



中国通用技术集团  
China General Technology



China General Technology (Group) Holding Co., Ltd. Corporate Social Responsibility Report 2019

# 2019 China General Technology Corporate Social Responsibility Report

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

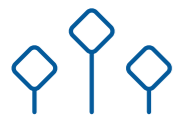
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**Yu Xubo,**  
**Party Leadership Group Secretary**  
**and Chairman of Genertec**

## Message from the Chairman



The year 2019 marked the 70th anniversary of the founding of the People's Republic of China, and it also witnessed the full launch of Genertec's pilot reform as a state-owned capital investment company and the implementation of the corporate development strategy of developing Genertec into a world-class and competitive enterprise with characteristics as an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player. Bearing our mission as a central SOE firmly in mind, we accelerated developing industrial planning with a focus on our main responsibilities and businesses to serve the national strategies. We realized significant breakthroughs in restructuring, beat the budget targets, and delivered the best operational performance in history. We further strengthened the full and strict governance over the Party, and maintained steady business growth, contributing to China's economic and social development. In 2019, Genertec's operating revenue and total profit increased by 7.6% and 9.3% respectively year on year, and was rated A in the SASAC assessment of operational performance for the eleventh consecutive year.

In 2019, we took the initiative to assume our responsibilities as a central SOE and resolutely implemented the important instructions of President Xi Jinping and the decisions of the CPC Central Committee. By serving national strategies as well as the development of industries and the sustainable development of society, we explored effective ways to contribute to the sustainable development of the Chinese economy, environment, and society through corporate development. We made unremitting efforts in building Genertec into a world-class and competitive enterprise with characteristics as an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player and in boosting employee development and community development, and realized new achievements in fulfilling our corporate social responsibility.

**In 2019, we fulfilled our mission and responsibilities, and firmly upheld the banner of revitalizing China's machine tool industry.**

We put the guiding principles of the 19th CPC National Congress into action and earnestly implemented President Xi Jinping's instructions to serve the strategy of building China into a manufacturing power. Accordingly, we decided to prioritize the development of high-end CNC machine tools, and took great strides in developing the machine tool industry and corporate restructuring. We successively restructured Genertec Dalian Machine Tool Co., Ltd. and Shenyang Machine Tool Co., Ltd., two industry leaders, laying a solid foundation for driving the high-quality development of the machine tool industry.

**In 2019, we improved independent innovation to enhance our core competitiveness.**

Focusing on key and core technologies, we continued to increase input into technological innovation, to serve national strategies, industry development, and the Group's transformation. Our breakthroughs in high-end CNC machine tools, new textile materials, inspections and testing, and other fields have injected new momentum into the high-quality development of the Group and contributed to the technological advancement of the industry. As of the end of 2019, we had obtained 1,821 patents, including 730 invention patents, formulated and revised 1,498 national and industry standards, and issued 11 international standards. In addition, we vigorously commercialized major technological achievements and built scientific research facilities. The Lyocell Fiber production line has reached the designed capacity of 30,000 tons a year. We also officially launched the world-leading and China's largest wind tunnel project, and exhibited the world's first open-road 5G remote driving project at the 6th World Internet Conference, greatly boosting the Group's influence within the industry.

**In 2019, we made greater efforts in the pharmaceutical and healthcare sectors and benefited more people with healthy dividends.**

To contribute to the "Healthy China" strategy, we continuously promoted SOEs to undertake basic healthcare and public health services paid by the government through self-operated hospitals, explored innovative development models for the healthcare industry, and improved the healthcare industry chain, and established a sound system of medical services. We worked to improve the comprehensive medical services of hospitals and lead the development of the healthcare industry, in order to benefit more people as a "Healthcare Supplier." As of the end of 2019, we took over and integrated 90 medical pension institutions, with 24,100 beds available, one of China's largest. The Group's status and influence in the pharmaceutical and healthcare sectors were further enhanced. It is worth noting that, since the outbreak of COVID-19 in early 2020, Genertec has pooled the strengths of all to support the healthcare sector and the international effort in containing the pandemic, contributing continuously to winning the fight against the virus.

**In 2019, Genertec expanded international presence and engaged deeply in the implementation of the Belt and Road Initiative.**

We "went global" and advanced international development continuously. In line with the principle of consultation, contribution, and shared benefits, we engaged deeply in the implementation of the Belt and Road Initiative, actively boosted international production capacity cooperation, continued to create greater value through international operations, and shared our fruits of development with partners. The opening of the first modern railway in Sri Lanka within a century and ring expressway in Kazakhstan greatly boosted the local economic and social development and thus was widely praised by the local government and people. In 2019, Genertec was ranked as one of the Top 250 International Contractors by Engineering News Record (ENR) for the eighth consecutive year, realized a 19% year-on-year increase in the revenue of international engineering project contracting and a 46% increase in the amount of newly signed contracts, hitting a record high.

## ■ In 2019, Genertec worked hard on building a green enterprise and promoted its harmonious coexistence with the environment.

In an active response to the central government's strategy on the fight against pollution and to build Genertec into a Green Development Practitioner, we integrated the concept of green development into business operations to facilitate the high-quality and green development of main businesses as well as energy conservation and emission reduction during business activities, and raised public awareness of environmental protection. We took concrete actions to strengthen the symbiosis and mutual development between the Group and the environment, and contribute to the protection of lucid waters and lush mountains. In 2019, the Group's energy consumption stood at 195,000 tons of coal equivalent (TCEs), and reported zero environmental emergencies.

## ■ In 2019, we reinvigorated Genertec with human resources development and built a high-caliber team.

Attaching great importance to the protection of the rights and interests of employees, we provided an equal, healthy, safe, and happy workplace for all employees, and ensured that all employees had access to diversified training and career development opportunities. Through this, employees, committed to growing together with the Group, can give full play to their talents, realize their career goals, and gain a greater sense of happiness. In 2019, the Group recruited 1,300 new employees, increased by 60.69% from the previous year.

## ■ In 2019, Genertec contributed to community development and demonstrated a strong sense of responsibility as a global corporate citizen.

By applying Genertec's professional expertise to solving social problems, we actively explored ways to give back to society in the long run, encouraged employees to participate in public welfare activities, and launched innovative public welfare activities overseas. To respond to the national call for "targeted poverty alleviation" and resolutely implement our poverty alleviation responsibilities as a central SOE, we continued to promote poverty alleviation by developing industries and consumption and benefited more underprivileged people. By March 2020, fixed-point poverty alleviation counties of the Group were all lifted out of poverty.

In 2020, China aims to secure a decisive victory in building a moderately prosperous society in all respects as well as in targeted poverty alleviation. Genertec will thoroughly implement the decisions made by the CPC Central Committee, lead high-quality corporate development in line with the new development concepts, and make solid progress in building Genertec into an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player and becoming a world-class and globally competitive enterprise. As a central SOE, we will continue to play our role of model in fulfilling social responsibility and strive to contribute to the economic, social, and environmentally sustainable development of China.

## About Us



### ◆ Company Profile

China General Technology (Group) Holding Co., Ltd. (Genertec), incorporated in March 1998 in Beijing, is a backbone state-owned enterprise (SOE) directly under the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). Since 2006, Genertec has acquired and restructured five other central SOEs and some local key companies. We implement the parent-subsidary management structure characterized by a small headquarters, a large network, and international operation. At present, Genertec has 23 tier-2 subsidiaries in China, including 4 listed companies, and 85 overseas subsidiaries. In December 2018, Genertec was designated as a pilot company for state-owned capital investment by the SASAC. Genertec has been rated A in the SASAC assessment of operational performance for 11 consecutive years since 2009.

Genertec focuses on the three core businesses of advanced manufacturing and technical services, pharmaceuticals and healthcare, trade & engineering project contracting, or more specifically the eight fields, namely equipment manufacturing, new materials, inspection, testing & certification, pharmaceuticals, medical services, healthcare, engineering project contracting, and trade. Most of the subsidiaries have histories of more than 60 years, with complete qualifications and excellent brand reputation which play a very important role in the relevant industries and segment markets, and have made important contributions to China's economic and social progress for a long time.

Genertec will stick to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era as guiding principle, thoroughly implement the 19th CPC National Congress into action, continue to carry out the new development concepts, and work to contribute to the strategy of building China into a manufacturing power and a healthy China, and the Belt and Road Initiative, promote China's transformation into a trader of quality. We will remain committed to deepening reform, innovation-driven development, economic restructuring and industrial upgrading and strive to build Genertec into a world-class enterprise as an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player.

## ◆ Corporate Philosophy



### Corporate Vision:

Building Genertec into an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player, heading on the road of being a world-class, globally competitive enterprise



### Corporate Mission:

Serve national strategies  
Serve people's well-being  
Serve the all-round development of employees



### Value:

Innovation and progressiveness, harmony and all winners



### Corporate Ethos:

Unite and strive,  
Apply and concentrate,  
Preserve and persist



### Business Philosophy:

Integrity, Pioneering,  
Expertise, Service



### Managerial Philosophy:

Scientific, Standardized,  
Efficient, Practical



In 2019

Total assets:

RMB **197.2 billion**



Operating revenue:

RMB **183.5 billion**



Total profits:

