and Road Initiative. It has conformed to the 14th Five-Year Plan as the guidance on international operations and focused on construction of the Belt and Road Initiative. It has optimized regional layout of global area and overseas industrial layout. It has also vigorously strengthened infrastructure connectivity and deepened international industrial capacity cooperation, aiming to forge green competitiveness and serve high-quality economic and social development in the globe.

Genertec's performance in overseas investment, 2019-2021

Total size of overseas investment

(Unit: RMB in 100M)



New developments on Genertec's international engineering projects and industrial capacity cooperation in 2021

- Genertec was included in *the Engineering News-Record (ENR)'s* Top 250 International Contractors for 11 consecutive years, and ranked as a leading international contractor in China.
- A number of integrated new energy projects in overseas market under the model of investment-construction-operation have come full cycle, making positive contribution to the green construction of the Belt and Road Initiative.
- Genertec successfully carried out telecommunication product business in 26 countries, including the Philippines, Sri Lanka, Ukraine, and Myanmar. It also set up subsidiary company and special overseas warehouse in Mexico and conducted entrepot trade in Dubai.
- The Sino-Kazakhstan Allur Automotive Industrial Capacity Project produced and assembled a total of 51,000 vehicles of various kinds, achieving a operating revenue of RMB5.5 billion.
- Genertec undertook Kazakhstan highway construction projects with a total contract value of around USD983 million. The total mileage of projects under construction is 715.4km.



Case

Largest photovoltaic power station project in Hungary

The Kaposvár 100MW Photovoltaic Power Station is invested and constructed by Genertec CMC, a subsidiary of Genertec International. It is the largest photovoltaic power station project in Hungary, and also a key cooperative project for the jointly-construction of the Belt and Road Initiative between China and Hungary. The station was officially put into operation in May, 2021. It takes the investment-construction-operation model and can annually generate 130 million kWh of electricity after grid-connected operation, saving 45,000 tons of standard coal equivalent and reducing 120,000 tons of CO₂ emissions. It can promote the "Reconstruction of Green City" in Kaposvár and the energy structure transformation in Hungary, contributing tax revenue of around EUR2 million to the local area each year. It makes continuous contributions to promoting multilateral progress on global climate change tackling through Sino-European cooperation.

annually generating **130** million kWh of electricity

saving **45,000** tons of standard coal equivalent

reducing **120,000** tons of CO₂ emissions

contributing tax revenue of around EUR **2** million to the local area each year



Case

Ivovik 84MW Wind Farm Project in Bosnia and Herzegovina

The Ivovik 84MW Wind Farm Project undertaken by Genertec CNTIC, a subsidiary of Genertec International, is the first new energy project launched from China-CEEC Summit. It is Genertec's first wind power investment project in Europe and CNTIC's first new energy project under the model of investment-construction-operation that successfully launched.

The project was successfully signed and started at the end of 2021, with an annual power generation capacity of about 260 million kWh after completion. As the largest new energy power generation project in Bosnia and Herzegovina, the project will effectively contribute to the transformation and upgrading of the energy structure there, help Bosnia and Herzegovina implement the carbon emission reduction plan, and is highly compatible with the Belt and Road Initiative and the strategic goals of "carbon peaking and carbon neutrality".



Case

Substation project in Bangladesh

In March, 2021, Genertec CNTIC, a subsidiary of Genertec International, and Power Grid Company of Bangladesh (PGCB) signed an EPC turnkey contract for project including 230kV GIS substation and 132kV GIS substation with a loan from the World Bank. This project is one of PGCB's key projects, and it is also one of the important projects with loan organized by the World Bank to support the economic development in Bangladesh.

The project locates in Chittagong and Comilla areas, aiming to improve the backward and fragile grid system in Bangladesh through new construction and upgrading of local power transmission, so as to meet the growing power demand in local areas. After the completion of the project, electric power supply in important industrial areas of Bangladesh including Chittagong area, traditional oil refining areas, and export processing zones will be greatly improved to meet the electricity demand from industrial development and boost local economic development. Meanwhile, the project will also upgrade power supply network in Comilla economic region approved by Bangladesh to create a favorable environment for further large-scale construction and investment attraction in this region.



Case

International capacity cooperation boosts Kazakhstan's automotive and transportation industries

During pandemic control period, China-Europe Railway Express has given play to its unique advantages in international railway transportation and undertaken a large number of freight sources transferred from air transportation and sea transportation. With increasing transportation volume, "customized special trains" for large-scale export enterprises have emerged, showing strong attraction. In 2019, Genertec CMC, a subsidiary of Genertec International, united with Anhui JAC to apply for opening "JAC Customized Special Train". By June 2022, a total number of 112 customized special trains had been delivered to Kazakhstan production base with a total of 5,422 containers of complete sets of automotive parts and components. These special trains have made important contribution to the promotion of Kazakhstan Allur Group project and the exchange and cooperation of Sino-Kazakhstan automotive industry.



cumulatively delivering **112** customized special trains

cumulatively delivering **5,422** containers of complete sets of automotive parts and components



Case

Innovative special logistics products for cross-border e-commerce

Gentrans, a subsidiary of Genertec PTAC, has seized the historical opportunity in trade globalization development. By relying on overseas project logistics platforms, Gentrans has continuously provided logistics supply chain management service for cross-border e-commerce and innovatively launched special train logistics products for e-commerce in Sino-Russian markets and Central Asian markets.

- In May 2021, chartered regular air route between Qingdao and Moscow for international freight was officially opened. This air route is the first freight transport air route cooperated by SCO member state in Qingdao Liuting International Airport. The opening of this route has formed a new major force of transportation for Genertec's special logistics products for the cross-border e-commerce to Russia, enhancing the airline capacity of Qingdao to Russia.
- In September 2021, logistics air route between Shenyang and Alma-Ata of Kazakhstan for cross-border e-commerce was officially opened. This is the first scheduled chartered air route for Central Asia opened in northeast China. It has significantly broadened the international freight airline network in Shenyang and opened a new channel for Liaoning manufacturing to accelerate export development and improve import of high-quality goods, providing convenience for the economic and trade exchanges between the northeast China regions and Central Asia.



The three national highways in Kazakhstan undertaken by China Xinxing Construction & Development, a subsidiary of Genertec Xinxing achieved new progress

Winning New Opportunities with International Exchanges

Relying on its advantages in resources, Genertec has integrated international management resources and taken the initiative to participate in and organize various activities for international exchanges. It has deepened the mutual trust in cooperation with each national government and enterprise and has been continuing to expand its cooperation field with countries along the Belt and Road, actively spreading the image of Chinese brand and adding new ideas, new opportunities into global economic cooperation.



Case

Genertec participated in China International Fair for Trade in Services

China International Fair for Trade in Services (CIFTIS) is the world's first comprehensive exhibition for trade in services. It is a leading exhibition in Chinese service trade area, and is also one of China's three major exhibition platforms for opening up to the outside world. As a leading enterprise in the industry, Genertec participated in CIFTIS in September 2021 and set up two special exhibitions of health services and engineering consulting. By real-scene presentation, operation demonstration, and on-the-spot experience, Genertec took several ways to manifest the scientific results achieved in medical care, drugs, health, engineering consulting, and architectural service in an all-round way.



Case

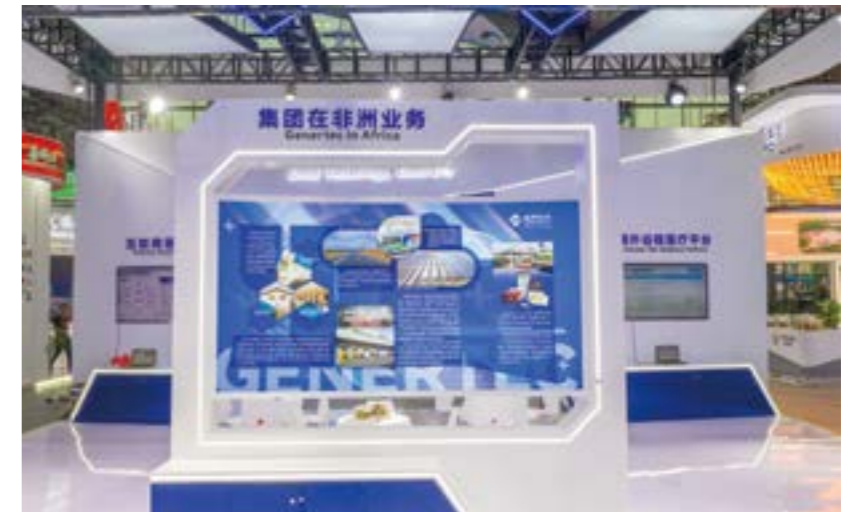
Genertec participated in 2nd China-Africa Economic and Trade Expo

China-Africa Economic and Trade Expo (CAETE) is a new platform to boost the implementation of measures decided by Forum on China-Africa Cooperation, and is also a new window for the economic and trade cooperation between local areas and Africa. In September 2021, Genertec participated in the Expo and emphasized on displaying export of pandemic prevention materials under the COVID-19, remote medical service, China-Africa agricultural trade cooperation, and specific cases of how Genertec had actively participated in the new infrastructure construction and industrial promotion of local areas, showing the benefits brought to African people and employees of Chinese enterprises in Africa through good technology and quality service provided by Genertec, a central SOE. In the meantime, Genertec signed a national data center project contract with the Digital Economy and Post Office Department of the Republic of Côte d'Ivoire, the contract amount reached about USD70 million, helping local government improve community management ability and the capability on pandemic prevention and control.



signed a national data center project contract with the Digital Economy and Post Office Department of the Republic of Côte d'Ivoire

the contract amount reached about **USD 70** million





Case

Genertec participated in 4th China International Import Expo

China International Import Expo (CIIE) has been the world's first import expo held at the national level. It is an important platform to facilitate exchanges between China and other countries. In November 2021, Genertec participated in the 4th CIIE with 18 affiliated companies and nearly 400 staff. During the exhibition, Genertec's transaction team established procurement cooperation on medical instrument, bulk commodity, technical equipment, electronic consumption, and living consumption with well-known domestic and foreign companies including Philips. Total contract value exceeded USD1 billion and hit a new high. Genertec has been actively implementing China's genuine wish to share market opportunities with the world and promote global economic recovery by practical actions.

Total contract value exceeded

USD **1** billion and hit a new high



In August 2021, Lu Yimin (second from the left), President of Genertec, attended the first council meeting of China BRICS Business Council

Sharing New Value and Development Fruits with Locals



Case

Territorial operations create more value for local people

During its overseas project development, Genertec has been faithfully fulfilling corporate social responsibilities, actively promoting territorial operations, creating employment opportunities, supporting local governments on improving community infrastructure, making in-depth efforts for local economic and social development, and promoting the well-being of local people's livelihood, striving to be a responsible corporate citizen in the globe.

During its development in local areas, Genertec International has actively integrated into local community development. It gives preference to purchase local products and services, aiming to create more wealth for local areas and improve the image of Chinese enterprise.

The Payra 2x660MW ultra-supercritical power station in Bangladesh once completed, Genertec CMC will invest BDT0.03 to Bangladeshi Social Development Fund with generation of each kWh. In total, there'll be BDT260 million accumulated annually and can be used for local infrastructure, making important contribution to economic and social development.

During the implementation of Ashuganj 400MW combined cycle power plant(East) project, Genertec CNTIC has established a wide range of cooperative relations with local enterprises. By purchasing raw materials including steel bars, cement and concrete from local suppliers, and logistics service, visa extension agency service, mechanical equipment lease service from local enterprises, Genertec CNTIC has helped improve local basic manufacturing level and service level while sharing the opportunities brought by development.