RMB **7.5 billion**



**No. 477**

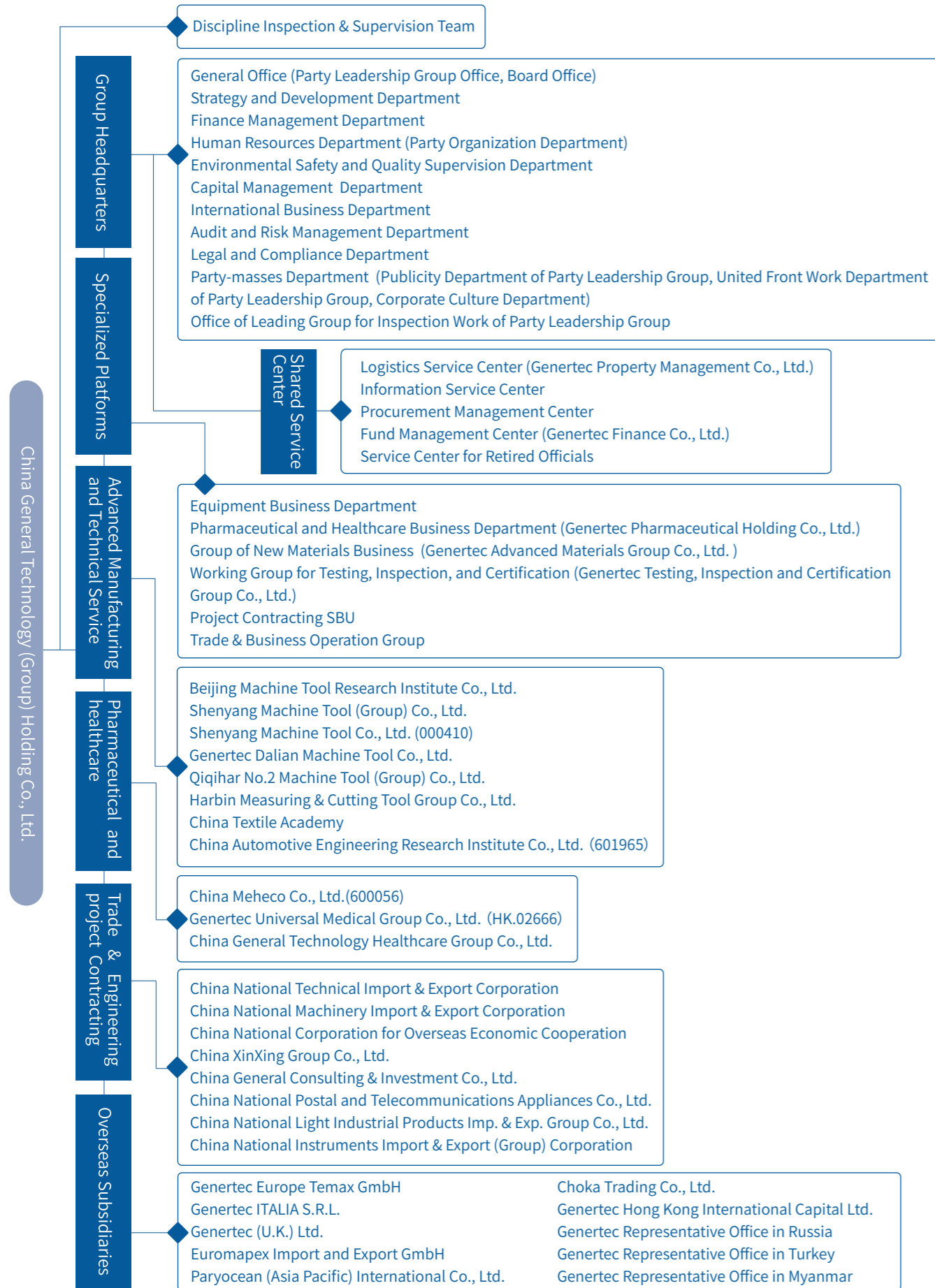
in Fortune Global 500



**No. 120**

in China's top 500 enterprises

## ◆ Organizational Structure



## ◆ Genertec International Organizations in the World



# Corporate Governance



## ◆ Compliance Management

As a wholly state-owned enterprise, Genertec has formulated articles of association, established the board of directors, formulated detailed implementation rules and defined powers, responsibilities and decision-making procedures, in accordance with the requirements of the *Company Law*, other relevant laws, regulations and regulatory documents. In consideration of our own situation, we have continued to promote compliance management at all levels, and stepped up efforts in strengthening the leadership and systematic advance of related work, and fulfill compliance management objectives.

In 2019, Genertec released guidelines for the assessment of the rule of law, kept the account of key tasks, and promoted the realization of the Group's targets in enhancing the rule of law. We also carried out special inspections on tier-2 subsidiaries' legal reviews of rules and regulations, economic contracts, and important decisions, and issued the *Guidelines for the Prevention of Legal Risks*. We investigated overseas legal risks and tracked and guided the handling of legal risks, to better guard against legal risks. We also provided strong legal guarantees for the Group's major investments and M&As and for corporate reform.

In 2019



**15** training sessions on the enhancement of the rule of law



**1,300** participants



Participating in **5** video conferences organized by the SASAC on the rule of law



### Law-based corporate governance

- ◆ Promoting the fulfillment of responsibilities by the first responsible person in the enhancement of the rule of law
- ◆ Improving law-based corporate governance, benchmarking against world-leading enterprises in terms of legal management, and improving the level of informatization and standardization of legal management
- ◆ Stepping up publicity and training efforts in compliance management, carrying out multi-perspective publicity and education on the rule of law and compliance management, and fostering the Group's rule of law culture



### Discipline inspections and rectification

- ◆ Strengthening the supervision over significant cases, deepening discipline inspections and rectification, formulating and releasing the *Measures for Handling Major Legal Disputes*, and sending supervision teams to subsidiaries with large numbers of legal disputes or cases involving large sums of money for ongoing oversight
- ◆ Conducting comprehensive research on legal management in major tier-2 subsidiaries outside Beijing and organizing seminars and lectures to study typical cases

Key tasks of compliance management



Genertec holds the 2019 Rule of Law Work Conference to clarify the division of responsibilities in enhancing the rule of law and strengthening synergies

## ◆ Strategic Management

In 2019, Genertec clarified its strategic direction during the discipline inspections and rectification of the central government. Upholding the positioning and mission of a pilot company for state-owned capital investment and focusing on the three core businesses and eight fields, the Group has continued to concentrate resources and efforts into industries and sectors that are key to national security, economic development, and people's well-being, as well as strategic emerging industries. In this course, we have constantly enhanced our capabilities to serve major national strategies such as the strategy of building China into a manufacturing power and building a healthy China, and the Belt and Road Initiative.

- ◆ In order to strengthen the leading role of strategies, Genertec has formulated the *Outline of the Plan for Long- and Medium-Term Strategic Development of the Group (2019-2023)*, and actively raised employee awareness of the Plan.
- ◆ Genertec has completed the restructuring of headquarters, issued the *Regulations for the Group's Organizational Structure, Internal Organization and Staffing* after research, and initially established the management system suitable for its positioning as a state-owned capital investment company.
- ◆ Genertec has comprehensively deepened the supply-side structural reform, and further consolidated the foundation for high-quality development. We accomplished the three-year task of reducing management levels and the number of legal persons, and recovered approximately RMB 5.6 billion of capital.
- ◆ Genertec has actively made investment and mergers and acquisitions with a focus on its main responsibility and business, which has further improved the Group's industrial chain layout and business structure, enabling it to bolster areas of weakness and enhance core competitiveness.
- ◆ Genertec has revised the opinions on promoting the high-quality development of the Group, and compiled the *Administrative Measures for Special Awards for High-Quality Development*. We have recognized 111 high-quality development projects, and rewarded organizations, teams and individuals with outstanding contribution to strategy implementation, business development, technological innovation, and management improvement.



## ◆ Risk Management and Internal Control

Genertec has followed Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the CPC Central Committee's instructions on strengthening auditing and forestalling and defusing major risks. While advancing the state-owned capital investment pilot reform, we have earnestly carried out the institutional reform of internal auditing and comprehensively improved risk management. Furthermore, Genertec has promoted oversight through auditing and risk management across the board to support the high-quality development of the Group. In 2019, in the sweeping risk investigation and assessment campaign, we investigated more than 1,000 projects and, for the first time, hired external intermediary agencies to assess the internal control at ten tier-2 subsidiaries.



### Promoting the institutional reform of internal auditing

- ◆ Pressing ahead with the institutional reform of internal auditing to continuously improve the auditing organization and the management mechanism
- ◆ Expanding the breadth and depth of oversight through auditing to make it more problem- and risk-oriented, and improving the system and working mechanism and methods for oversight through internal auditing
- ◆ Promoting rectification based on internal audit results and strengthening the application of audit results
- ◆ Further strengthening internal collaboration to create a powerful synergy for oversight
- ◆ Actively cooperating with external auditing while tightening the handling of problems found through auditing



### Improving risk management comprehensively

- ◆ Improving risk management in a solid way, and optimizing the thorough and effective risk management system
- ◆ Striving to make progress in diffusing existing risks with concentrated efforts
- ◆ Strengthening the governance of risk sources with a focus on preventing new risks
- ◆ Carrying out the evaluation of internal control while strengthening the rectification of defects

Genertec's key measures for oversight through auditing and risk management

## ◆ Party Building

In 2019, the Group continued to follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implemented the guiding principles of meetings convened by the CPC Central Committee. Centering on the Party's political education, we earnestly carried out various Party building tasks to guide us in the pursuit of high-quality development.



### Launching the campaign themed “remaining true to the Party’s original aspiration and keeping its mission firmly in mind”

In accordance with the overall requirements of “remaining true to our original aspiration, shouldering responsibilities, identifying gaps, and strengthening implementation”, we have carried out two rounds of educational activities, completing learning, investigation & research, issue review, and rectification. We conducted special rectifications in eight areas, found 23 problems, and formulated 74 measures and 23 regulations



### Strengthening political supervision and conducting patrol inspections in accordance with high standards

The Group conducted three rounds of inspections on 12 tier-2 units, covering all functional departments of the headquarters (except for the newly established departments after the headquarters' restructuring). At the same time, we have seen progress in the disciplinary inspectors' team building, and organized training programs for the disciplinary inspection cadres. We also guided the inspections conducted by the Party committees of tier-2 subsidiaries, and issued the *Genertec Guidelines on Inspections by Party Committees of Tier-2 Subsidiaries(Trial)*.



### Learning and publicizing the guiding principles of the fourth plenary session of the 19th CPC Central Committee

Focusing on comprehensively enforcing full and strict governance over the Party and running the company by law, Genertec has improved its corporate governance capabilities and promoted the study of corporate reform and development. We invited professors from the Party School of the Central Committee of CPC to give two special lectures to Party members and cadres as well as full-time cadre responsible for Party affairs. In addition, we set up publicity teams to give lectures at special training sessions and to grassroots level Party organizations on the guiding principles of the fourth plenary session of the 19th CPC Central Committee



### Pressing ahead with the rectification of problems found by political inspections conducted by the CPC Central Committee

The Group reviewed the results of rectification and evaluated them one by one and formulated 46 measures for further rectification. Thirteen tier-2 subsidiaries have completed the evaluation of rectification of the problems reported by inspection teams from the CPC Central Committee, and 12 of them have released the self-examination results internally. In addition, the Group has compiled the *Manual for the Second Half the Patrol Inspection*, aiming to better institutionalize and regulate inspection and rectification, and to ensure the rectification is effectively carried out



### Continuously improving the institutions and mechanisms by which the Party exercises leadership

We put institutional construction in a more prominent position in Party building, and keep improving the establishment, modification, and abolition of systems. In addition, we have formulated and revised seven *policies for the Group's Party organizations to implement the Specific Measures for Opinions of the CPC Central Committee on Strengthening the Party's Political Building*, and completed the *Compendium of Policies for the Group's Party Organizations to Regulate Their Performance of Duties*



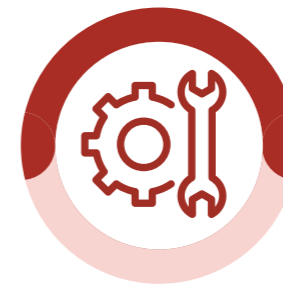
### Adopting the right approach in selecting and appointing officials

We have continued to consolidate the Party's leadership over cadre management and administrative authority over important cadres. We have inspected subsidiaries' selection and appointment of officials. In addition, we have established the integrity record for Party cadres, issued reminders, letter of inquiries and admonitions to those who have committed misconduct, and demanded Party cadres to report on personal affairs. We have promoted the headquarters to define its responsibilities and determine internal organs and staffing quota, and establish mechanisms to provide incentives and allow for and rectify errors



### Consolidating basic-level Party building and enhancing the basic competence of basic-level Party organizations through innovative approaches

We have advanced the development of grassroots level Party organizations and strengthened those which are weak and lax. Meanwhile, by standardizing the development of Party branches, and developing the smart Party building platform of Genertec and the Party building accountability system, we have kept consolidating basic-level Party building and enhancing the basic competence of basic-level Party organizations. Furthermore, we have carried out research on Party building and relevant subjects, and continued to improve our services. We've also selected and commended outstanding members engaging in Party affairs, outstanding Party members and advanced grassroots level Party organizations as role models



### Highlighting ideological education and publicity

In order to raise awareness of the thematic education campaign, we have launched a column dedicated to “remaining true to the Party's original aspiration and keeping its mission firmly in mind”, and released 306 related reports and 25 special briefings. We have thoroughly studied and implemented the *Regulation on Publicity Work of the Communist Party of China*, stepped up to publicize major business and management activities, and organized the “8+1” campaign to celebrate the 70th anniversary of the founding of the PRC



### Working ceaselessly to improve Party conduct and enforce Party discipline

Genertec has continued to implement the CPC Central Committee's eight-point decision on improving Party and government conduct. The Discipline Inspection & Supervision Team has kept an eye on national festivals and holidays, and given priority to handling clues to violations of the eight-point decision. Prior to such festivals and holidays as the New Year's Day, the Spring Festival, the International Workers' Day, the Dragon Boat Festival, the Mid-Autumn Festival, and the National Day holiday, the team issues notices on implementing the eight-point decision and addressing the practice of formalism, bureaucratism, hedonism, and extravagance. In addition, they thoroughly investigate disguised practices of formalism, bureaucratism, hedonism, and extravagance, and take targeted measures to supervise, enforce discipline and hold responsible person accountable

The campaign under the theme of “remaining true to the Party's original aspiration and keeping its mission firmly in mind” has involved more than **18,000** Party members, over **1,100** grassroots level Party organizations

The Group earned **high praises** from the NO.31 guidance group and the No.13 inspection and supervision team from the Party Central Committee for its organization of two rounds of educational campaign under the theme of “remaining true to the Party's original aspiration and keeping its mission firmly in mind”



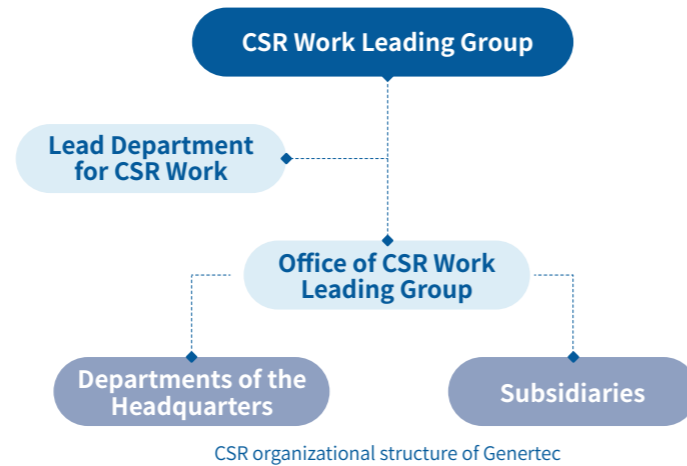
# CSR Management



To fulfill social responsibility is not only our obligation, but also the way to realize enterprise value and sustainable development. Genertec integrates CSR into corporate strategy development, management and operation, constantly strengthens CSR management and improves our CSR ability. Meanwhile, a variety of communication mechanisms and channels are established for better understanding the needs and feedback of stakeholders, as well as communication with all stakeholders about our business operations, thus facilitating the continuous improvement of our CSR management.

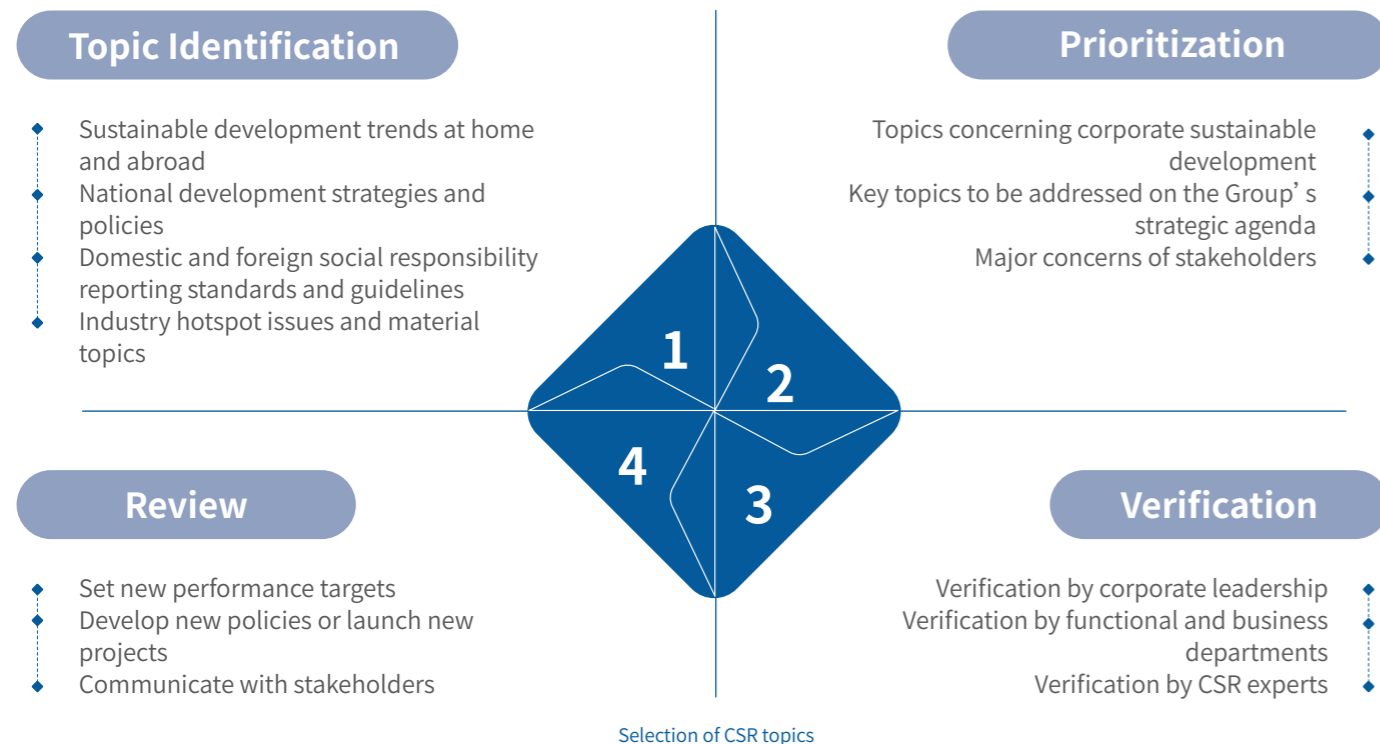
## CSR Integration

We keep improving our CSR organization system and advance CSR work in a planned and step-by-step manner. Under the leadership of the Group's CSR Work Leading Group, members of the CSR Work Leading Group composed of heads of functional departments cooperate closely to integrate the CSR concept and requirements into corporate culture, development strategy and business operations, so as to promote the effectiveness of CSR work.

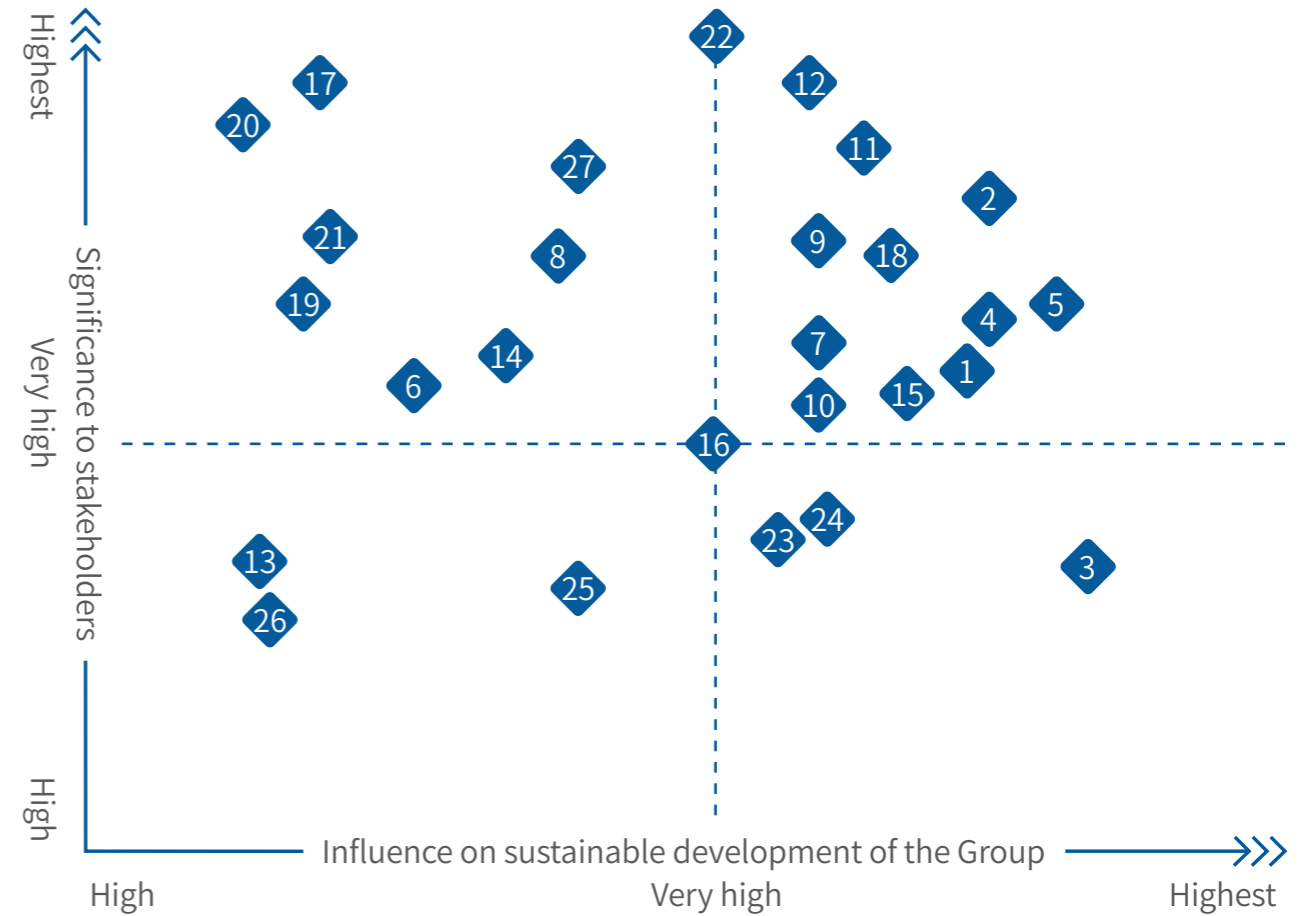


## Identification of Material Topics

Based on the analysis of national macro policies, CSR standards at home and abroad, as well as the development strategy and actual operation situation of Genertec, we identify and select the material topics concerned by the Group and stakeholders, and then draw a materiality matrix to promote the CSR work pertinently.



## Matrix Analysis




1 Compliance	8 Paying attention to occupational health	15 Caring for employees	22 Promoting health and well-being
2 Anti-corruption	9 Supply chain management	16 Helping employees grow	23 Environmental management
3 Deepening reform	10 Carrying out strategic cooperation	17 Emergency response	24 Green operation
4 Technological innovation	11 Green products and services	18 Targeted poverty alleviation	25 Green office
5 International operation	12 Energy conservation and emission reduction	19 Promoting community development	26 Environmental protection-oriented charity
6 Product safety	13 Biodiversity conservation	20 Charity and public welfare	27 Promoting industry development
7 Customer service	14 Protecting employees' rights and interests	21 Volunteer service	

Material topics

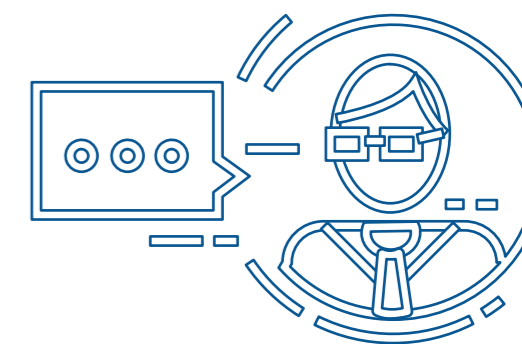
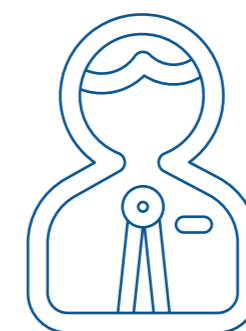
## ◆ Stakeholder Communication

The stakeholder engagement and communication underpins the sustainable development of Genertec. Supported by diversified communication mechanisms and channels, we can better understand the needs and feedback of stakeholders, and communicate our development and operation with all parties, so as to keep improving our CSR management.