Case

Safe City Project in Côte d'Ivoire

The Côte d'Ivoire Safe City Project undertaken by Genertec CNTIC, a subsidiary of Genertec International, was officially delivered for launch in September 2021. The project will further construct the national urban public security management and dispatch system in Côte d'Ivoire. It can realize remote control, intelligent monitoring, alarm linkage and rapid response to provide important technical support on daily management and emergency decision-making for safety supervisor departments of Côte d'Ivoire. It will improve safety guarantee level, lower crime rate, reduce traffic accident in major cities of Côte d'Ivoire, and help improve the business environment in Côte d'Ivoire to promote local economic development.





Case

Localized employment creates job opportunities for local people, facilitates talent cultivation

Genertec International strictly conforms to local laws and regulations. It gave preference to hire local employees, effectively promoting local employment. Meanwhile, Genertec built development platform for overseas employees, and established an improved training system to cultivate a great number of professional talent and operating management talent for local areas, helping boost local economic and social development.

Sri Lanka

Genertec provided professional skill training for local workers of the Matara-Beliatta Railway Project in Sri Lanka. Over **50,000** person-times of local people have been hired accumulatively.

Genertec established Bangladesh China Institute of Technology to train local industrial workers and deliver China's advanced knowledge and technology.

Genertec helped over **400** local licensed sailors get employed in the projects of green environmentally-friendly bulk cargo ship and refined oil product ship; and it provided follow-up employment opportunities for over **1,000** people, directly alleviating the employment problem in domestic shipping industry of Bangladesh.

In a series of energy power generation projects including Sirajganj Gas Power Station Project, Ghorasal Gas Turbine Power Station Project, and Barapukuria Power Plant Project (Phase III), Genertec accumulatively provided more than **30,000** employment positions for Bangladeshi people.

Bangladesh



Case

Genertec commits to overseas public welfare, contributes to society

In the process of developing overseas markets, Genertec has actively participated in local social welfare and charity activities, paid great attention to friendly relations with local residents, and helped local youth obtain fair education opportunities, winning high recognition from local residents with practical actions.

In **Bangladesh**, the Payra Power Station Project donated BDT16.45 million to a local high school and undertook the construction of a teaching building; the Ashuganj CCPP (East) Project Department donated medical supplies to local villagers, and provide financial assistance to the elderly people suffering from chronic rheumatism who are unable to seek medical care due to poverty.

In **Myanmar**, the project departments of Genertec donated school supplies to local primary schools.

In **the Philippines**, the project departments of Genertec actively donated school supplies to local primary schools and participated in tree-planting activities.

In **Kazakhstan**, the project departments of Genertec invited children of welfare institutions to visit the projects, participated in tree-planting activities, provided financial assistance to poor families, carried out education support campaigns, and conducted volunteer snow removal activities.

In **Benin**, the project departments of Genertec undertook the construction of youth book rooms and several China-Benin friendship schools donated by the Chinese embassy, donated stationery and sporting goods to local schools, and helped level school grounds.

2021





04

Building New Engine for Innovation-Driven Development with Intelligent Technologies

Guided by Chinese President Xi Jinping's new ideas and thoughts regarding innovative development, Genertec has implemented the "innovation-driven development" strategy in a deep-going way, constantly improved the science and technology innovation system, accelerated the transformation to digital and intelligent empowerment, promoted the industrial application and promotion of key and core technology achievements, and comprehensively enhanced strategic strengths of science and technology, striving to serve the national strategy with high level of science and technology supply, and lead and support enterprises to achieve high-quality development.

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Fostering New Momentum with Innovation System

Genertec has put science and technology innovation at the core of its overall development. It improved its technological innovation system, increased its science and technology input, built innovation platforms, tackled key problems in major science and technology programs, enhanced science and technology talent team building, and given full play to its role as a key player in innovation, aiming to keep fostering the primary driving force for development.

Genertec's performance of investment in scientific research, 2019-2021



Developing Science and Technology Innovation System

Genertec has constantly improved its science and technology innovation system and driven the implementation of science and technology strategies systematically through the group. It has formulated and issued *the Plan of the Group for Developing a Science and Technology Innovation System (2021-2023)* to guide the orderly implementation of its innovation tasks; issued *the Administrative Measures of the Group on Major Science and Technology Projects*, *the Guidelines of the Group Regarding the Rewarding Mechanism for Science and Technology Projects* and other relevant regulations and rules to set up the basic framework of its science and technology innovation system; released industrial systems and major task lists covering machine tool equipment, new textile material and inspections and testing technologies to define its tasks in major fields; set up the first batch of expert committees in the industrial field and the medical science and technology committee to improve the scientific and professional management of its innovation tasks; taken the lead in establishing innovation alliances for industrial technology to deepen the mechanism which encourages the synergy created through the joint efforts of the industry, colleges and universities, research institutions and users; and held the selection of science and technology awards for the year of 2021 to enhance its assessment of and incentive for science and technology performance of its employees.



had a total of **55** high-level scientific research platforms

including **11** state-level scientific research platforms

44 provincial and ministerial-level scientific research platforms

Building Science and Technology Innovation Platform

Genertec has gathered innovative resources and talented people to facilitate its optimization and reform of science and technology platforms in active response to relevant national policies in China. It has organized Genertec Machine Tool, Genertec CTA affiliated to Genertec Advanced Materials, Genertec CAERI and Aerospace Center Hospital affiliated to Genertec AMHT to apply for state key laboratories to make its key research institutions and R&D platforms better and steadily improve its ability to conduct innovations independently. As of the end of 2021, the group had 11 state-level scientific research platforms and 44 provincial and ministerial-level scientific research platforms.

Tackling Key Problems in Major Science and Technology Projects

Genertec encourages, supervises and assists its member enterprises in undertaking state key research programs, national major science and technology projects, national major high-quality development projects, projects promoted by the Ministry of Industry and Information Technology (MIIT) to shore up science and technology weaknesses in China and other national major projects, and has officially approved for the first time its major science and technology projects. As of the end of 2021, Genertec had undertaken 137 national and provincial projects and had approved six group major projects, which were proceeding as scheduled then.

Enhancing Science and Technology Team Building

Genertec has effectively implemented the spirit of the Central Conference on Talent Work by giving more emphasis on the development of its science and technology personnel and strengthening organization, leadership and overall planning. It has published *the Guiding Opinions on Accelerating the Development of Science and Technology Talent Team Building* to define its goals, major tasks and measures and show the direction for team building based on the gaps identified and experience learned through studying cases such as China Electronics Technology Group Corporation (CETC), China Mobile and other central SOEs; and has started the creation of the talent module of the "Innovative Genertec" platform to use digital approaches to figure out the real situation of its science and technology talent building and lay a solid foundation for preparing adequate policies to facilitate the development of its science and technology personnel.



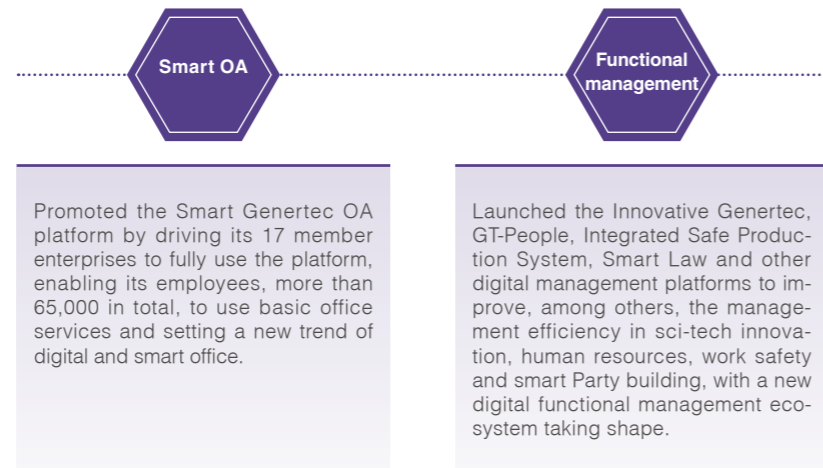
Genertec Science and Technology Work Conference 2021 was held in December 2021

Generating New Strengths with Integration of Digital-Intelligent Development

Genertec has fully enhanced its development with digital and intelligent empowerment. It has promoted the building of a digital management and control system to facilitate the upgrading of its management system. Focusing on its major fields, it has driven the deep integration of digital technology with its main businesses based on the specific conditions, to empower the transformation and upgrading of the traditional industries it involves and provide a "Genertec solution" to the industrial digitalization and digital industrialization.

Creating the "Smarter Genertec"

Genertec has been devoted to building a new management and control system to promote smart OA and the digital upgrading in the functional management fields, drive the reform of the management of the group and keep improving its management efficiency.



Kick-off meeting held to promote the digital Innovative Genertec ecological platform by Genertec in March 2021



Case

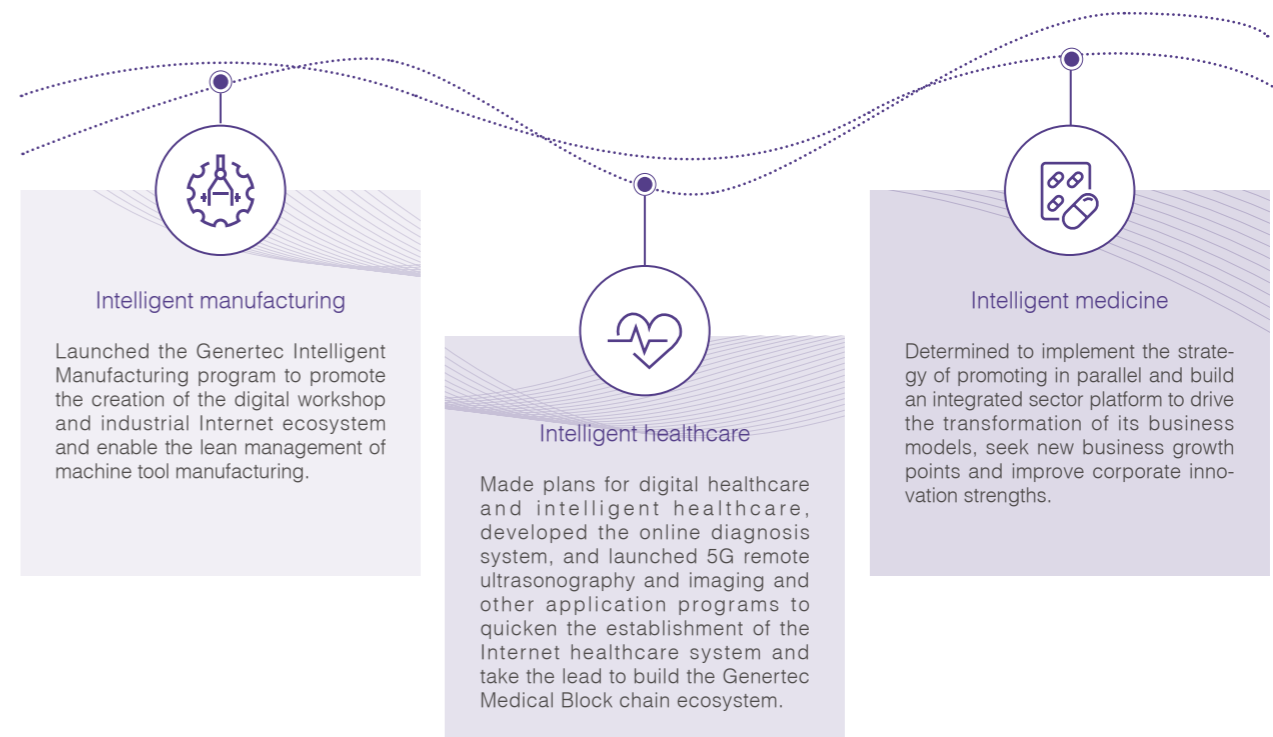
GT-People awarded excellent digitalization project, facilitating Genertec's digital development strategy

In January 2022, the GT-People HR system platform of Genertec won the prize of 2021 China Excellent Digitalization Project at the 2021 IT Award & Excellent CIOs Selection in China themed by exploring the digitalization journey. The GT-People project embodies the successful digital transformation of HR management. The platform has achieved 100% in three aspects, i.e. 100% of the HR modules of the subsidiaries of the group at all tiers going online, 100% of the headquarters of its second-tier subsidiaries calculating salaries online, and 100% of its subsidiaries at all tiers completing the training on the application of the compensation module, and works as an integrated HR management and control platform covering its 601 subsidiaries at all tiers, realizing the integrated management of the information and data from talent pools and empowering high quality development of the group.