Stakeholders	Expectations and demands	Communication channels and methods	Responses
 The Government	<ul style="list-style-type: none"> <li>· Compliance of law</li> <li>· Paying taxes according to law</li> <li>· Serving national strategies</li> <li>· Supporting local development</li> </ul>	<ul style="list-style-type: none"> <li>· High-level meetings</li> <li>· Communication meetings</li> <li>· Briefings</li> <li>· Attending conferences</li> <li>· Accepting supervision, reviews and inspections</li> </ul>	<ul style="list-style-type: none"> <li>· Strengthening compliance management</li> <li>· Paying taxes initiatively</li> <li>· Implementing national policies and accepting supervision and reviews</li> <li>· Driving local development</li> </ul>
 Shareholders	<ul style="list-style-type: none"> <li>· Ensuring smooth communication</li> <li>· Ensuring stable operations and sustainable development</li> <li>· Improving corporate performance</li> </ul>	<ul style="list-style-type: none"> <li>· Annual report and disclosure of non-financial information</li> <li>· Annual general meetings and board meetings</li> <li>· Work summary and performance reporting</li> </ul>	<ul style="list-style-type: none"> <li>· Improving corporate governance</li> <li>· Continuing business and profitability growth</li> <li>· Timely and comprehensive information disclosure</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>· Providing quality products and services</li> <li>· Technical support</li> </ul>	<ul style="list-style-type: none"> <li>· Customer visits</li> <li>· Frequent communication through email and phone</li> <li>· Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>· Establishing an all-around quality management and control system</li> <li>· Creating new service forms and content</li> <li>· Participating in the national Quality Month campaign</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>· Keeping promises</li> <li>· Open procurement</li> <li>· Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>· Disclosure of bidding and tendering information</li> <li>· Strategic and project cooperation</li> <li>· High-level mutual visits</li> </ul>	<ul style="list-style-type: none"> <li>· Fair and local procurement</li> <li>· Supply chain management</li> </ul>
 The Environment	<ul style="list-style-type: none"> <li>· Energy conservation, emission reduction</li> <li>· Resource conservation</li> <li>· Response to climate change</li> <li>· Ecological conservation</li> </ul>	<ul style="list-style-type: none"> <li>· Disclosure of environmental information</li> </ul>	<ul style="list-style-type: none"> <li>· Green office and energy conservation awareness week</li> <li>· Public welfare activities for environmental protection</li> </ul>

Stakeholders	Expectations and demands	Communication channels and methods	Responses
 Employees	<ul style="list-style-type: none"> <li>· Protecting employees' legitimate rights and interests</li> <li>· Understanding operating conditions of Genertec</li> <li>· Creating a healthy and safe work environment</li> <li>· Fair promotion and development opportunities</li> <li>· Fostering the sense of belonging and achievement</li> </ul>	<ul style="list-style-type: none"> <li>· Internal emails and journals</li> <li>· Employees congress</li> <li>· Meetings of criticism and self-criticism</li> <li>· Workplace Safety Month</li> <li>· Employee care activities</li> </ul>	<ul style="list-style-type: none"> <li>· Protecting employees' legitimate rights and interests</li> <li>· Establishing diverse employee communication channels</li> <li>· Organizing job training programs and providing unimpeded channels for promotion</li> <li>· Setting up a comprehensive occupational health management system</li> <li>· Organizing colorful employee activities</li> </ul>
 Industry organizations	<ul style="list-style-type: none"> <li>· Promoting industry development</li> </ul>	<ul style="list-style-type: none"> <li>· Participating in seminars and exhibitions</li> <li>· Joining industry associations and standard organizations</li> </ul>	<ul style="list-style-type: none"> <li>· Participating in discussions about and formulation of standards</li> <li>· Promoting industry exchanges and cooperation</li> </ul>
 Communities	<ul style="list-style-type: none"> <li>· Development of public services and facilities</li> <li>· Communication and exchanges with communities</li> <li>· Assisting the poor and the needy</li> <li>· Improving employment</li> </ul>	<ul style="list-style-type: none"> <li>· Community education and publicity</li> <li>· Community communication meeting</li> </ul>	<ul style="list-style-type: none"> <li>· Active participation in community development</li> <li>· Volunteer and public welfare activities</li> <li>· Local recruitment</li> </ul>
 Media	<ul style="list-style-type: none"> <li>· Understanding the long-term development strategy and plan of the Group</li> <li>· Access to CSR information</li> </ul>	<ul style="list-style-type: none"> <li>· Interviews</li> <li>· Using social media to strengthen interaction with the general public</li> </ul>	<ul style="list-style-type: none"> <li>· Accepting media interviews</li> <li>· Information disclosure</li> </ul>



## Fighting the COVID-19 with All-out Efforts by Giving Full Play to the Group's Advantages in Core Businesses

Since the outbreak of COVID-19 at the beginning of 2020, Genertec has proactively responded to the call of the CPC Central Committee. By giving full play to the Group's advantages in core businesses and pooling across-the-board strengths, we took multiple measures to guarantee people's access to medical services, supported the production and procurement of pharmaceutical products, and ensured medical supplies. Putting the people's health first, we devoted great efforts to pandemic containment, showing our strong sense of responsibility as a central SOE.

### ◆ Undertaking the Responsibility as a Central SOE in Pandemic Prevention and Control

After the outbreak of the pandemic, Genertec paid close attention to it and responded promptly. We established the pandemic prevention and control leading group in the first place to thoroughly implement the decisions and arrangements of the CPC Central Committee, contributing substantially to the victory of the battle against the pandemic. As of June 23, 2020, the Group had held 19 Party Leadership meetings, 4 pandemic prevention and control leading group meetings, in addition to 46 special meetings, scheduling meetings, and video meetings on the inspections of overseas projects. Besides, members of the Party Leadership Group made 35 inspection and fact-finding trips to the first line to ensure the pandemic prevention and control efforts truly delivered.

Genertec also promptly set up a special fund of RMB 1 billion for worldwide procurement of personal protection equipment, medical apparatus, as well as supporting subsidiaries to produce medical raw materials and protective products. In addition, Genertec, along with ten of its subsidiaries, jointly donated RMB 30 million in cash and needed medical supplies to the front line of pandemic containment in the name of SASAC. As of September 2020, subsidiaries of Genertec had successively donated RMB 17.099 million in cash and medical supplies at home and abroad to provide the strongest support for pandemic control, effectively demonstrating the Group's strong sense of responsibility as a central SOE. Members of Party Leadership Group took the lead to make donations, actively followed by other Party members to support the fight against the pandemic. As of March 4, 2020, more than 15,000 Party members of the Group had donated more than RMB 2.12 million in cash.



Set up a special fund of RMB **1** billion



Jointly donated RMB **47.099** million in cash and needed medical supplies

### Providing medical services at the front line

Genertec always puts the people's safety and health in the first place, and our medical staff voluntarily gave up their Spring Festival holiday and rushed to the front line. Genertec Universal Medical Group Co., Ltd. (Genertec Universal Medical) and China General Technology Healthcare Group Co., Ltd (Genertec Healthcare) assigned a total of 131 medical workers to hard-hit areas in Hubei to fight the pandemic. A total of 34 hospitals under Genertec were designated for the treatment of COVID-19, which admitted more than 20,000 patients with fever and 395 suspected cases.

Hospitals at all levels under the Group were fully committed to pandemic prevention and control by formulating effective contingency plans for pandemic prevention and control, renovating wards, and launching online medical consultation services. They also played a vital role in treating patients and isolating suspected cases. Among them, Harbin 242 Hospital formulated a contingency plan for pandemic prevention and control immediately; the medical staff of Shengfeng Road district of Xiangyang Hospital gave up their vacation for the treatment of patients; Chengfei Hospital renovated wards of the rehabilitation medicine department for the isolation and observation of patients; a total of 14 hospitals, including Yantai Haigang Hospital and Xianyang Caihong Hospital, launched online medical consultation services; and at hospitals affiliated to Harbin Measuring & Cutting Tool Group Co., Ltd., pre-examination and triage staff worked in shifts 24 hours a day.



Medical aid workers from Genertec Universal Medical at the Ninth Hospital of Wuhan



The medical aid team from Harbin 242 Hospital in Hubei

### ◆ Accelerating the Production and Supply of Medical Materials

Since the outbreak of the COVID-19 pandemic, medical protective suits have seen soaring demand and become urgently needed on the anti-coronavirus frontline. In response, China Textile Academy established the emergency working group to do whatever it can to meet the frontline demand for medical protective materials and products. China Textile Academy and its subsidiaries, Beijing Chonglee Machinery Engineering Co., Ltd. and CTA Hi-tech Textiles Co., Ltd., and four other units were named by the Ministry of Industry and Information Technology among the first batch of key enterprises for supporting the prevention and control of COVID-19.

#### R&D of mask machines and protective suit plodders

- ◆ Genertec completed the first protective suit plodder in nine days, and has manufactured 74 units by now
- ◆ It took Genertec 18 days to make the fully automatic flat mask machine, and has produced 64 of which have been produced and 10 N95 face mask machines have also been produced so far
- ◆ Genertec undertook the R&D of key equipment for producing



#### Production of fabrics for making disposable medical protective suits

- ◆ Since January 29, related subsidiaries of Genertec have been working at full capacity to produce fabrics for making medical protective suits. As of the end of May, they had produced more than 3.36 million meters of fabrics in total, which can be used to make 1.12 million protective suits



#### Integrating resources of the protective suits and isolation clothing industry chains

- ◆ We increase overall production capacity and supply by giving full play to our advantageous technologies and coordinating resources. We have produced more than 10 million meters of up-to-standard protective suit fabrics which are used to make more than 3 million protective and isolation suits

Ensuring the production and supply of medical protective equipment

Since January 25, 2020, Chinatesta Textile Testing & Certification Services Co., Ltd., affiliated to China Textile Academy has been committed to the research of quality standards for and testing of medical protective equipment. China Textile Academy Green Fibre Co., Ltd. bridged the two industry chains making NWCELL™ fiber disinfectant wipes containing 75% medical alcohol. Meanwhile, to support Beijing's anti-pandemic efforts, the Group undertook the task of R&D of reusable protective equipment and the construction of the medical disinfectant supply center of Xiaotangshan Hospital.



The production workshop of CTA Hi-tech Textiles Co., Ltd.



China Textile Academy Green Fibre Co., Ltd. produces medical NWCELL™ fiber 24 hours at full capacity

## ◆ Making Concerted Efforts to Guarantee the Supply of Medical Protective Equipment

As China's main channel for the procurement and reserve of medical protective equipment, Genertec, through global sourcing and supply from subsidiaries, made all-out efforts to ensure the supply of desperately-needed drugs and medical protective equipment at the frontline of pandemic containment.

### Emergency sourcing and transportation of urgently needed medical protective equipment from overseas

To meet the needs of pandemic prevention and control at home, the Group established the overseas sourcing coordination group for anti-pandemic medical supplies. All relevant subsidiaries and overseas institutions, coordinated by the headquarters, leveraged their respective strengths and completed nearly 100 orders for emergency sourcing of medical supplies from overseas. From early February to early March 2020, the Group sourced 260 tons of protective suit fabrics, 3.75 million medical masks, 660,000 medical protective suits, 60,000 pairs of medical goggles, 1.3 million medical gloves, and 2,106 ventilators from overseas.



Anti-pandemic supplies sourced by China National Technical Import & Export Corporation (CNTIC) from overseas are transported to Wuhan by train

### Guaranteeing the production and supply of pharmaceutical products and medical supplies at designated sites

Genertec always puts the people's health first. To protect people's health and safety, we provide services for the production and supply of drugs and medical supplies.

Relying on its national expansive distribution network, China Meheco Co., Ltd. (China Meheco) spent more than RMB 2.1 billion sourcing medical protective equipment, and delivered large quantities of nucleic acid test reagents, ventilators, ECMO machines, and other anti-pandemic supplies to nearly 50 medical institutions, including Huoshenshan Hospital, Leishenshan Hospital, and many temporary treatment centers and quarantine sites. In addition, it actively integrated resources to promote the R&D and production of anti-pandemic drugs, such as remdesivir, chloroquine phosphate, and ribavirin, and undertook the task of importing protective suit fabrics and storing protective suits assigned by the Ministry of Industry and Information Technology.

In addition to China Meheco, other subsidiaries of Genertec also made unremitting efforts to ensure the procurement and transportation of urgently needed medical supplies. A bidding agency affiliated to China General Consulting & Investment Co., Ltd. (Genertec Consulting) successfully provided procurement services for Xiaotangshan Hospital, Ditan Hospital, Youan Hospital, and Beijing Emergency Medical Center; Genertec International Logistics Co., Ltd. (GENTRANS) provided services for 39 transportation projects involving emergency medical supplies across 34 countries; China National Instruments Import & Export Group Corporation (Instrimpex) launched the "green channel" approval mechanism and completed the emergency procurement of CT, MR, and other medical devices and equipment during the pandemic for 11 hospitals, including Wuhan Red Cross Hospital, Peking University Shenzhen Hospital, and Hong'an County People's Hospital in Hubei Province.



GENTRANS transports pandemic containment materials at the front line

### Undertaking the mission at a critical and difficult moment and completing the renovation of medical institutions at great speed

During the Spring Festival holiday, China XinXing Construction & Development Co., Ltd., a subsidiary of China XinXing Group Co., Ltd. (China XinXing Group) and the 5th China Jiangsu Conference for International Technology and Commercialization (CITTC-5) affiliated to China National Postal and Telecommunications Appliances Co., Ltd. (PTAC) completed a seemingly impossible mission. Working around the clock, they managed to renovate fever clinics and build isolation wards at Beijing 301 Hospital and the PLA Navy General Hospital, renovate the virus research center and tuberculosis intensive care unit of the Outpatient Laboratory at the PLA No.309 Hospital, and construct communication facilities at the Centralized Medical Observation Center of Haidian District, providing strong support for the fight against the COVID-19 pandemic.

## ◆ Supporting International Response to COVID-19

Genertec set the overseas pandemic prevention and control team under the leading group for pandemic prevention and control. While protecting our own employees from the virus, we actively participated in international cooperation with the aspiration of building a community with a shared future for mankind and a global community of health for all in mind, contributing our share to overcoming the most serious global crisis faced by human beings since World War II.



China National Machinery Import & Export Corporation (CMC) donates personal protective equipment (PPE) to Bangladesh for COVID-19 fight



As of June 23, 2020



The Group had exported 730 million disposable medical masks, 33.63 million protective suits, 9.18 million pairs of goggles, 38.22 million pairs of protective gloves, 180,000 liters of disinfectant, 2.96 million packs of test reagents, 63,000 forehead thermometers, and 3,272 ventilators

China Meheco won the title of **Advanced Unit in the National Fight Against the Covid-19 Pandemic**

◇ Zhang Weining, Deputy Chief Physician of the Thoracic Surgery Department (Critical Care Medicine Department) of Xian XD Group Hospital under Genertec Universal Medical won the title of **Advanced Individual in the National Fight Against the Covid-19 Pandemic**

◇ Zhuang Xiaoxiong, Chairman of China Textile Academy, won the title of **Advanced Individual in the National Fight Against the COVID-19 Pandemic**



Group photo of role models from Genertec in the National Fight Against the COVID-19 Pandemic

Together with people all over the world, Genertec has been working hard to win the battle against the COVID-19 pandemic as soon as possible. As domestic efforts to fight the pandemic continue to pay off, Genertec will continue to “serve national strategies, ensure people’s well-being, and enhance the overall development of employees.” As we make further progress in building Genertec into an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player, we will continue to make unremitting efforts at the anti-pandemic frontline and stand ready to beat the virus as soon as possible.



## Making Concerted Efforts on Poverty Alleviation and Boosting Rural Revitalization



Following the decisions and arrangements of the CPC Central Committee and the State Council, Genertec has paired up with Wuchuan and Shangdu counties in Inner Mongolia for poverty alleviation. We have established a poverty alleviation and development working group, and formulated administrative measures for poverty alleviation based on local characteristics. With a focus on the development of education and industries, the improvement of living standards, and the boosting of consumption, we have earnestly advanced the implementation of poverty alleviation projects. Through well-targeted efforts, we have helped these two counties get rid of poverty and promoted rural revitalization.

In 2019, Genertec invested RMB 29.34 million in poverty alleviation and was rated “good” by the State Council Leading Group Office of Poverty Alleviation and Development. As of the end of 2019, the Group had dispatched eight outstanding cadres to take temporary positions in the above two counties, organized training for 1,403 poverty alleviation cadres, invested RMB 65.7 million, launched 126 poverty alleviation projects, and introduced four anti-poverty enterprises to the local areas.



Invested RMB **65.7** million in poverty alleviation accumulatively as of the end of 2019



Rated **“good”** by the State Council Leading Group Office of Poverty Alleviation and Development in 2019

## ◆ Poverty Alleviation Management

Conscientiously implementing the central government’s decisions and arrangements for targeted poverty alleviation, Genertec has strengthened the top-level design and team building. Through deepened research in and strengthened interaction with Wuchuan and Shangdu counties, we have gained a deep understanding of their actual situation and poverty alleviation needs, pinpointed difficulties and key points in poverty alleviation work, and made targeted efforts to implement poverty alleviation projects.

### Improved top-level design

- ◆ Genertec formulated the Implementation Plan for the *Three-year Action on Winning the Battle Against Poverty*, the *Genertec Administrative Measures for Assistance to Targeted Poor Areas*, and other management measures and plans to clarify the main thinking and key measures in the fight against poverty, regulate poverty alleviation work, and push ahead the orderly operation of poverty alleviation projects

### Enhanced team building

- ◆ Genertec established a leadership group for poverty alleviation and development headed by the Party Leadership Group secretary. Members of the leadership group would visit Wuchuan and Shangdu counties every year to coordinate internal and external resources to tackle difficulties and problems in poverty alleviation work and facilitate targeted poverty alleviation
- ◆ Genertec formulated the *Genertec Administrative Measures for Cadres Taking Temporary Positions in Targeted Poor Areas*, and selected and dispatched outstanding employees to the two counties for poverty alleviation and implement poverty alleviation projects
- ◆ Genertec organized Communist Youth League members to participate in the “One Heart, One Dream” poverty alleviation campaign to contribute to the fight against poverty

Administrative measures for poverty alleviation

Then Chairman Xu Xianping inspects poverty alleviation work in a targeted poor area



General Manager Lu Yimin inspects poverty alleviation work in a targeted poor area



Genertec holds a meeting to advance assistance for targeted poor areas



The "One Heart, One Dream" poverty alleviation team organized by Genertec's Communist Youth League Committee visits a targeted poor area

## ◆ Poverty Alleviation through Improved Education

According to the actual situation of Wuchuan and Shangdu counties, Genertec has paid particular attention to helping people increase confidence in their own ability to lift themselves out of poverty and see that they can access the education they need to do so. To this end, we have formed a comprehensive model by improving hardware facilities of schools, strengthening teaching teams, setting up educational funds, and jointly running schools, to help them improve education, and deliver higher-quality and sustainable poverty alleviation.



RMB **28.98** million  
invested in poverty alleviation  
through improved education  
accumulatively by the end of 2019

## Helping poor counties build schools to improve primary education

In order to alleviate the shortage of primary education resources for left-behind children in Shangdu County, Genertec invested RMB 13.65 million in installments to build the Genertec Primary School. In 2019, the Group invested another RMB 8 million to build the Genertec Kindergarten in the county. As of the end of 2019, the Genertec Primary School and Genertec Kindergarten had recruited 774 students in total, among whom 74 were from registered poor households. Genertec's primary school and kindergarten have played an important role in providing rural left-behind children living in the urban-rural fringe of Shangdu County access to primary education, and they have been highly praised by the local government and residents alike and become name cards for local education.



Shangdu County Genertec Primary School, Inner Mongolia

## Introducing volunteer teachers to maintain a stable teaching team

In response to the structural shortage of full-time teachers across schools in Shangdu County, Genertec provided strong support for its cultivation of rural teachers. We founded the Genertec Education Development Fund in 2017 to reward outstanding full-time teachers who have been dedicated to their teaching career for long and excellent students. By introducing the "Go West" University Student Volunteer Service Program to Shangdu County, we have injected more vitality in and brought warmth to local schools and solved the structural shortage of local teachers. In 2018, our "Go West" University Student Volunteer Service Program team was awarded the "Model Unit in Poverty Alleviation in Shangdu."

## Promoting joint running of schools to provide vocational training

To solve the problem that the outdated setting of majors at Shangdu County Vocational and Technical School failed to meet the requirements put forward by economic development on blue-collar workers, Genertec actively promoted its subsidiary Beijing Machine Tool Research Institute Co., Ltd., to work with the school to open practical CNC-machine-tool majors. The Group appropriated RMB 500,000 for training teachers for the school to help cultivate technicians and lay a solid foundation for strengthened employability of local students from poor families. As of the end of 2019, the CNC-machine-tool program had recruited 33 students.

## Creating more employment opportunities for local students through exports of labor services

Genertec is committed to motivating and guiding students from poor families to change their lives through hard work. We have introduced the "Start Program" of the China Association of Poverty Alleviation and Development and recommended programs of exports of labor services to poor counties based on our business resources. In this way, we can help students from registered poor households seek opportunities overseas, thereby opening up their employment channels. As of the end of 2019, the Group had launched the "Technical Internships in Japan" labor service export program, which was signed up for by 62 students from poor families. One student among them has gone to Japan to engage in the nursing sector and seven students are still being trained.

## ◆ Poverty Alleviation through the Development of Industries

Based on the development reality of Wuchuan and Shangdu counties, our own strengths, and local characteristics, we have boosted the development of local industries to strengthen their ability of “blood generation.” We have adopted the targeted poverty alleviation model of “income + dividends + physical work,” to build long-term sustainable industries with distinct local characteristics, boost endogenous power that drives development, and ensure high-quality and stable poverty alleviation.

RMB **11.6** million  
invested alleviation  
through the development of  
industries accumulatively  
by the end of 2019



### Supporting the development of industries in Wuchuan County

Taking into account the rich resources of medicinal herbs in Wuchuan County, China Meheco has given full play to its advantages in the market, information, and channels of the natural medicine sector, and guided and supported Wuchuan in developing the Chinese medicinal herb industry and explored new paths for poverty alleviation through the development of industries based on the model of “company + bases (cooperatives) + rural households.” By building Genertec Wuchuan Chinese Medicinal Materials Demonstration Industry Park for Poverty Alleviation, we have vigorously promoted the construction of planting bases of medicinal herbs. We have also organized training on the planting of Chinese medicinal herbs, to improve planting techniques, build up a medicinal herb brand for poverty alleviation, and promote the green development of Wuchuan. We have founded the Inner Mongolia Genertec Traditional Chinese Medicine Co., Ltd. and established medicinal herbs processing bases to increase the processing capacity. Following the model of “company + bases (cooperatives) + rural households,” which emphasizes centralized production, operation, and management, we hope to drive the overall development of the medicinal herb industry in Wuchuan County. In 2019, our medicinal herb projects in Wuchuan employed 235 locals and generated the per capita income of RMB 1,030, covering 13 registered poor households and 18 households enjoying five guarantees.