Opening Up Channels for Digital and Intelligent Integration

Insisting on driving industrial upgrading with digital and intelligent integration, Genertec has accelerated the industrial digitalization and digital industrialization in its main business sectors and focused on shaping its new landscape in intelligent manufacturing, intelligent healthcare, intelligent medicine and other fields and opening up new paths for its digital and intelligent development.



Case

Genertec sets up innovation and R&D base for equipment digitalization, promotes industrial digitalization of main business sectors

In May 2021, Genertec's innovation and R&D base for equipment digitalization was established at the urgent demand for the digital transformation of the machine tool industry. Taking advantages of cloud, big data, Internet of Things, mobility, intelligence and blockchain, Genertec made decisive efforts to tackle key problems in digitalization and intelligence and transform to intensive, professional and leading industries. The mission of the base is to give full play to the advantages of open data sharing, advance the digitalization and intelligence of the machine tool sector as a whole, promote digital innovation, improve the management efficiency of the sector and boost the creation of the ecosystem of intelligent manufacturing and industrial Internet.



Case

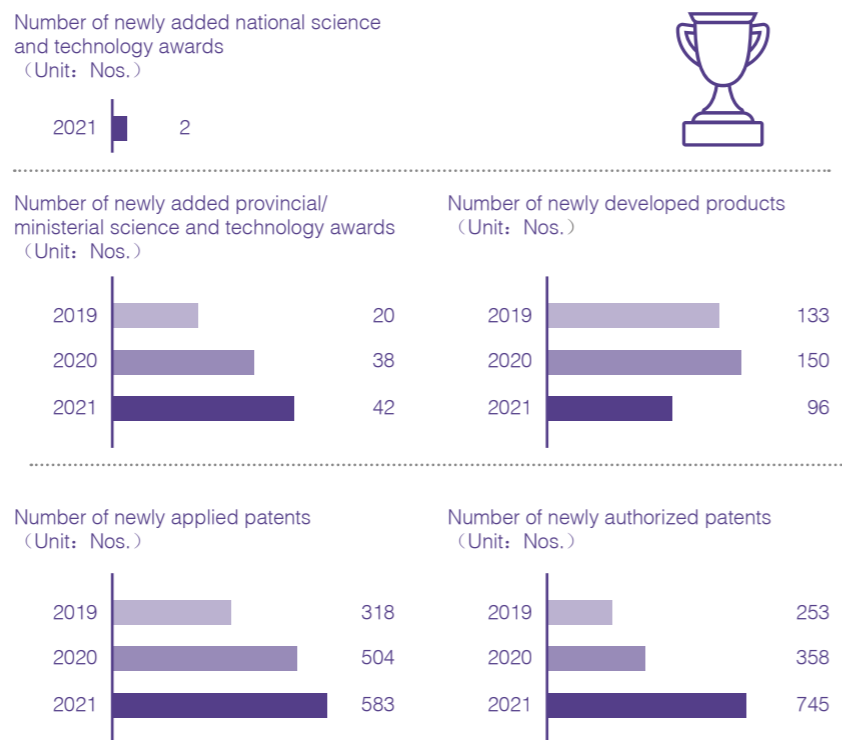
5G Remote Ultrasonic Diagnosis System Platform and Application project launched by Genertec AMHT

In August 2021, the 5G Remote Ultrasonic Diagnosis System Platform and Application project applied at the initiative of Genertec AMHT was listed among the national "5G + healthcare application pilot projects". The projects, organized by the Ministry of Industry and Information Technology (MIIT) and the National Health Commission of China, are designed to develop symbolic 5G + healthcare applications which use advanced technologies, perform well and produce significant effects. Using 5G technology to empower medical application scenarios and offer innovative contents and quality, Genertec AMHT has set up the 5G remote ultrasonic diagnosis system platform and application, pushing forward medical informatization, improving the delicacy management of medical institutions, making quality medical resources accessible to more people and enabling the implementation of the national hierarchical diagnosis and treatment system.

Achieving New Results under Guidance of Science and Technology

Paying close attention to the key links of research achievement transformation, Genertec has been dedicated to quickening the application and promotion of research achievements to enhance its core science and technology strength and enable it to be independent and self-reliant in science and technology. The group has made a number of science and technology achievements, some of which reach the international leading level and some has obtained prizes at or above provincial and ministerial level. In July 2022, the Group won the honorary title of Enterprise with Outstanding Contributions to Innovation in Science and Technology by the SASAC of the State Council in the 2019-2021 service term assessment; and in October 2021, Du Jichen, member of the International Academy of Astronautics, Chairman of the Medical Science and Technology Committee of Genertec, and President of Genertec AMHT, was awarded the honorary title of the 6th National Outstanding Professional and Technical Talents.

Genertec's performance in innovation in science and technology, 2019-2021



Genertec was awarded the honorary title of Enterprise with Outstanding Contributions to Innovation in Science and Technology by the SASAC of the State Council in the 2019-2021 service term assessment

Two research achievements made by Genertec Machine Tool Research Institute, a subsidiary of Genertec Machine Tool, obtaining the second prize of the National Science and Technology Progress

Prizes obtained by Genertec at national, provincial and ministerial level in 2021 (in part)

Genertec Machine Tool Research Institute

- "Key technologies and standard system for monitoring and assessing sophisticated CNC equipment" won the second prize of the National Science and Technology Progress Awards
- "Testing methods and technology to improve the machining precision for the S-shaped test piece of 5-axis CNC machines" won the second prize of the National Science and Technology Progress Awards
- "Theory and methods for designing multi-dimensional ultrasonic precision machining system" won the first prize of the Award for Technological Invention of the China Machinery Industry Science and Technology Awards
- "National standards for precision inspection and testing of CNC machine tools" won the second prize of the China Machinery Industry Science and Technology Progress Awards
- "Top-down design methods and engineering application for the precision horizontal machining center" won the first prize of the Tianjin Municipal Science and Technology Progress Awards

Genertec Shenyang Machine Tool

- "Reliability technology and testing equipment for CNC machine tools and their key functional components" won the first prize of the China Machinery Industry Science and Technology Progress Awards

Genertec CTA

- "A film evaporator for dissolving cellulose" won the gold prize for outstanding patents by the China National Textile and Apparel Council (CNTAC)
- "Efficient manufacturing and industrialization technology for Lyocell fiber" won the second prize of the Innovation Project of the Shining Star Innovation Competition for Central SOEs

Genertec CAERI

- "Engineering Handbook for Electric Vehicles (10 volumes in total)" won the first prize of the China Machinery Industry Science and Technology Progress Awards
- "Key technologies and equipment for testing and evaluating the intelligent system in vehicles in China" and "Study of the technology roadmap for energy-efficient and new energy vehicles" won the first prize of the China Automotive Industry Science and Technology Progress Awards
- "Technologies and industrialization of the virtual prototype for crash tests based on accurate characterization of materials" won the second prize of Chongqing Municipal Science and Technology Progress Awards
- "Study and application of key technologies for the safe and efficient operation of commercial vehicles" won the first prize of the Productivity Promotion (Innovative Development) Awards of China Association Of Productivity Promotion Centers (CAPPC)

Genertec Medical

- "Study and application of the new diagnosis and treatment strategy and radiotherapy for primary lung cancers" won the third prize of Shaanxi Provincial Science and Technology Progress Awards

Genertec Xinxing

- Key technologies and their engineering application for lean construction of large-span complex structures won the second prize of Liaoning Provincial Science and Technology Progress Awards

05

Polishing the "Golden Signboard" of Genertec with Brand Image

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Genertec has always implemented the spirit of important instructions made by Chinese President Xi Jinping on enhancing brand building, and carried out the plans and requirements of the SASAC of the State Council. Efforts have been intensified to stimulate brand power with innovation drive, create brand value with quality supply, and expand brand influence with international operations, constantly enhancing Genertec's reputation. The group has accelerated the building of a world-class enterprise and contributed to the building of a powerful country in brands.



Enhancing Branding to Advance New Projects

Genertec has taken the "Craftmanship Brand Project" as one of its top nine projects of its 14th Five-Year Plan. It has enhanced top-level design, developed brand strategies, released the slogan of "Good Technology, Good Life" and made continuous efforts to strengthen its brand building and brand management, aiming at improving its brand innovation, competitiveness and influence.

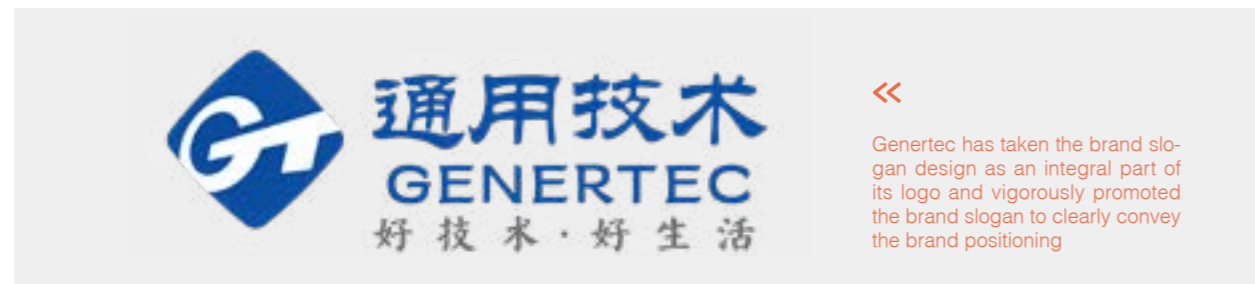
Developing Brand Management System

Genertec has established a three-tiered brand management system which focuses on leadership, management and execution. Through meticulous organization and effective integration, it has realized the goal that its brand management is planned by the leading Party group, led by a dedicated department and implemented by dedicated personnel in accordance with relevant rules and regulations, providing organizational guarantee for successful brand building.



Defining Brand Positioning

Refining the generality and starting point of its brand positioning, "technology", Genertec has set "creating a better life with good technology and quality service" as its mission and created its slogan of "Good Technology, Good Life". The slogan is a pun on the name of the group, Genertec, highlighting the key word, "technology", which includes not only hard technologies represented by science and technology but also soft technologies demonstrating quality service, echoing with Genertec's mission. The brand positioning of the member enterprises of Genertec is anchored in the effective communication of the Good Technology, Good Life slogan.



Shaping New Image with Unified Standard

Genertec has been dedicated to building a coordinated and orderly parent brand and sub-brand structure, and has ensured that "One Brand" is shaped throughout the group and "One Voice" is sent out from the inside out, enhancing the unified brand image of the group unprecedentedly.