The safflower planting base within the Genertec Wuchuan Chinese Medicinal Materials Demonstration Industry Park for Poverty Alleviation



Inner Mongolia Genertec Traditional Chinese Medicine Co., Ltd.

## Helping Shangdu County out of poverty through improved employment

In 2019, the Group constructed, put into production, and promoted Genertec Poverty Alleviation Workshops in Shangdu County, which created many employment opportunities for local poor people. After completion, the workshops are owned by the village committee which can collect rents to increase the village income. Working in these workshops allows villagers a stable income to get rid of poverty and the convenience of taking care of their family. In addition, the workshops have also provided a sufficient workforce for enterprises, and contributed to the collective economy. As of the end of 2019, 13 such workshops had been in operation, hiring 130 locals. Besides, the Group invested over RMB 4.3 million to build Genertec Breeding Farms in many villages, which have provided 486 jobs for locals from registered poor households and promoted the development of the collective economy.



Genertec Poverty Alleviation Workshop

The Group also introduced the Datang Converged Call Center project to Shangdu County, which is the first outsourcing platform for big data application services based in a state-designated poor county of Ulan Qab City. The phase-1 project with 530 seats has created employment and startup opportunities for over 400 well-educated graduates returning to Shangdu. In 2019, the Datang Converged Call Center project was recognized by the SASAC as a successful case of “collaboration between central enterprises to fight poverty.”

## ◆ Alleviating Poverty by Improving Living Standards

The Group has attached great importance to living standards in poor areas. We have surveyed and visited poor people in order to gain a better understanding of their actual conditions. Through donations and infrastructure construction, we have helped deal with the urgent problems in poverty-stricken areas, meet people's basic living needs, improve the living environment and the quality of life, and boost rural revitalization.



RMB **25.12** million invested to alleviate poverty by improving living standards accumulatively by the end of 2019



### Compulsory education

- ◆ The Group invested RMB **13.65** million in supporting the construction of Shangdu County Genertec Primary School, which helped alleviate the shortage of basic education resources in Shangdu County and solved the problem of local left-behind children, especially poor students, in getting access to compulsory education



### Basic healthcare

- ◆ The Group donated RMB **1** million to purchase medical insurance for **7,907** people from registered poor households in Wuchuan County to prevent them from falling into poverty again due to diseases



### Housing security

- ◆ The Group invested RMB **7.2** million in building **102** terraced houses for poor families in Wuchuan County
- ◆ The Group invested RMB **5** million in the maintenance and reconstruction of rural old houses in Shangdu County for **2,667** registered poor people

Measures for poverty alleviation by improving living standards



Terraced houses donated by Genertec



A drinking water well donated by Genertec

## ◆ Poverty Alleviation through Boosted Consumption

Genertec has vigorously promoted poverty alleviation by stimulating consumption of products and services from poor areas. We have issued the Notice on Stimulating Consumption of Products and Services from Poor Areas to Win the Battle Against Poverty, and made comprehensive arrangements to expand the sales channel for agricultural products, increase farmers' income, and engage more social forces to participate in poverty alleviation.

We have mobilized the Group's labor unions at all levels to directly purchase agricultural products, and ordered the Genertec Poverty Alleviation Gift Packages from Shangdu and Wuchuan counties on the Group's internal platforms, such as *Gong Hui Bao* and *Jin Sui Mall* to expand sales channels for farmers and bring high-quality agricultural products to our employees. Moreover, we have strengthened cooperation with benlai.com, a well-known fresh food e-commerce website, and the Poverty Alleviation E-Mall of the Agricultural Bank of China to promote online sales of agricultural products from the two counties. In 2019, Genertec purchased RMB 6,777,900 worth of agricultural products from these counties and helped them sell RMB 422,100 more of agricultural products to others.



Poverty alleviation through e-commerce

Genertec's efforts in the development of education and industries, the improvement of living standards and boosting of consumption have played an important role in helping Wuchuan and Shangdu win the fight against poverty. All this has been fully recognized by the local governments and all sectors of society, and commended by the SASAC Office of Poverty Alleviation. As of March 2020, Wuchuan and Shangdu had both been removed from the list of national-level poverty-stricken counties. In the future, the Group will continue to address inadequacies and shore up points of weakness in the two counties, and consolidate the results of poverty alleviation, so as to make greater contributions to rural revitalization and the battle against poverty.





## Promoting Innovation-driven Development and Striving to Become a World-class Enterprise



Genertec continues to pursue innovation-driven development and strengthen core competitiveness. Aligning with national strategies and market demand and focusing on the application of key and core technologies, the Group continues to strengthen independent innovation and strives to break the monopolies of foreign countries. We hope to use fruitful S&T achievements to promote steady corporate operation and the building of China into a manufacturing power.

R&D investment:  
RMB **1.007** billion

Genertec developed more than  
**133** new products, applied for  
**318** patents, and was granted  
**253** ones in 2019

Genertec won **20** ministerial  
and provincial-level S&T progress  
awards



## ◆ Boosting Innovation Capabilities

Genertec makes particular efforts in improving S&T innovation systems and management, continuously increases investments in innovation, and boosts independent innovation, to inject vitality into high-quality corporate development. As of the end of 2019, the Group had 40 R&D institutions at the state, ministerial and provincial-level, seven post-doctoral workstations, and two makerspaces.

- ◆ Genertec revised and implemented across-the-board the *Technological Development (Innovation) Plan* for the *13th Five-year Plan Period*.
- ◆ Genertec drafted the *Administrative Measures for Investments in Science and Technology of the Group* and established a committee of technical experts to conduct research on such topics as “construction of the technological innovation system” and “intellectual property strategy.”
- ◆ Genertec improved the medium- and long-term incentive system for S&T staff



Innovation management



Input in innovation

- ◆ Increasing input of capital in technological innovation
- ◆ Strengthening the capacity building of R&D institutions and bases
- ◆ Cultivating high-quality innovative talents
- ◆ Undertaking key scientific research tasks of strategic importance to the state



Genertec's methods to stimulate innovation



In 2019

S&T investment:

RMB **1.025** billion



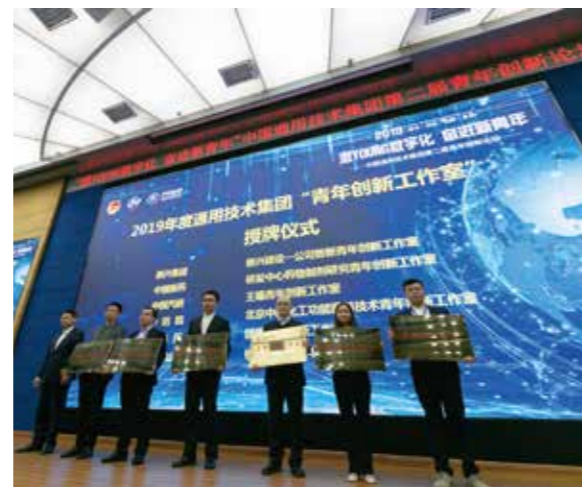
R&D investment:

RMB **1.007** billion

Case

### Genertec holds The 2nd Youth Innovation Forum

In July 2019, Genertec held the 2nd Youth Innovation Forum under the theme of “Striving Youth for Digitalization” and led the establishment of six “Youth Innovation Studios.” The event stimulated employees’ enthusiasm for innovation and provided a platform for young employees to exchange technological innovation achievements, explore innovative solutions, and solve difficulties encountered during the digital transformation, and was thus of great significance for motivating grassroots young staff to innovate and forge ahead.



Case

### Shenyang Machine Tool (Group) creates an innovation platform for model workers

Shenyang Machine Tool (Group) has created an innovation platform for model workers. Currently, the platform has four model worker innovation studios, including one at the state level and three at the provincial level. Focusing on the commercialization of technological innovations, these innovation studios continue to carry out various innovation activities. They make new technological innovations year after year and help mobilize the whole company to innovate.



Case

### Harbin Measuring & Cutting Tool Group Co., Ltd. actively build the technological innovation platform

In August 2019, Harbin Measuring & Cutting Tool Group Co., Ltd. established the R&D design institute. Based on market-oriented operations and focusing on main businesses of the company, the institute has actively undertaken important projects of the government and other companies. In line with the plan for technology upgrade, the institute has leaned the company’s R&D resources toward the R&D and manufacturing of superior, high-end, and forward-looking products. As a platform to promote innovation-driven development and R&D and innovation, the institute marks the company’s new move in the reform for the construction of a technological innovation platform.



Case

### China Textile Academy builds a high-quality scientific research team

To solve the problem of the shortage of high-end talents, China Textile Academy has promoted the building of the S&T talent team in an orderly manner. It takes the twin-track selection and employment approach covering internal training and recruitment from outside, establishes a sound training system for the self-development of scientific researchers, and improves the talent training and selection mechanism. It hopes to build a dynamic S&T talent team featuring a moderate size, outstanding qualities, and a reasonable structure.



## Achieving Innovation Achievements

Dauntless in scientific research and making breakthroughs, Genertec has developed a number of key and generic technologies in the industry. We have made a series of major S&T achievements with independent intellectual property rights and won many important S&T honors.

### S&T achievements

Project name	Significance
<p><b>The 3D-printed Landscape Bridge Project of Shenyang Machine Tool (Group)</b></p> 	<p>The landscape bridge is China's first one-time-forming 3D-printed polymer landscape bridge with the largest span and a multi-dimensional curved surface. The D244 gantry-structured 3D printing machine and its control system used in this project represent the first exploration of Shenyang Machine Tool (Group) in the field of 3D printing. The project has set two world records for the one-time-forming of a 15-meter large-size part and high-precision 3D printing with a 25-meter-long gantry-structured 3D printing machine, respectively.</p>
<p><b>The HMC63h High-speed Horizontal Machining Center Project of Shenyang Machine Tool Co., Ltd. (SMTCL)</b></p> 	<p>The project develops high-end CNC machine tools and main products of basic equipment manufacturing independently, and elevates China to the world advanced level in the field.</p>
<p><b>The Lyocell Fiber Industrialization Project of China Textile Academy</b></p> 	<p>The independent development of the complete set of equipment needed by the project contributes to the sustainable development of the industry and greatly benefits the development of China's textile industry.</p>
<p><b>The Structure and Evaluation of the Warp Knitted Fabric of Polyglycolide and Its Copolymer Project of China Textile Academy</b></p>	<p>The project overcomes the difficulty in producing monofilament knitted fabrics, fills the world's gap in the R&amp;D of fiber for producing warp-knitted supporting nets as a substitute for leather, and is of great significance to promoting the development of the biomedical materials and medical industries in China.</p>

Project name	Significance
<p><b>The Development of High-performance, Thermo-formed Martensitic Steel and Its Application in Automobile Safety Parts Project of China Automotive Engineering Research Institute Co., Ltd. (CAERI)</b></p> 	<p>The project realizes the large-scale application of the complete set of technologies for the development and application of the new-type thermo-formed steel in the automotive industry. This is a significant breakthrough in the thermo-forming sector, and effectively solves the problems of insufficient collision toughness and high hydrogen embrittlement sensitivity of thermo-formed safety parts of automobiles.</p> 
<p><b>The National Hydrogen Power Quality Inspection Center Project of CAERI</b></p> 	<p>The project is of great strategic significance to diversifying the company's testing and evaluation services. It will also strongly support the improvement of the quality of products and technologies related to China's hydrogen power industry chain, accelerate the optimization of China's energy structure and green development, and accelerate the development of new-energy vehicles and ICVs.</p>
<p><b>The Payra Thermal Power Plant Project of CMC</b></p> 	<p>The project team overcame incredible difficulties in the design and construction stages caused by national and geographic factors, gave early warnings on and handled a number of potential risks, and prevented possible major technical problems. They laid the foundation for the safe, reliable and economical operations of the power plant and set a number of records in Payra.</p>
<p><b>THE INSTEC omni-media IP-based 4K broadcast van independently developed by Instrimpex</b></p> 	<p>The broadcast van can transmit multiple video signals simultaneously and guarantee the simultaneous transmission of audio and voice signals. It indicates that the integrated manufacturing INSTEC broadcast vans has ushered in the 4K era.</p> 

In 2019

Genertec developed more than **133** new products

Genertec applied for **318** patents, and was granted **253** ones

Genertec obtained **159** software copyright

Genertec published **262** scientific papers, among which **8** was published by SCI journals, **4** by EI journals

## S&D awards

Sector	Award
High-end CNC machine tools and key functional components	The IEC TS 60204-34:2016: <i>Safety of Machinery - Electrical Equipment of Machines</i> project of Beijing Machine Tool Research Institute Co., Ltd. (BMTRI) won the first prize of China Machinery Industry Science and Technology Award.
	The BMTRI's <i>GB/T 16856-2015: Safety of Machinery - Risk Assessment - Practical Guidance and Examples of Methods</i> project won the second prize of China Machinery Industry Science and Technology Award.
	The BMTRI's <i>GB/T 16755-2015: Safety of Machinery. Rules for Drafting and Presentation of Safety Standards</i> project won the third prize of China Machinery Industry Science and Technology Award.
	The BMTRI's <i>Key Technologies, Standards, and Applications of Open CNC Systems</i> project won the first prize of Liaoning Province Science and Technology Award.
	China National Tool Products Quality Supervision & Test Center under BMTRI won the title of 2018-2019 Advanced Group of Quality Inspection Institutions in the Machinery Industry of China.
	The L30A gear measuring center independently developed by Harbin Measuring & Cutting Tool Group Co., Ltd. was selected as one of the "Outstanding Products of the Machinery Industry in Commemoration of the 40th Anniversary of Reform and Opening-up."
	Harbin Measuring & Cutting Tool Group Co., Ltd. was selected as one of the Most Influential Enterprises in China's Gear Industry and the Most Influential Brands in China's Gear Industry by China General Machine Components Industry Association.
	The TL4S-2500 – MB CNC Multi-station Automatic Stamping Production Line developed by Qiqihar No.2 Machine Tool (Group) Co., Ltd. won the second prize of Heilongjiang Province Science and Technology Award and the third prize of China Machinery Industry Science and Technology Award.
New textile materials	The Technology of Integrated Flexible and Green Manufacturing of High-value Polyester Fiber project of China Textile Academy won the first prize of China National Textile and Apparel Council Scientific and Technological Progress Award.
	Six projects of China Textile Academy, including the Technology Development for the Industrialization of High-quality Polyester Fiber Dyed in Deep-color Dope and Manufactured Directly from Melt Spinning, won the second prizes.
	The Supporting Shaft Component Structure and Bobbin Chuck Shaft Device of Filament Winder invention patent of China Textile Academy won the 21st China Patent Excellence Award.
	The Research and Development of the Complete Set of Technology and Equipment for the Industrialization of Domestically Produced Lyocell Fiber project of China Textile Academy won the title of Top 10 Science and Technology Achievements in the Textile Industry of China.
	The Development and Application of Polyester Staple Fiber Dyed in Deep-Color Fine Denier Dope project of China Textile Academy was named at the Sixth Press Conference on the Top 10 Science and Technology Achievements in the Textile Industry of China.
	The High-performance Polyethylene Colored Fiber Technology Development project of China Textile Academy won the New Technology Award at the Sixth Press Conference on the Top 10 Science and Technology Achievements in the Textile Industry of China.
	The Development and Industrialization of Polyethylene Fiber Products project of China Textile Academy won the Industry Promotion Award at the Sixth Press Conference on the Top 10 Science and Technology Achievements in the Textile Industry of China.

Sector	Award
New textile materials	The Drawing Device and Universal Type Polyester Mother Yarn and Chinlon-6 Mother Yarn Spinning System invention patent of Beijing Chonglee Machinery Engineering Co., Ltd. won the China Textile Industry Patent Excellence Award.
Automobile	The Development of High-performance, Thermo-formed Martensitic Steel and Its Application in Automobile Safety Parts project of CAERI won the first prize of China Automotive Industry Awards for Science and Technology.
	The Development and Industrialization of an Electronic Control System for Natural Gas Vehicles project of CAERI won the first prize of Chongqing Scientific and Technological Progress Award.
Pharmaceuticals and healthcare	The Research on Key Technologies of Vehicle-level EMC Performance Analysis and Prediction project of CAERI won the second prize of Chongqing Scientific and Technological Progress Award.
	The Development and Application of the Method for Reducing Impurities of Spiramycin by Recrystallization project of China Meheco won the third prize of Henan Province Scientific and Technological Progress Award.
Project construction	The Project on Process Optimization of Human Fibrinogen of China Meheco won the bronze prize of the 31st Shanghai Outstanding Invention Awards.
	The project of Comprehensive Construction Technology for Supporting Deep Foundation Pits and Controlling Groundwater under Complicated Geological Conditions undertaken by China XinXing Construction Engineering won the second prize of 2019 Engineering Construction Science and Technology Award.



中国机械工业科学技术奖 证书

中国机械工业科学技术奖 证书

中国机械工业科学技术奖 证书

Won **20** ministerial and provincial-level S&T progress awards in 2019

increased by **11%** year on year



## Pursuing Green Development and Protecting Our Beautiful Homeland

We earnestly implement the strategic deployments made by the CPC Central Committee to win the battle against pollution and relevant requirements of the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). In light of our actual situation, we effectively integrate the concept of green development into business operations and vigorously promote energy conservation and emission reduction, and environmental protection, in an attempt to build Genertec into a Green Development Practitioner and build a beautiful China.



Total investment in environmental protection:  
RMB **200** million

Number of environmental emergencies:  
**0**

Total energy consumption:  
**195,000** TCEs

## ◆ Improving Environmental Management

Adhering to green development, Genertec continues to improve the environmental management system to regulate corporate behavior. We value training on and investment in environmental protection and take concrete actions to shoulder our responsibilities for building a beautiful China. In 2019, our key subsidiaries actively advanced the implementation of energy conservation and environmental protection projects, and continued to add their investment.

In 2019



RMB **200** million Total investment  
in environmental protection  
**343%** year-on-year increase

### Improving the accountability system for workplace safety, environmental protection, and quality work

- ◆ Setting up the head office for workplace safety, environmental protection, and quality supervision work with strengthened supervision and management functions
- ◆ Restructuring leading organizations of energy conservation and environmental protection, and clarifying their responsibilities and related systems
- ◆ Signing the letter of commitment on workplace safety and environmental protection targets with tier-2 subsidiaries
- ◆ Making fact-finding trips on workplace safety, environmental protection, and quality supervision to Genertec Universal Medical and China Meheco

### Strengthen the management of the simultaneous design, construction, and launch of energy-saving and environmental protection facilities

- ◆ Conducting inspections on the workplace safety and environmental protection work at China Meheco Topfond Pharma Co., Ltd. and China XinXing Zhongyuan Construction Engineering Co., Ltd.
- ◆ Strengthening the tracking and inspections of the simultaneous design, construction, and launch of energy-saving and environmental protection facilities for newly constructed projects in key organizations, and conducting on-site inspections of the fulfillment of pollution prevention and control responsibilities and increased valid investments in energy conservation and emission reduction
- ◆ Urging subsidiaries to enhance the management of the simultaneous design, construction, and launch of energy-saving and environmental protection facilities for newly constructed projects by requiring them to make quarterly reports



#### Checking for pollution sources and points of risk

- ◆ Urging key enterprises to strengthen the investigation of pollution sources and points of risk
- ◆ Urging related organizations to earnestly fight air pollution in the Beijing-Tianjin-Hebei cluster and to eliminate the use of coal and reduce nitrogen emission in Beijing
- ◆ Urging related organizations to further implement ISO 14000 environmental management standards, set sound targets and indicators of environmental management, identify polluting factors in production and operation, and effectively make rectifications

Genertec's priority tasks for environmental protection in 2019



#### Carrying out publicity and education activities on energy conservation and environmental protection

- ◆ Formulating supervision and administrative measures for energy conservation and environmental protection work, and improving the Group's energy conservation and environmental protection assessment, reward, and punishment policies
- ◆ Offering feedback on the *Administrative Measures for the Supervision and Administration of Energy Conservation and Environment Protection of Central SOEs (Draft for Comments)*
- ◆ Tier-2 subsidiaries, including Genertec Universal Medical formulate administrative measures for environmental protection supervision
- ◆ Organizing the 2019 Energy Conservation Week campaign

## ◆ Practicing of Green Development

By actively applying new concepts, new technologies, and new models and fully tapping our own energy-saving potential, we strive to ensure continuous green development. In 2019, we reported zero environmental emergencies.



Environmental emergencies:

0

### Implementing green operation

Genertec attaches great importance to eco-friendly and low-carbon construction and production. We strive to minimize our environmental impact by reducing noise and dust, saving water resources, and disposing construction waste properly.



China XinXing Construction & Development's practices of green operation



The greening of CMC's Madhumati 100 MW HFO Based Power Plant Project, Bangladesh

Subsidiary	Practices of green operation
China Meheco	<ul style="list-style-type: none"> <li>◆ Its pharmaceutical subsidiaries worked hard on investigating the discharge of slag, waste water, sludge, COD, SO<sub>2</sub> and other pollutants generated during the production of drugs.</li> <li>◆ China Meheco Topfond Pharma Co., Ltd. conducted an overhaul of the workshop techniques for recycling butyl acetate and resin adsorption, and facilities for drying medicine residue, and applied the patented high-energy oxidation technology to improve the biodegradability of wastewater polluted by antibiotics.</li> </ul>
China XinXing Group	<ul style="list-style-type: none"> <li>◆ China XinXing Construction &amp; Development raised RMB 7.7 million independently for R&amp;D projects, including the research on the design of ultra-low-energy buildings in Beijing, research on prefabricated buildings + BIM, research on the maintenance water circulation technology in the standard maintenance room, and research on the technology for targeted control of construction waste.</li> </ul>
Chinalight	<ul style="list-style-type: none"> <li>◆ Its cigarette packaging subsidiary has replaced outdated parts and components of the old production line with low-energy and high-efficiency alternatives, and renovated the rear power system to reduce energy consumption. The production department scheduled the production based on orders and contracts signed to improve energy efficiency.</li> </ul>
Shenyang Machine Tool (Group)	<ul style="list-style-type: none"> <li>◆ It is committed to building a green culture featuring green factories, green products, and green channels. It practices green operation across the board and in a systematic way covering product design, material selection, determination of the structures and functions, manufacturing, packaging, transporting, product use, waste disposal, etc.</li> </ul>
Qiqihar No.2 Machine Tool (Group) Co., Ltd.	<ul style="list-style-type: none"> <li>◆ It demonstrated techniques for the treatment of liquid and gaseous waste generated in the electroplating process, and cooperated with local government authorities to assess and detect the risks of heavy metal pollution to the soil of areas around the factory, thus strengthening the management and control of soil pollution risks.</li> </ul>
Harbin Measuring & Cutting Tool Group Co., Ltd.	<ul style="list-style-type: none"> <li>◆ The company conducted proper management of liquid, gaseous, and solid waste as well as noise pollution, reduced adverse environmental impacts of the production process, and promoted circular development.</li> </ul>

Subsidiary	Practices of green operation
CAERI	<ul style="list-style-type: none"> <li>The company investigated and recorded sources of environmental pollution, formulated and implemented the daily, weekly, and monthly patrol inspection mechanisms for the discharge of pollutants, strengthened pollutant management, improved the operation and maintenance of waste treatment facilities, and ensured compliant discharge of pollutants.</li> </ul>
CMC	<ul style="list-style-type: none"> <li>CMC's Madhumati 100 MW HFO Based Power Plant Project in Bangladesh is designed with an oil-water separation system and a domestic sewage treatment system, and has renovated the contaminated-oil basin to prevent the surrounding environment from pollution during the operation of the generating units.</li> </ul>
CNTIC	<ul style="list-style-type: none"> <li>The realization of photovoltaic power plants of polycrystalline silicon with a total capacity of 25MW in Algeria by CNTIC formulated special ecological and environmental protection measures. Since the project was completed, it has effectively reduced CO<sub>2</sub> emissions of nearby diesel power plants and improved local ecological environment.</li> </ul>



Construction of Ghorasal 300-450 MW Gas Based combined Cycle Power Plant Project by CNTIC

## Expanding green businesses

Genertec actively adopts new technologies, processes, and equipment to expand eco-friendly and green businesses, with equal attention to green development and operation.