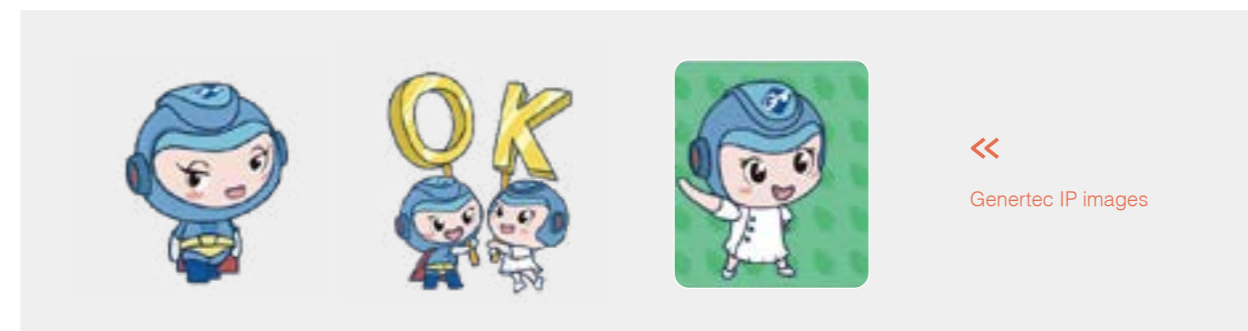
Shaping "One Brand", Delivering "One Voice"

In May 2021, Genertec formally put forward the principle of "One Brand, One Voice". "One Brand" means that the same logo and visual image are used throughout the group; and "One Voice" means that the names of the subsidiaries and divisions of the group at all levels to be used in external scenarios are composed of Genertec and their full names or shorten names, and their registered business information shall be changed accordingly if possible. At the same time, Genertec published five regulatory documents, such as the *Standard Proposal of Genertec for the Name and Logo Design for External Scenarios for Subsidiaries and Divisions* and the *Visual Identity Handbook of Genertec*, specifying, among other information, the general requirements, principles, rules, tasks and schedule for the implementation of the "One Brand, One Voice".



Accelerating Brand Internalization

To improve brand consensus, Genertec has held two meetings to spread its brand internally within the group. It has copyrighted two versions of the art works of "Genertec Image", "Genertec Clinic" and "Genertec", obtained the license for using the specific font of "Good Technology, Good Life" throughout the group for commercial purposes, and applied for registering the "Genertec Image" and "Genertec Clinic" trademarks of the group. Playing an exemplary role, the headquarters of the group has taken the lead to change the logo of the group on its materials and use its brand on various media, and guided its member enterprises at all levels to improve their implementation proposals, aiming at implementing "One Brand, One Voice" step by step. As the sense of community and belonging has been enhanced greatly among its member enterprises and the brand is used more normatively, an atmosphere in which "every employee is dedicated to shape, maintain and spread the brand" is forming.



Achieving New Benefits with Value Creation

Genertec has effectively implemented the spirit of important instructions made by Chinese President Xi Jinping on promoting the image change of China from being a manufacturer to an inventor, from being a speed manufacturer to a high-quality producer, and from being a country of products to a country of brands, and integrated its goal of becoming a world-famous brand with its vision of "to become a world-class enterprise with global competitiveness". The group has been dedicated to creating a better life with good technology and quality service, and contributing to the building of a powerful country in brands.

Over **170,000** pieces of articles relating to the group were reported or reproduced by major media platforms

The group was reported by CCTV's prime time news program - Xinwen Lianbo and other programs for over **20** times

Quickening domestic empowerment to improve the brand concentration ability

Genertec has made continuous efforts to spread its brand image by means of integrated innovation, expanded and deepened its media resources, improved its own media platforms, launched innovatively publicity materials on multiple media and made a unified appearance in exhibitions and marketing activities, aiming at creating a favorable public opinion environment for the high-quality development of its main businesses. The group has implemented the brand building strategy put forward by the SASAC of the State Council, participated in the campaign for selecting exemplary cases of brand building and telling excellent brand building stories of central SOEs in 2021, to further increase its brand value and brand strength.

Making international brand communication smoother to further improve brand image

Sticking to the transformation from business globalization to brand globalization, Genertec has explored the new value of its brand during its going global. It has integrated its corporate culture into its brand to tell excellent Chinese stories, spread Genertec's voice, build reliable people-to-people bridges, and establish deep friendship with people with common destiny, thus having gradually cultivated a number of outstanding and prestigious enterprise clusters that enjoy international influence and could guide industries in fulfilling social responsibilities, thus helping Chinese brands and the brands of Genertec go global faster.

Case G-FIBER®, an exemplary case of brand building of central SOEs

Genertec Advanced Materials has used multiple branding strategies to make its Green Fiber® brand, the core advantage of which is a complete set of Lyocell intellectual property right, become a famous eco-friendly brand, enabling the growth of both the sales and market share of the brand.

Defining brand positioning and architecture, building a brand ecosystem with distinctive audience

A simple brand name easy to be remembered is easy to be spread, so Genertec Advanced Materials uses G-FIBER® as the brand name of its products. Although G-FIBER® products are produced in different specifications and in different series for various downstream applications and segments, only the brand name of G-FIBER® is used in external communication, realizing "One Brand, One Voice". In addition, Genertec has decided to build a brand ecosystem putting business customers first and engaging consumers as well. It not only promotes its G-FIBER® brand in the textile industry, but also sells products made of G-FIBER® with the same brand name to consumers.

More activities attended to promote the brand

Since its debut during Beijing Fashion Week, G-FIBER® has been promoted in its launch event in Shanghai, Yarn Expos, upstream and downstream communication activities, and communications in the industry. At the same time, Genertec keeps good relationship with media, enabling extensive spreading of the brand and further promotion of the products.

End products enhancing brand recognition

Genertec keeps launching new product lines of G-FIBER®. It launches four-in-one bedding sets, masks, alcohol free wipes and other kinds of end products with famous enterprises and has opened the official G-FIBER® WeChat store to promote the recognition of the brand.

Green testing and certification passed

G-FIBER® has passed biodegradability testing, FSC certification, OEKO-TEX STANDARD 100 certification, eu.bac certification, and CCFI GF certification, providing quality guarantee for spreading the brand.

Becoming a famous eco-friendly brand

Through brand building and promotion activities, G-FIBER® has become a well-recognized eco-friendly brand. With more than 100 business clients and sales volume reaching 71,000 tons in total, its market share in the domestic Lyocell market has exceeded 30%. More than 20 million pieces of G-FIBER® alcoholic wet wipes have been sold in total, and G-FIBER® disinfectant wet wipes and other kinds of G-FIBER® products have been exported to overseas markets.



With more than **100** business clients and sales volume reaching **71,000** tons in total, its market share in the domestic Lyocell market has exceeded **30%**

Case "Genertec Clinic", a medical facility easily accessible to people

"Genertec Clinic" is an important measure Genertec takes to satisfy the demands of the people and an excellent medical services and management brand of the group. In 2021, a total of 105 Genertec Clinics were put into operation. The "Genertec Clinic" provides diagnosis, treatment, physical exam, healthcare, health education, health consultation and other health services, and is dedicated to further shortening the distance to patients, addressing "the last mile" problem in accessing medical services and meeting the demands for multi-tiered and diversified medical services of the people by enriching its services, improving the quality of its services and transforming its service model.



Three service models of the brand



Cloud "Genertec Clinic", a health guardian in the cloud

- Health monitoring
- Online consultation
- Healthy Enterprise Initiative promotion
- Self-service health examination



Entity "Genertec Clinic", a medical facility easily accessible to the people at anywhere

- Clinical examination
- TCM diagnosis and treatment
- Integrated medical and nursing services
- Featured specialty services



Mobile "Genertec Clinic", a portable health guardian always on the road

- Itinerant medical services
- Mobile diagnosis and treatment
- Door-to-door physical examination
- Responding to the rural revitalization strategy

Case Blue Booth launched by Genertec Meheco as a digital method to prevent COVID-19 using 5G technology

In response to the requirements put forward by the Joint Prevention and Control Mechanism of the State Council, Genertec Meheco took the initiative in creating 15-minute COVID-19 test circles to facilitate local COVID-19 prevention and control. In May 2022, Genertec Meheco Guangdong Pharma deployed and immediately put into use the first batch of Blue Booths, smart sampling stations using 5G technology, in Ming Sing Plaza, Yuexiu District, Guangzhou. Each Blue Booth took samples from more than 1,000 people every day during the trial operation, making COVID-19 tests easily accessible to local people.

In addition to the nucleic acid sampling processes empowered by 5G technology, every Blue Booth is equipped with a UV disinfection system, a plasma disinfection system and other modules using sophisticated technologies as well as an enclosed compartment, an air conditioner and other devices, offering safe and comfortable environment for residents taking tests and medical workers in it. For the purpose of being functional when the pandemic is over, each Blue Booth has a dedicated interface for quickly upgrading it to a neighborhood health center to enter medical services, elderly care and other application scenarios, enabling the formation of a 15-minute health life circle and an urban service system which improves disease detection capability.



Case Genertec participated in the 3rd Belt and Road Short Video Competition with hundred countries imprint, spreading Genertec's excellent brand image

In December 2021, three short videos submitted by Genertec, *Fulfilling Dreams in Latin America*, *Ring Road Around Nur Sultan Opens* and *Bangladeshi Chef Cooking Chinese Food*, won the Fighting COVID-19 Prize, the Overseas Choice Prize and the Most Beautiful Partner Prize respectively after months of fierce competition in the award ceremony of the Belt and Road Short Video Competition with hundred countries imprint jointly organized by China Public Diplomacy Association, SASAC News Center and huanqiu.com.

Genertec released simultaneously the videos on Facebook, Twitter, WeChat Channels, Kuaishou, Douyin, Weibo and other domestic and abroad platforms, telling the vivid stories of growing together with its overseas partners and local employees and local people. By December 2021, topics on the videos, some of which were forwarded by qyv.com.cn and other official accounts and well received especially by younger generation inside and outside China, got almost 610,000 views and more than 30,000 interactions in total on Facebook, Twitter and other platforms, efficiently spreading the brand image of the group and demonstrating its commitments and devotion to create a better future together with local people.



The topics on the videos got almost **610,000** views and more than **30,000** interactions in total on Facebook, Twitter and other platforms



Scan to watch: *Fulfilling Dreams in Latin America*



Scan to watch: *Bangladeshi Chef Cooking Chinese Food*



Spring Festival poster in English released by Genertec



International Workers' Day poster in English released by Genertec

06

Striving to Be a Vanguard in Pursuing Low-Carbon and Green Development

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Genertec has carried out in-depth study and implementation of Xi Jinping Thought on Ecological Civilization, and vigorously promoted the establishment of a sound economic system with green, low-carbon and circular development. Taking the improvement of green development management system as the support, the consolidation of energy conservation and emission reduction as the foundation, the acceleration of green transformation as the guidance, and the implementation of the carbon parking and carbon neutrality strategy as the goal, Genertec has carried out integrated, systematic planning and targeted policy implementation to further boost green development of the group.



Developing New Systems with Environmental Management

Sticking to the principle of "respecting, complying with and protecting nature", Genertec has constantly refined its energy conservation and environmental management system, and enhanced the prevention of environmental risks to raise truly its environmental management level and governance capability.

Enhancing Environmental Management and Control

Genertec believes in the idea of green development and abides by national laws and regulations concerning environmental protection. It has constantly improved its organizational and institutional systems, implemented the accountability system at all levels, and enhanced the prevention and control of environmental risks to raise its environmental governance level and enable its environmental management systems to be implemented throughout the group.

Genertec's performance in total investment in energy conservation and environmental protection, 2019-2021

Total investment in energy conservation and environmental protection
(Unit: Ten thousand yuan)



New progresses in environmental management and control of Genertec in 2021



Prepared the 14th Five-Year Plan of Genertec for Green Development and the Three-Year Action Plan of Genertec for Green Development (2021-2023) to define its major tasks and guarantee measures to be performed or taken during the 14th Five-Year Plan period, such as improving its green development management system, reinforcing the foundation for energy conservation and emission reduction, promoting the overall green transformation of its businesses and implementing the strategy of "carbon peaking and carbon neutrality".



Formulated the Administrative Measures of Genertec for Supervising and Managing Energy Conservation and Environmental Protection, the Measures for the Accountability for Environmental Protection, the Contingency Plan for Accidental Environmental Events and other rules and regulations and signed the Accountability Agreement on Safety and Environmental Protection Objectives 2021, to strictly implement its environmental protection responsibility as an entity.



Arranged special teams to visit its subsidiaries under key supervision or of concern for on-site investigation and research for 16 times and urged them to identify and rectify issues, aiming at effectively enhancing its management.



Took the initiative to establish the energy conservation and environmental protection information platform with progress made in the visual management of the basic information about energy conservation and environmental protection.



Fully reviewed professionals and chose 34 people to be included in the pool of energy conservation and environmental protection professionals for building a dedicated team.

Preventing Environmental Risks

To build a long-term mechanism for identifying and controlling pollution sources and risk points harmful to the ecological environment, Genertec, focusing on its major tasks of the year, has conducted thorough inspection and analysis of the pollution sources, risk points and high energy consuming equipment throughout the group. To enhance its management of pollutant emission permits, Genertec has required that the pollutant discharge permits held by its subsidiaries with stationary pollution sources must be valid and other subsidiaries must register the pollution sources they have according to the law. In addition, to strictly implement the environmental protection system which requires environmental protection facilities of a new project, a reconstruction project or an expansion project to be designed, constructed and put into operation together with its main works, Genertec has constantly strengthened the comprehensive treatment and special rectification of pollutant discharge. In 2021, there was no ordinary or higher-level accidental environmental event occurred throughout the group, ensuring stable operations.

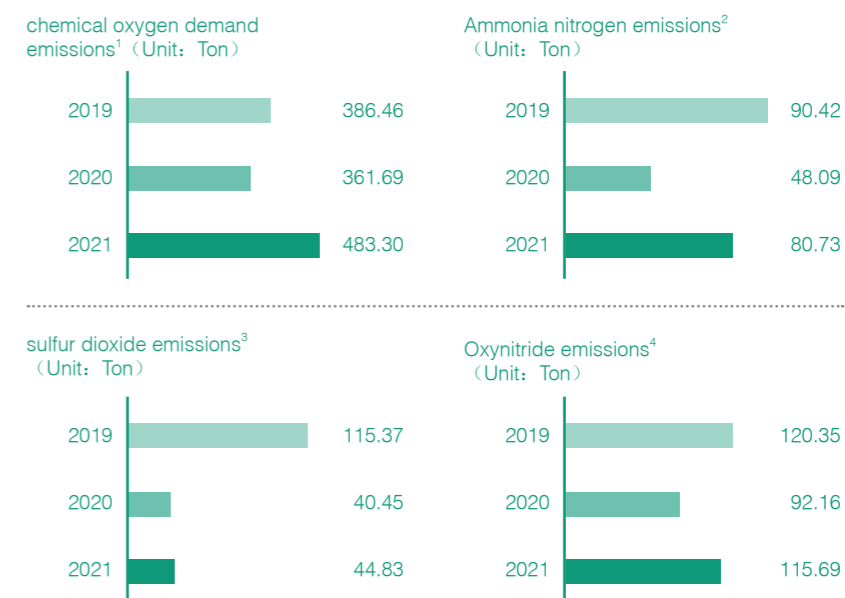
Creating New Environment with Green Operations

Sticking to the path of resource-saving, environmentally-friendly and sustainable development, Genertec has integrated the idea of green development into the whole process of its production and operations and implemented clean production to reduce the discharge of waste water, waste gas and solid waste. It has also promoted the publicity of green office and environmental protection and fully improved its green competitiveness.

Implementing Clean Production

Genertec has fully implemented the Opinions of the Central Committee of the CPC and the State Council on Further Fighting the Tough Battle of Pollution Prevention and Control and actively carried out clean production. To tighten source control and reduce pollutants from the source, Genertec has emphasized on, among others, reasonable use of water resources, material consumption reduction and prohibition against using solvent-based paint containing high volatile organic compounds. In addition, it has taken the following measures to control and reduce significantly the production of water, gas and solid pollutants: Strictly implementing process control and using processes and equipment with high resource efficiency and low pollutant discharge as well as comprehensive waste utilization technology and waste harmless treatment technology; and promoting the adoption of efficient end treatment equipment, firmly implementing the national hazardous waste control system and strengthening the prevention and control of hazardous waste.

Genertec's waste discharge, 2019-2021



Note^{1, 2, 3, 4}: Since 2021, new units have been successively merged into Genertec. And the number of units has increased, resulting in an increase in the total emissions in terms of the indicators mentioned.

Green production practices of the affiliated companies of Genertec in 2021



VOCs treatment implemented by Genertec Shenyang Machine Tool

Case Waste water treatment system of Topfond Pharmaceutical sets an industry example for environmental protection

Topfond Pharmaceutical, a subsidiary of Genertec Meheco, built a waste water treatment station for its relocated bulk drug plant and preparations manufacturing plant. The station covers an area of about 56 mu with a total investment up to 110 million yuan. The station uses international leading technologies to treat high concentrated, degradation-resistant, highly toxic and complexly composed waste water containing antibiotics to stably meet discharge standards, enabling pollution and carbon emission reduction and integrated use of resources and solving the difficult problem in the industry. The station can treat 13,800 tons of waste water and reuse 2,000 tons of recycled water per day. In December 2021, the station was awarded the title of "National Key Ecological and Environmental Protection Technology Demonstration Project", which highly recognized the advanced technologies used in the station and the excellent construction quality and the leading and demonstrative role of the station.



Scan to watch: Genertec Energy Conservation Publicity Week 2022

Developing Green Culture

• Green Office

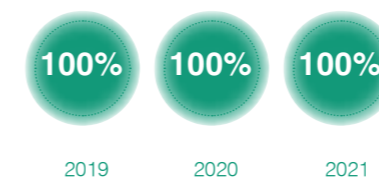
Genertec has vigorously promoted the idea of green office to create a green and low-carbon office environment. It has required its employees to save water, and energy and turn off computers, copying machine and other office equipment when their work is done; to implement air conditioner use rules and control the temperature and running hours of the air conditioner; to use energy-saving lamps to save more energy; to promote paperless office and use the ERP system to transfer documents and daily management information.

• Environmental Protection Publicity and Education

Genertec has vigorously conducted environmental protection training, publicity and education programs and carried out publicity on the green development plans, three-year action plans and other relevant plans and rules to ensure the implementation of the plans and rules. It invited professors from School of Environment, Tsinghua University to give lectures on the development trends of carbon neutrality and the zero-carbon transformation of enterprises; carried out activities in response to the "National Energy Saving Publicity Week" and the "National Low-Carbon Day"; set up a quiz platform on environmental protection knowledge which attracted 21,928 people to answer questions online; organized energy-saving and environmental protection experience exchange meetings to improve employees' awareness about environmental protection throughout the group; and took part in National Energy Conservation Week, carrying out volunteer tree-planting and other green activities to promote energy-saving and environmental protection, which raised public awareness and shared a healthy lifestyle.

Genertec's performance in environmental protection training, 2019-2021

Coverage of environmental protection training



In March 2021, China Xinxing Construction & Development Co., Ltd. affiliated to Genertec Xinxing and Genertec PTAC jointly carried out Volunteer tree-planting activity

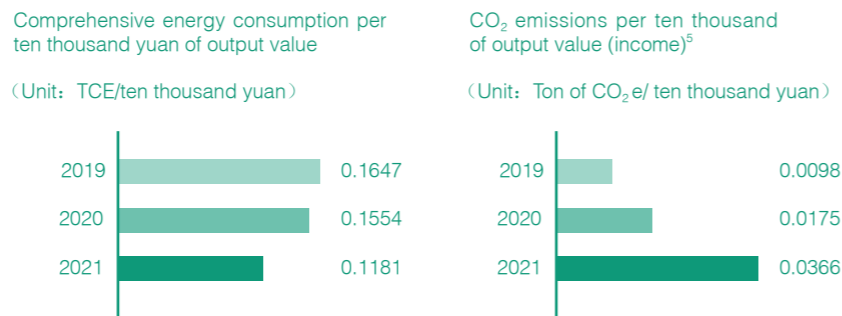
Responding to New Strategy for Realizing "Dual Carbon" Goals

Enhancing Energy Management

To scientifically implement and serve the national strategy of carbon peaking and carbon neutrality, Genertec has enhanced its energy management, quickened green upgrading and transformation of its businesses, developed green industries and improved its capabilities in supplying green technologies and green products, aiming at making contribution to the realization of the new strategy of "carbon peaking and carbon neutrality" and the building of a beautiful China.

Sticking to the principle of reducing energy consumption and carbon emission, Genertec has strengthened energy management, quickened the benchmarking of the resource and energy efficiency of its major businesses and major products against the best practices in the industry; promoted the upgrading and transformation of old equipment, replaced high energy consuming and inefficient production capacity, processes, technologies and equipment with new ones; boosted the energy-saving transformation of its lighting, heating and other systems; and strongly promoted photovoltaic power and other clean energy projects to make its energy consumption structure clean and low-carbon.

Genertec's performance in energy-saving and emission reduction, 2019-2021



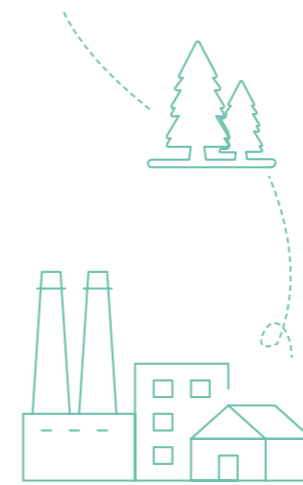
Note⁵: Since 2021, new units have been successively merged into Genertec. And the number of units has increased, resulting in an increase in the total emissions in terms of the indicator mentioned.



Photovoltaic power generation project undertaken by Beijing Precision Machinery & Engineering Research Co., Ltd., which is affiliated to Genertec Machine Tool Engineering Research Institute Co.,Ltd., a subsidiary of Genertec Machine Tool, was completed with the installed capacity of 1.8MW and average annual power generation of 1.907 million kWh



In July 2021, Genertec signed a strategic cooperation framework agreement with National Energy Conservation Center to jointly make equipment manufacturing more energy-saving and efficient, develop the energy use and energy-saving standard system for medical institutions and promote excellent cases of green hospitals



Developing Green Industries

To promote the R&D of green and low-carbon technologies and quicken green industrialization, Genertec has established its green development institute and strengthened the development of green products; promoted green building and made plans for photovoltaic, wind and other new energy power generation projects; reshaped its business ecosystem with green development and focused on building a green industry chain; taken green manufacturing and engineering as one of its priorities in the development of industries, made arrangements for fully promoting green manufacturing and tried to build an efficient, clean, low-carbon and circular green manufacturing system; and promoted green factories, green design products and green supply chains to make its businesses in CNC machine tool, pharmaceutical manufacturing, medical equipment and other industries going green, high-end oriented and intelligent.

Topfond Pharmaceutical, a subsidiary of Genertec Meheco, was rated as **"Green Factory"** at the national level.

CTACELL, a subsidiary of Genertec Advanced Materials, was rated as **"Green Factory"** at the city/district level.

Case The Green Development Research Institute newly established by Genertec CGCI, a subsidiary of Genertec International, injects "green momentum" into the group's industries

In June 2021, the Green Development Research Institute was officially established by Genertec CGCI to serve the national strategy of "carbon peaking and carbon neutrality" as well as the green transformation of the group, and implement strategic plans of Genertec CGCI. As a research institute of Genertec, the institute, sticking to the keywords of green development, science and technology and health, and acting as a think tank, serves divisions at all levels within the group and undertakes annual tasks and special tasks assigned internally; and externally, explores the carbon consulting market, and guides and serves investments and drives the implementation of green industry cooperation projects through providing consulting services concerning low-carbon path planning to local governments. In the future, the institute will strengthen its cooperation with national think tanks and scientific research institutions to make innovation and boost the high-quality development of green industries jointly.





Case

Breakthroughs made by Genertec CTA, a subsidiary of Genertec Advanced Materials, in Lyocell industrialization

With 18 years' independent research and development, Genertec CTA has built the first Lyocell production line independently developed and built by Chinese enterprises, which symbolizes the successful transformation of Lyocell industrialization technology developed by Genertec CTA and breaks the monopoly of foreign technology. In 2021, the production line realized the green and low-carbon pilot scale production of Lyocell with a capacity up to 90,000 tons, ranking the first place in China and second globally. Genertec CTA was successively awarded the second prize of the Innovation Project of the Shining Star Innovation Competition for Central SOEs organized by the SASAC of the State Council, the first prize of the Science and Technology Awards of the China National Textile and Apparel Council (CNTAC), and the gold prize for outstanding patents of the CNTAC.

Lyocell is a type of new generation regenerated cellulose fiber and is renowned as the "green fiber of the 21st century". Its raw material is natural cellulose (pulp dissolved with organic solvents from wood and bamboo, etc.). The dry jet-wet spinning technology is used to produce Lyocell. As there is no waste water, waste gas and waste residue produced in the production process, all the solvents used bring no harm to people and the environment and can be recycled with the recycling percentage reaching over 99.7%, and the fiber products produced are biodegradable. It shows that low-carbon and energy-saving ideas are implemented in every step from raw materials to finished products to facilitate green development and environmental protection.

The Lyocell industrialization technology is a symbolic technology which can help make China a country with a powerful textile industry. Developing Lyocell into a type of basic raw material in the textile industry can fundamentally solve the problems of resource shortage and environmental pollution the industry faces and greatly drive the overall green transformation and high-quality development of the industry. With a preliminary achievement having been made in this field, Genertec has determined to further expand the capacity, improve the quality of Lyocell, reduce its consumption of raw materials and energy in producing Lyocell and quicken the replacement of viscose and other non-green fibers with Lyocell, making greater contribution to the overall green transformation of the textile industry in China.



Case

China Xinxing Construction & Development Co., Ltd. promotes green building

Sticking to the idea of development driven by science and technology innovation and intelligent operations, China Xinxing Construction & Development Co., Ltd., which is affiliated to Genertec Xinxing, has made plans for water, earth, waste, and "carbon peaking and carbon neutrality" to quicken the establishment of a resource-saving and eco-friendly industry structure, production model and spatial framework; established the model of digital and intelligent construction management to save energy and reduce energy consumption from the perspectives of, among others, people, water, electricity and materials and reduce the CO₂ emissions; and made research on intelligent building, green construction, prefabricated building and other fields, especially on green and eco-friendly equipment, technologies and services, integrated BIM services and decoration technologies and services based on a green building system, continuously improving the advantages of the company in green building.

In December 2021, the Daxing Jiugong Town project undertaken by China Xinxing Construction & Development Co., Ltd. was successfully accepted as a green construction technology demonstration project of the Ministry of Housing and Urban-Rural Development. A total of 33 subtypes in 9 types out of 10 new types of technologies in the construction industry were used during the construction process of the project, which enabled that the actual electricity consumption for construction is 16.3% less than the quota, the actual water consumption for construction is 10% less than the designed consumption, the recycling percentage of non-traditional water sources reaches 20.2%, the average reuse percentage of reusable materials reaches 93.83%, and the recycling percentage of construction waste reaches 51%. As the environmental protection standards adopted for the project are higher than relevant national requirements and standards and 653,000 yuan was saved, the project achieved excellent economic, social and environmental benefits. In addition to the green construction technology demonstration project above mentioned, the project also won the title of science and technology demonstration project for accurate construction waste management technology and demonstration of the green building and building industrialization sub-class of the 13th Five-Year national key R&D project and the title of "Green and Safe Construction Site in Beijing".



07



Taking a People-centered Approach to Build a Happy and Harmonious Genertec Family

Genertec has actively fulfilled social responsibilities, and insisted on integrating social responsibility with corporate development in an organic manner while pursuing first-rate operating performance. Various measures have been taken to ensure the safe operations of the group and the safety of its employees. Efforts have been intensified to enhance employee care, pay attention to people's livelihood, share the fruits of development with society, and build a beautiful homeland.

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| Caring for Employees for Realizing New Dreams | 81 |
| Contributing to Society for a Better Life | 85 |

Ensuring Work Safety for a More Solid Foundation

Genertec has thoroughly implemented the spirit of the important remarks made by Chinese President Xi Jinping on work safety, continuously optimized safety management, carried out safety emergency drills, strengthened safety risk prevention and control, done a good job in conducting safety publicity and training, and made every effort to build a firm defense line for safe operations. In 2021, the group did not have any major work safety accidents or above.

Safety Production Management

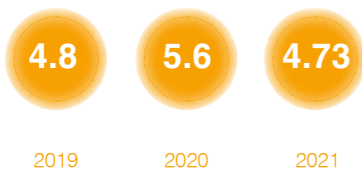
Insisting on the principles of "same responsibility between the Party and the executive, one post with two sets of responsibilities, joint management, and dereliction of duty to be held accountable" and "to manage the industry must be to manage safety, to manage business must be to manage safety, and to manage production and operations must be to manage safety", Genertec has fully implemented system of responsibility in safe production. The group has set up work safety management institutions to strengthen the organizational leadership of work safety; prepared the 14th Five-Year Plan for Work Safety in which the main objectives of the 14th Five-Year Plan for safety production are established; strengthened the safety management of key industries and areas such as construction, equipment manufacturing, medicine and healthcare, buildings in use, special equipment, overseas institutions (projects) and expatriate employees; established a digital platform of "one network" for work safety, and initially realized the digitalization of safety supervision; implemented the safety responsibility system for all employees, clarified responsible personnel, assessment management and assessment standards, resolutely eliminated loopholes of responsibility, and effectively improved the safety management level.



In February 2021, Genertec held the Safety, environmental protection and quality work conference of 2021 to plan the safety work of the year

Genertec's performance in investment in work safety, 2019-2021

Investment in work safety
(Unit: RMB in 100M)



Work Safety Emergency Response

Attaching great importance to emergency response in work safety, Genertec has revised and improved emergency plans and on-site treatment plans, stockpiled various types of materials in a timely manner to provide material guarantee, conducted regular drills to enhance the ability to eliminate hidden dangers, and strengthened the construction of medical emergency rescue team to ensure timely response to emergencies.



Hidden Danger Investigation and Management

Genertec has been focusing on high-risk areas, critical locations and key links, implemented safety risk classification and control and hidden danger investigation and management system, scientifically determined risk categories and levels, and comprehensively investigated safety hazards. In 2021, the group inspected the safety hazards of grass-roots units in a "four-not, two-straight" manner (i.e., not sending formal notice, not giving informal notification, not listening to report, not needing accompanying or reception personnel, going straight to the grassroots and straight to the scene) and completed the rectification of 197 items; carried out "five-check, five-strict" stability-related risk investigation (i.e., check ideological understanding and be strict with political rules; check institutional system and be strict with implementation of institutions; check safety management and be strict with specified implementation of responsibilities; check accident hazards and be strict with safety prevention and control; check the construction of the rule of law and be strict with corporate governance according to the law), and rectified and cancelled 741 items; dynamically updated the data of overseas organizations of SOEs under the SASAC of the State Council, and kept tabs on real-time information, so that the safety risks were effectively controlled.

Work Safety Training

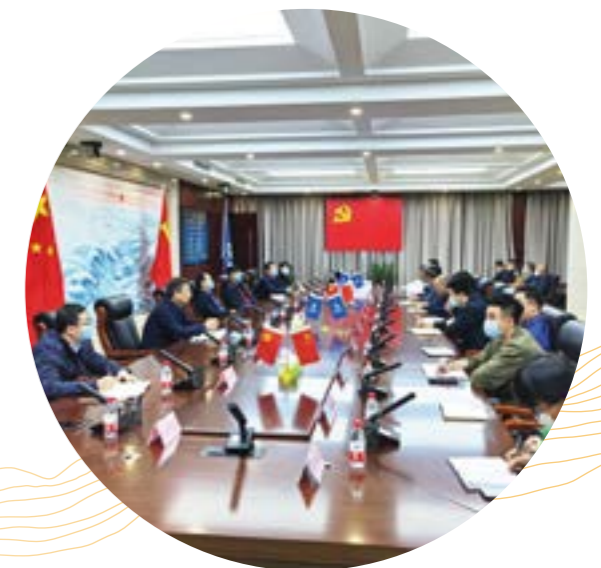
Genertec has taken work safety training as an important part of safety work and constantly strengthened work safety education to improve the safety literacy of all employees and build up the awareness of work safety responsibility. The group carried out the activities of "Work safety Month" and the publicity week of the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, organized a film activity to watch the feature story *Life is More Important than Mount Tai - Learning Chinese President Xi Jinping's Important Discourse on Work Safety*, and held the activities of "119 Fire Prevention Month" and the Third National Emergency Management Knowledge Contest in a coordinated way. The group also made full use of the advantages of Internet to broadcast safety education films such as *Building the Foundation*, *Bitter Reflection*, and *The Red Line of Life in the Safety Supervision column of Smart Genertec*, constantly improving the influence of safety education.



Genertec "Work Safety Month" activity launched in May 2021



Fire safety training at Genertec CNIC

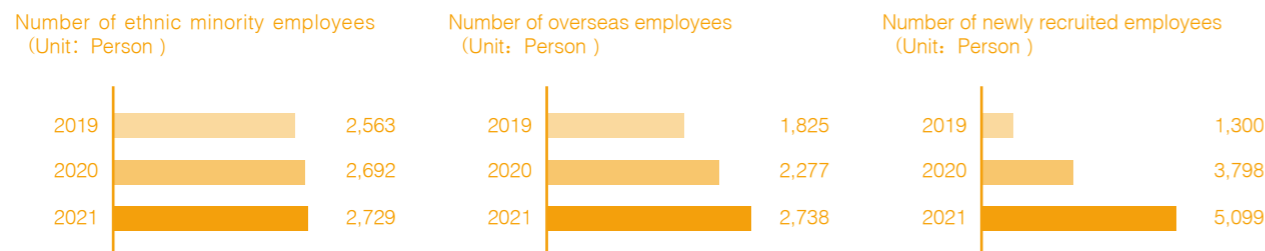
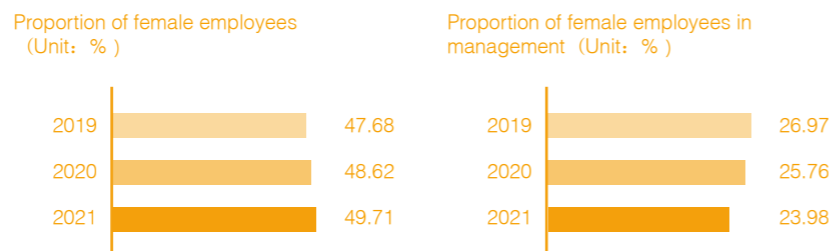
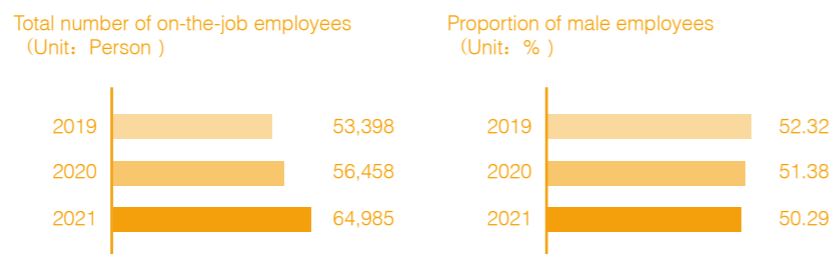


China Xinxing Construction & Development Co., Ltd, affiliated to Genertec Xinxing carried out training on the 2021 amendment of the Law of the People's Republic of China on Work Safety

Caring for Employees for Realizing New Dreams

Genertec regards employees as the core driving force for sustainable development of the enterprise, fully safeguards the basic rights and interests of employees, helps promote employees' career development, pays attention to their work and life, implements occupational health protection, and strives to create a harmonious working atmosphere to achieve win-win development of the employees and the enterprise.

Composition of on-the-job employees of Genertec, 2019-2021



the labor contract signing rate of the group reached

100%

Protecting Basic Rights and Interests

• Equal Employment

Genertec fully upholds the internationally recognized human rights, strictly abides by *the Law of the People's Republic of China on Labor*, *the Law of the People's Republic of China on Labor Contract* and other laws and regulations, opposes all acts of discrimination based on gender, age, race, religious beliefs and cultural background, and provides equal opportunities for its employees; insists on equal pay for equal work and signs, fulfills, changes, cancels or terminates labor contracts with employees in accordance with the law; eliminates the employment of child labor and opposes any form of forced labor, and harassment and abuse. In 2021, the labor contract signing rate of the group reached 100%.

• Remuneration and Benefits

Genertec continues to strengthen positive incentives and improve the remuneration and benefits of employees. The group has built a strong incentive and hard constraint remuneration and benefits system for the second-tier leaders, continuously improved the market-oriented management system of total wages, and ensured that income can be increased and reduced; promoted the reform of the salary system in an orderly manner, formulated a reasonable salary structure and level, increased the correlation among the post, job responsibilities, performance evaluation results, and performance distribution, and stimulated the vitality of talent; paid all social security fees in full and on time, and implemented employee rest and vacation, paid leave and other benefits to make employees feel the group's care and concern.

• Democratic Management

Genertec insists on broadening the channels for employees to participate in democratic management and encourages them to actively participate in the management and decision-making of the group. It has implemented the system of workers' congress to give full play to the advantages of mass supervision; strengthened the openness of corporate affairs to enhance the transparency of all decisions; carried out activities such as "Leaders Reception Day", democratic seminars, voice of employees and public column of corporate affairs to collect and give feedback to employees' suggestions and effectively guarantee their rights to know and participate.

Facilitating Employee Growth

• Talent Recruitment

Genertec insists on gathering talented people from all over the world and employing them, and continuously attracts outstanding talents by establishing a more flexible, open and fair market-oriented employment mechanism. Annual recruitment management plan has been implemented for the first time to further enhance the planning and systematization of recruitment at the headquarters. Hard standards for talent recruitment at the headquarters have been introduced for the first time and effectively implemented in each and every link of the recruitment process to strictly control the quality of talent. A cooperative headhunter database has been built for the first time to expand the talent introduction channels; a number of headhunting companies have been selected for nearly 480 employing units at various levels of the group to use. Genertec attaches more importance to the introduction of high-level talent, and has achieved positive results in attracting talent precisely by means of expert recommendations, industry recommendations and platform-based headhunting, and so on. Through organizing the group's 2021 campus recruitment in a unified manner and with diversified promotion channels, Genertec received nearly 70,000 resumes and introduced more than 1,300 college graduates throughout the year, adding fresh blood and new strength to the group's development.

• Career Channel

Genertec insists on providing employees with good development space and promotion opportunities, so as to "make the best use of people and their talents". Combining the characteristics of the group's three main businesses of advanced manufacturing and technical services, medical and healthcare, and trade and engineering services, the group has carefully sorted out career development channels to fully release the vitality of the talent.

• **Employee Training**

The education and training work of Genertec is aimed at promoting the publicity and implementation of corporate culture, promoting the implementation of the strategy and promoting the learning and education of Party history, and making training a team working method, team learning method and team decision-making tool for leaders and talents at all levels, and promoting the construction of a learning organization, so that training can become a powerful approach to promote the implementation of the group's strategy, an effective platform to gather development consensus, and a major position to carry out the learning and education of Party history. Genertec insists on developing a tiered, graded and classified systematic training structure, and has built the "Genertec Blue Program" talent echelon cultivation system. At the group level, Genertec has conducted 19 training programs on various topics and five sessions on the theme of Party history learning and education, with a total of more than 27,000 person-times of participants from the group attending various training programs. Centering on the "Genertec Blue Program" talent echelon cultivation system, Genertec has conducted three sessions of "Deep Blue Program" and "Azure Blue Program" high-level training for its core team. It has also organized "Cradle Program" for the training of newly recruited employees.



In May 2021, Genertec conducted a strategic training program for executives of the group to deepen strategic consensus, strengthen the spirit of assuming responsibility, and gather strength for further development



In October 2021, Genertec conducted the 2021 "Cradle Program" for newly recruited employees

Implementing Employee Care Program

• **Guaranteeing Physical and Mental Health**

Genertec advocates the concept of "healthy life, happy work", and has taken the initiative to promote the management of employees' occupational health and protect their rights and interests regarding occupational health. It has intensified its efforts to promote occupational health and carried out activities such as the publicity week of the *Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases* to raise employees' awareness of occupational disease protection. It has attached importance to employees' mental health and provided Employee Assistance Program (EAP) psychological services to relieve employees' work and life stress. It has strictly implemented regular pandemic prevention and control measures, provided medical protection and vaccination for domestic and overseas employees, and built a firm line of defense against pandemic prevention and control to protect the lives and health of employees. In 2021, the vaccination rate of employees at the group's headquarters reached 90.26%; the vaccination rate of employees in second-tier companies reached 93.7%; and the vaccination rate of overseas employees (including subcontractor personnel) reached 99.3%.



Genertec AMHT offered the course of "aromatherapy and emotional stress reduction" to employees to protect and support their mental health

• **Caring for Employees**

Genertec sincerely cares about every employee and has set up an "EAP Fund" for employees in need, so as to do a good job in helping and relieving the difficulties of employees. It regularly visits the retired employees and cares about their living conditions. It has renewed the "Special Disease Mutual Security Scheme" for female employees, and applied for the special disease and critical disease mutual security funds to solve the problems of employees and bring tangible benefits to them. In 2021, the assistance funds provided for retired personnel by various units of the group reached 4.59 million yuan.



Genertec CAERI celebrated the International Women's Day



Henan Electric Power Hospital affiliated to Genertec Guozhong Healthcare visited the community-level medical examination workers

• **Balancing Work and Life**

Genertec carries out various cultural and sports activities in a regular manner, and organizes club activities, cultural performances, sports events to cultivate team awareness and striving spirit, stimulate employees' enthusiasm and sense of honor, relieve work pressure, balance work and life, and enhance corporate cohesion and centripetal force.



Genertec organized an art performance *Great Struggle of the People of Genertec* to celebrate the 100th anniversary of the founding of the Communist Party of China

Contributing to Society for a Better Life

Conducting Volunteer Services

Adhering to the corporate values of "innovation, entrepreneurship, harmony, and win-win results," Genertec insists on giving back to the society, pays close attention to people's livelihood and public welfare, and has effectively implemented the requirements of the SASAC of the State Council on the procurement of work clothing from northwest China's Xinjiang Uygur Autonomous Region, supporting the economic development of the region. It actively carries out volunteer public welfare activities with wide coverage and diversified contents to deliver warmth and care to the society and create a shining "brand name" of public welfare.

Genertec vigorously carries forward the volunteer service spirit featuring devotion, friendliness, mutual aid, and progressiveness, plays the pioneering and exemplary role of its volunteer service teams, expands the participation channels of volunteer service, and carries out activities such as community building and volunteer clinics as well as environmental public welfare activities, contributing to the building of a harmonious and warm society.



Chengfei Hospital affiliated to Genertec Medical conducted volunteer clinics during the Double Ninth Festival



Genertec CGCI, a subsidiary of Genertec International, conducted volunteer sapling nurturing activity at a forest farm in Beijing

Participating in Public Welfare and Charitable Activities

Genertec has taken the initiative to devote itself to public welfare undertakings, carried out charitable activities such as education assistance, blood donation and community visits, and donated 10 million yuan to support flood relief in Henan Province, giving back to the society with practical actions.



Case

Genertec Universal Medical launched the China Primary Health Care Foundation – Xinyan Public Welfare Fund

In March 2021, Genertec Universal Medical and China Primary Health Care Foundation jointly launched the China Primary Health Care Foundation – Xinyan Public Welfare Fund. The first batch of projects supported by Xinyan Public Welfare Fund include patient assistance and doctor training in neonatal, cardiovascular, obstetrics and gynecology, digestive medicines. It is intended to improve the welfare, public, and fairness qualities of medical and health services through the implementation of public welfare projects that "help patients, help doctors and help institutions" to bring patients hope for healing and warmth with the power of medical profession, and to make continuous efforts on the supply side of medical and health services to contribute to the sustainable development of public health and welfare in China.



Genertec Finance donated a "Genertec Finance Library" to Zhitang Center Primary School



Harbin 242 Hospital affiliated to Genertec Medical carried out voluntary blood donation



Henan Kairui Vehicle Testing and Certification Center affiliated to Genertec CAERI carried out flood rescue and relief



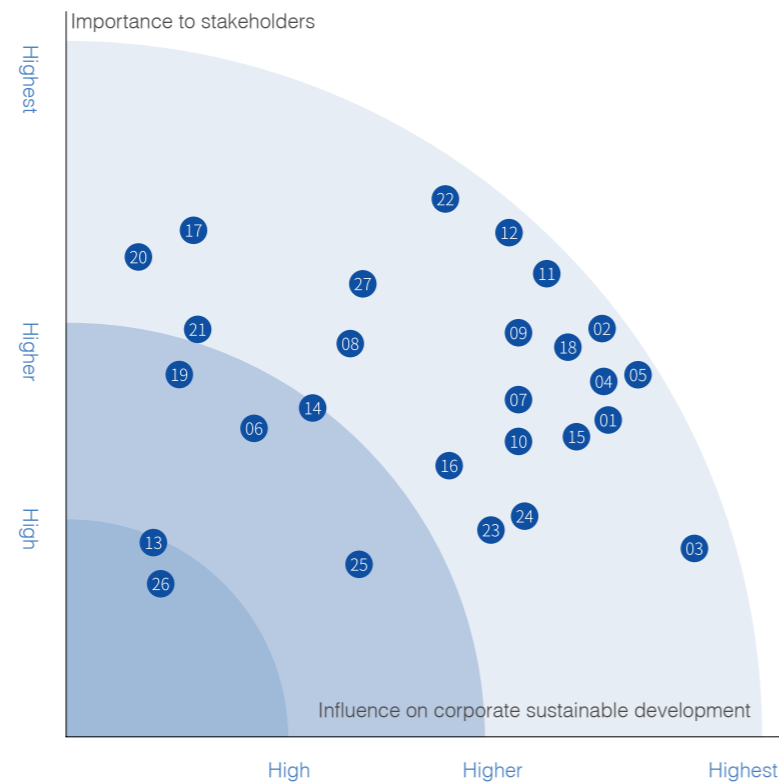
China Xinxing Construction Engineering Co., Ltd affiliated to Genertec Xinxing went to a orphanage in Fangshan District, Beijing to carry out condolence activities

Social Responsibility Management

Genertec has been actively promoting the integration of its social responsibility idea into corporate development strategy, management and operations, and corporate culture. While pursuing economic benefits, Genertec has continuously improved its social responsibility practice level including enhancing integrity management, promoting innovation-driven growth, going green, protecting environment, strengthening employee care, and giving back to the society. Genertec has intensified its efforts to meticulously plan and scientifically lay out ESG construction. Genertec is committed to working with all stakeholders to grow together and share the fruits of development, and strives to create comprehensive economic, social and environmental value.

Social Responsibility Issues

In order to improve the substantive contents of the report, and by analyzing national macro policies and social responsibility standards at home and abroad, Genertec dynamically identified and screened out substantive issues that the group and stakeholders were concerned about, drew substantive matrix, and carried out targeted social responsibility work based on its development strategy and actual operations.



| | | | | | | | |
|----|---------------------------|----|--|----|---------------------------------|----|--------------------------------------|
| 1 | Legal compliance | 2 | Anti-corruption and integrity | 3 | Deepening reform | 4 | Innovation in science and technology |
| 5 | International operations | 6 | Product safety | 7 | Customer service | 8 | Emphasis on occupational health |
| 9 | Supply chain management | 10 | Conducting strategic cooperation | 11 | Green products and services | 12 | Energy-saving and emission reduction |
| 13 | Biodiversity conservation | 14 | Protecting employees' rights and interests | 15 | Employee care | 16 | Facilitating employee growth |
| 17 | Emergency response | 18 | Rural revitalization | 19 | Promoting community development | 20 | Charity and public welfare |
| 21 | Volunteer services | 22 | Promoting health and well-being | 23 | Environmental management | 24 | Green operation |
| 25 | Green office | 26 | Environmental public welfare | 27 | Boosting industry development | | |

Social Responsibility Communication

To respond to the expectations and concerns of various stakeholders in a timely and efficient manner, Genertec has built diversified communication platforms, regularly released social responsibility reports, and established effective communication mechanisms. Efforts have been intensified to further deepen and substantiate the group's social responsibility work.

| Stakeholder | Expectations and demands | Communication channels and approaches | Responses |
|------------------------|---|--|--|
| The government | <ul style="list-style-type: none"> Compliance of law Paying taxes according to the law Serving national strategies Supporting local development | <ul style="list-style-type: none"> High-level meetings Communication meetings Briefings Attending conferences Accepting supervision, reviews and inspections | <ul style="list-style-type: none"> Strengthening compliance management Paying taxes initiatively Implementing national policies and accepting supervision and performance appraisal Driving local development |
| Shareholders | <ul style="list-style-type: none"> Ensuring smooth communication Ensuring stable operations and sustainable development Improving corporate performance | <ul style="list-style-type: none"> Annual reports and disclosure of non-financial information Annual general meetings and board meetings Work summary and performance reporting | <ul style="list-style-type: none"> Improving corporate governance Maintaining business and profitability growth Timely and comprehensive information disclosure |
| Customers | <ul style="list-style-type: none"> Providing quality products and services Technical support | <ul style="list-style-type: none"> Customer visits Frequent communication through E-mail and phone Customer satisfaction surveys | <ul style="list-style-type: none"> Establishing an all-around quality management and control system Creating new service forms and contents Participating in the national quality month campaign |
| Partners | <ul style="list-style-type: none"> Keeping promises Open procurement Win-win cooperation | <ul style="list-style-type: none"> Disclosure of bidding and tendering information Strategic cooperation and project cooperation High-level mutual visits | <ul style="list-style-type: none"> Fair and local procurement Supply chain management |
| Environment | <ul style="list-style-type: none"> Energy-saving and emission reduction Resource conservation Response to climate change Ecological conservation | <ul style="list-style-type: none"> Disclosure of environmental information | <ul style="list-style-type: none"> Green office and energy conservation publicity week Public welfare activities for environmental protection |
| Employees | <ul style="list-style-type: none"> Protecting employees' legitimate rights and interests Understanding operating conditions of Genertec Creating a healthy and safe work environment Fair promotion and development opportunities Fostering the senses of belonging and identity | <ul style="list-style-type: none"> Internal mails and journals Worker's congress Meetings of democratic life Work safety month Employee care activities | <ul style="list-style-type: none"> Protecting employees' basic rights and interests Establishing diversified employee communication channels Organizing vocational training programs and providing smooth channels for promotion Establishing and improving the occupational health management system Organizing colorful employee activities |
| Industry organizations | <ul style="list-style-type: none"> Promoting industry development | <ul style="list-style-type: none"> Participating in seminars and exhibitions Joining industry associations and standard organizations | <ul style="list-style-type: none"> Participating in discussions and formulation of standards Promoting industry exchanges and cooperation |
| Community | <ul style="list-style-type: none"> Development of public services and facilities Communication and exchanges with the community Assisting the poor and the needy Improving employment | <ul style="list-style-type: none"> Community education and publicity Community communication meeting | <ul style="list-style-type: none"> Active participation in community development Volunteer and public welfare activities Local employment |
| Media | <ul style="list-style-type: none"> Understanding corporate strategies and plans Access to CSR information | <ul style="list-style-type: none"> Interviews Using social media to strengthen interaction | <ul style="list-style-type: none"> Accepting media interviews Information disclosure |

ESG Construction

As a responsible central SOE, Genertec deeply implements the work plan of the SASAC of the State Council. Acting conscientiously and planning ahead, Genertec has carried out thematic studies in the field of ESG, actively incorporated ESG into the corporate governance system, strengthened ESG risk management, paid full attention to ESG information disclosure, and effectively improved the group's operational efficiency and governance effectiveness to enable its affiliated listed companies to attract and obtain the recognition of long-term capital, fully fulfilling and manifesting social responsibility.

Improving ESG Management System

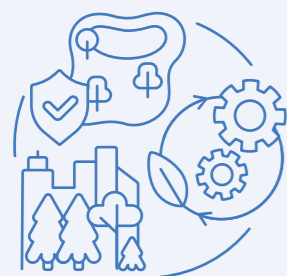
Genertec attaches great importance to ESG management, incorporating environment, society and corporate governance into its business operations and management, continuously improving ESG top-level design, and building an ESG work system covering the board of directors, the management, headquarters and affiliated enterprises. The board of directors assumes overall responsibility for the ESG management of the entire group; the special committees under the board of directors assist in supervising the ESG management practices of the group and give instructions on related matters as appropriate; the General Office (News Center) continuously pays attention to and closely follows up the improvement of ESG management processes and target systems; the functional departments and related enterprises of the group are the executives of ESG management, who, under the unified leadership of the group, implement ESG management concepts, implement ESG management systems, and make suggestions for optimizing ESG management processes and target systems in the context of daily operations.

Promoting ESG Exchanges

Genertec has taken the initiative to guide its affiliated listed companies to carry out ESG exchanges and mutual learning activities, further increased information disclosure based on the implementation of regulatory requirements, put corporate governance, environmental protection, pollution prevention and control, community development and other topics into practice in a more responsible manner, and enhanced stakeholder communication. In 2021, Genertec Universal Medical's annual report released the ESG report; four listed companies subordinate to the group participated in the questionnaire survey and case report for *the ESG Blue Book of Central-Controlled Listed Companies* by the SASAC of the State Council.

ESG performance highlights of Genertec's affiliated listed companies in 2021

Environmental performance



- **Genertec Shenyang Machine Tool** successfully passed the 2021 recertification audit of environmental and occupational health and safety management system.
- **Genertec CAERI** focused on automotive interior environmental health and innovatively launched the China Automotive Health Index. Zhong Nanshan, recipient of the Medal of the Republic in 2021, academician of the Chinese Academy of Engineering, and chairman of the China Indoor Air Purification Brand Cluster, presented the Outstanding Contribution Award to Genertec CAERI.
- **Genertec Universal Medical** formulated and revised *the Administrative Measures for Supervising and Managing Environmental Protection, the Hazardous Waste Management Scheme and the Accountability Agreement on Annual Safety and Environmental Protection Objectives*.
- The total energy consumption of **Genertec Meheco** decreased by **12.93%** year-on-year; Topfond Pharmaceutical, a subsidiary of Genertec Meheco, was rated as "Green Factory" at the national level and the first place for green development of key industries in Henan Province in 2021.

Society performance



- **Genertec Shenyang Machine Tool**, jointly with Northeastern University, carried out social practice activities to promote the joint education of universities and enterprises and deepen the integration of production and education. The practical activities covered **20** classical theoretical courses, including the development history of CNC machine tools, the introduction of the main products, product design, casting, the introduction of typical manufacturing processes, intelligent manufacturing, etc.
- **Genertec CAERI** actively carried out financial donations, material donations, consumption-based assistance and education assistance in Wuchuan County and Shangdu County in Inner Mongolia Autonomous Region, Youyang County in Chongqing Municipality and Wuzhi County in Henan Province, with a total amount of RMB **5.2** million, and stationed a first secretary in Chadian Village, Daxi Town in Youyang County to consolidate and expand the achievements of poverty eradication to effectively connect with rural revitalization, and won the title of "Advanced Group in Poverty Alleviation in Chongqing".
- **Genertec Universal Medical** set up a digital medical community health platform to enable people in remote areas to enjoy the benefits of medical digitalization; it also set up the Xinyan Public Welfare Fund to protect life and health with quality medical care.
- **Genertec Meheco** was included in the list of Top 500 Chinese Enterprises in Charity in 2021; it promoted consumption-based assistance by purchasing RMB **2.6** million of agricultural products from different places throughout the year, and sent one cadre in charge of the assistance work and allocated an assistance fund of RMB **3** million to Wuchuan County.

Corporate governance performance



- **Genertec Shenyang Machine Tool** conducted embedded supervision and comprehensive supervision over the "three major and one large" matters (major issues, major personnel appointments and dismissals, investments in major projects, and use of large sums of money), gave play to the role of the anti-corruption coordination group, promoted the integration of supervision and business, and exerted efforts on the key aspects of reform and development with precision. It also carried out the work of sorting out and investigating integrity risks, and continuously improved the comprehensive effectiveness of strict discipline and anti-corruption efforts.
- Overcoming the impact of the COVID-19 pandemic, **Genertec CAERI** focused on its core business, strengthened innovation-driven development, comprehensively deepened reform, promoted the development of various lines of business and achieved significant improvement in operating performance. The annual operating revenue achieved RMB **3.835** billion, up **12.21%** year-on-year, and the net profits attributable to the listed company reached RMB **692** million, up **23.86%** year-on-year.
- **Genertec Universal Medical** strengthened risk management to effectively prevent all kinds of risks; it held Monthly Integrity activities and formulated *the Coordination Mechanism for Party Conduct, Clean Management and Anti-Corruption and the Administrative Measures for Integrity Risk Prevention and Control* to strengthen integrity construction and prevent fraud or bribery.
- **Genertec Meheco** established the Risk Prevention and Compliance Committee, and formulated *the Working Rules of Risk Prevention and Compliance Committee of Genertec Meheco*; and it carried out integrity and anti-corruption education on a regular basis.



Future Prospects

Standing at a new historical starting point, we will continue to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, strengthen our awareness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment, stay confident in the path, theory, system, and culture of socialism with Chinese characteristics, and uphold Xi Jinping's core position on the CPC Central Committee and in the Party as a whole, and uphold the Central Committee's authority and its centralized, unified leadership. Bearing in mind the country's most fundamental interests, we will uphold and strengthen the Party's overall leadership, and carry forward the great founding spirit of the Party and the fine tradition of the group. We will enhance historical initiative, strengthen historical duty, work hard, and forge ahead for a better future. We will effectively implement the 14th Five-Year Plan and strive to create a new situation of high-quality development for the group. We will accelerate the construction of becoming a world-class enterprise with global competitiveness and embrace the successful convening of the 20th CPC National Congress with excellent performance! We will make greater contribution to the building of a modern socialist country in all respects and realization of the Chinese Dream of national rejuvenation!



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About this Report

This report is an annual report and is the fifth CSR report issued by China General Technology (Group) Holding Co., Ltd.

Reporting Period

This report mainly covers information of the period between January 1, 2021 and December 31, 2021, and may include contents beyond the stated reporting period.

References to Genertec

For better readability, "China General Technology (Group) Holding Co., Ltd." is also referred to as "Genertec", "the group", or "we/us" in this report.

Reporting Scope

This report covers information of Genertec and its subsidiaries, and Genertec guarantees the authenticity and accuracy of the reported information.

Data Sources

Business data in this report come from the official documents and statistical reports of Genertec and its subsidiaries.

Basis of Preparation

This report is prepared in accordance with *the Guiding Opinions on Better Performing Social Responsibilities of State-owned Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council, and with reference to *the Guidance on Social Responsibility Reporting* (GB/T360012015), a national standard of China, *the GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), *the ISO 26000: Guidance on Social Responsibility (2010)* issued by the International Organization for Standardization (ISO), *the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)* issued by the Chinese Academy of Social Sciences (CASS), and so on.

Access to the Report

This report is available in both Chinese and English, and in both print and online versions. In case of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail. Please feel free to download the electronic version of this report from the official website of Genertec.

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