Case

### The green mine construction implementation plans compiled by Generdesign a subsidiary of CMC, passed the review

On January 27, 2019, two green mine construction implementation plans were compiled by General Technology Group Engineering Design Co., Ltd. (Generdesign), a subsidiary of CMC, one for Shandong Tangkou Coal Industry Co., Ltd. and one for Daizhuang Coal Mine of Zibo Coal Industry Co., Ltd. Both plans were qualified for expert review, which laid a solid foundation and provided a reference for green mines construction.



Case

### Kaposvár 100 MW Solar Park Project in Hungary

On June 17, 2019, Kaposvár 100 MW Solar Park Project in Hungary officially broke ground. It is a crucial project for China and Hungary to strengthen exchanges and cooperation in ecological and environmental protection and green development. Once completed and connected to the grid, it can generate 130 million kWh of electricity per year, save 45,000 tons of standard coal equivalent, reduce 120,000 tons of CO<sub>2</sub> emissions, and significantly enhance clean energy in Hungary, even Central and Eastern Europe. The project is also a signature green project launched by a Chinese company for the "green city" of Kaposvár.



Case

### Genertec Consulting provides consulting services related to environmental protection

As a consulting and investment platform for environmental protection-related projects, Genertec Consulting provided consulting services for 24 projects in 2019, including the market analysis of China's water environment and the pilot project for the integrated governance of environmental issues, including the sewage, waste, and toilets issues in Baiyangdian, Xiongan New Area. The company has accumulatively provided agent services for the bidding of 157 projects relating to energy conservation and environmental protection, with a combined investment of RMB 2.509 billion, thus supporting energy conservation, emission reduction, and environmental protection in project areas.

Case

### SMTCL uses idle resources to develop green businesses

Adhering to the concept of green development, SMTCL introduces external investors to construct and operate solar power systems on its idle roofs, thus vigorously promoting the harmonious coexistence and development of man and nature. The rooftop solar system project was officially put into operation and connected to the grid in 2019. It supplies power to the CNC Industrial Park of the company at a preferential rate and sends surplus electricity to the State Grid which will automatically make up for the gap in power supply.



Case

### China Textile Academy contributes to energy conservation and environmental protection in the textile industry

As a comprehensive research institute in the textile industry, China Textile Academy focuses its environmental work on the research of generic technologies for energy conservation and environmental protection, and contributes to the improvement of such technologies in the textile industry.

#### R&D Center

- ◆ The Technology of Integrated Flexible and Green Manufacturing of High-value Polyester Fiber project: The complete set of technology for the industrialization of continuous polymerization spinning that supports green polyester fiber processing is energy-, water- and material-saving, and thus saves cost, improves the quality and production efficiency of green products, and generates less waste. In 2019, the project won the first prize of Scientific and Technological Progress Award from China National Textile and Apparel Council.

#### Zhejiang Branch

- ◆ The natural plants dyeing project: The project develops the natural plants dyeing process for green fiber products, to prevent serious pollution of chemical dyes, reduce the toxicity of dyeing wastewater, and lower the burden of sewage treatment.

#### Kaitai Environmental Protection Co., Ltd

- ◆ The acetaldehyde recycling project: The project successively solves the problem of the shortage of steam supply and eliminates obstacles hindering ethylene recycling. In 2019, it recycled 1,470 tons of organic matter, providing energy-saving and eco-friendly technology for polyester companies and increasing economic benefits.

### Promoting energy conservation and emission reduction

Genertec vigorously promotes energy conservation, emission reduction and pollution control, thereby improving energy efficiency. We have seen further progress in comprehensive energy consumption per RMB 10,000 of revenue, COD emissions, and other key environmental indicators. Our key subsidiaries have successfully reached related indicators in energy-saving and emission-reduction performance assessments. Qiqihar No.2 Machine Tool (Group) Co., Ltd. and other machinery manufacturing enterprises have demonstrated methods for the treatment of waste gas and wastewater generated in the electroplating process, and actively cooperated with local government authorities in assessing the risks of heavy metal pollution in the soil of areas surrounding the factories. Besides, in overseas engineering projects, we strictly abide by local policies on environmental protection, energy conservation, and emission reduction for all different stages from design to construction, effectively protecting the ecological environment of the project areas.

#### Genertec energy saving and emission reduction in 2019

Indicators	2019	Unit
Total energy consumption	19.50	10,000 tce

Indicators	2019	Unit
Comprehensive energy consumption per RMB 10,000 revenue	0.1647	tce/RMB 10,000
COD emissions	386.45	mg/L
CO <sub>2</sub> emissions reduction	2,100	ton
NO <sub>x</sub> emissions reduction	323.87	ton
SO <sub>2</sub> emissions reduction	425.73	ton
NH-N emissions reduction	44.07	ton

Case

### CAERI promotes energy conservation and environmental protection in the automotive industry

CAERI organized industry experts from car makers, parts manufacturers, research institutes, universities and colleges to start compiling the *Blue Book of Energy Efficient Vehicle (2019)* and undertook the compilation of the *Technology Roadmap for Energy Saving and New Energy Vehicles 2.0* to actively promote the development of technologies for energy-saving and new-energy vehicles. CAERI completed the evaluation of the first batch of car models of the 2019 China-Automobile Health Index (C-AHI), which further urged auto companies to prioritize eco-friendly materials, optimize the configuration of vehicles and the production process, and realize green and healthy manufacturing. Moreover, it co-hosted the 2019 International New Energy and Intelligent Connected Vehicle Innovation and Development Forum with Messe Muenchen, inviting participants to discuss the development trends of the new-energy vehicle industry, and strongly boosting the automotive industry to be more energy-conscious and eco-friendly.

Case

### CMC takes green measures to contribute to the sustainable development of Bangladesh

The Bangladesh Sirajganj Gas-Fired Power Plant Project, for which CMC serves as the EPC contractor, adopts completely separate drainage systems for domestic sewage, rainwater, and oily wastewater to protect local water sources and the ecological environment. The company hires third-party monitoring agencies to conduct on-site monitoring of water resources on a monthly basis and send the water samples to the laboratory in Dhaka for further testing. Any pollution identified will be addressed immediately. In addition, CMC regularly monitors the noise level of the power plant and its surroundings to protect the health of local villagers, animals, and plants. Through such measures, the company effectively protects local resources and contributes to the sustainable development of Bangladesh.

### ◆ Advocating Environmental Protection

Genertec upholds the green concept of harmonious coexistence between corporate operation and nature. We advocate the concept of low-carbon and green development in various ways, motivate employees to protect the environment and encourage more people to join us in environmental protection.



## Green office

In daily operations, Genertec actively organizes publicity and education activities on energy conservation and emission reduction and integrates the concept of green and low-carbon development into everything we do. We continuously explore green office models that can help us save water, power, and energy, and ensure that the concept of green office is practiced in every aspect of the workplace. We strengthen employees' environmental awareness, and encourage them to start from small things to actively contribute to resource conservation and environmental protection.

### Case

#### Practicing green office and improving IT-based management

To improve IT-based management of important meetings and realize energy saving and emission reduction, Genertec moved Party Group Meetings, General Manager Office Meetings, and Special Meetings to online platforms in 2018, and established the management system covering the materials of general meetings of the Board and the other four major categories of meetings. The management system has helped lower paper consumption and improve work efficiency, and enabled paperless and efficient mobile circulation of information of important meetings. Besides, the system has also helped reduce time cost, and laid a solid foundation and achieved good results through attempts on the digital transformation of the meeting system.



### Case

#### The 2019 Energy Conservation Week of Genertec

In June 2019, the Group marked the 29th National Energy Conservation Week and Low-Carbon Day under the theme of "Promoting green corporate development by going low-carbon and saving energy". We organized energy saving and environmental protection officials from various subsidiaries and branches to visit the Huaifang Water Reclamation Plant of Beijing Drainage Group. There they learnt knowledge about sewage treatment, observed the sand table model of sewage treatment processes, water outlets, underground membrane workshops, etc., appreciating the great value of water resources and the significance of sewage treatment.

### Case

#### Genertec organizes a special training workshop on energy conservation and environmental protection in 2019

On June 14, 2019, Genertec organized a special training workshop on energy conservation and environmental protection, attracting around 60 participants who were departmental heads and energy saving and environmental protection officials from tier-2 subsidiaries. The training was divided into two parts: energy conservation and environmental protection. Experts were invited to explain in detail the *Statistical Report on Energy Conservation and Environmental Protection of Central SOEs* newly promulgated by the SASAC, including sources, selection criteria, composition and interpretation of indicators. The training helped enhance front-line workers' ability to fulfill their responsibilities.



## Environmental charity activities

In addition to promoting green office within the Group and raising employees' environmental awareness, Genertec is engaged in a variety of environmental charity activities to promote the construction of an energy-saving, low-carbon, and harmonious society with lucid waters and green mountains. We call on the whole society to join us to build a beautiful and green homeland through concerted efforts.



Representatives of Genertec participate in the launching ceremony of the "Protecting Green Mountains, Safeguarding Northern Xinjiang" Ecological Conservation Campaign



A poster of Genertec Universal Medical calling for energy conservation and emission reduction



GIM's training on waste sorting



## Promoting Development through Technological Revolution



Genertec is committed to serving manufacturing power. In the fields of CNC machine tools, textile new materials, automobile checking and testing, the Group has accumulated strong technologies, and actively cooperated with partners to promote the upgrading of traditional industries and the development of strategic emerging industries, demonstrating industrial values.

Shenyang Machine Tool (Group) developed ultra-long stroke machine tools to help China's high-speed railways go global

The world-leading wind tunnel project was officially launched, so far the largest of its kind in China

Genertec co-launched the world's first open-road 5G remote driving project with China Mobile



i5 WIS	PPF	PIT	RCR	OEE
	93%	1	101%	2%



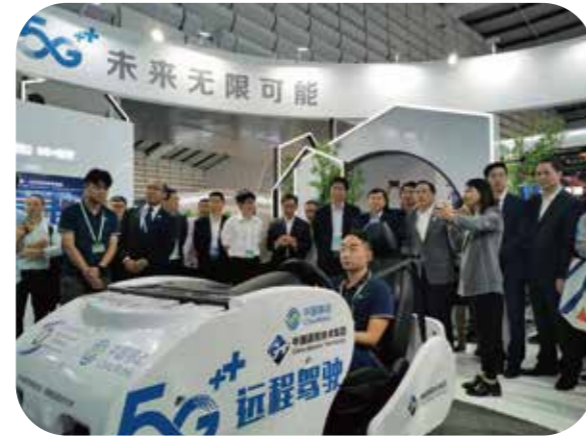
生产概况	作业计划	生产调度	设备管理	成本核算
				沈阳
				上海
				沈一车轴杠车间

## ◆ Conducting Strategic Cooperation

Genertec attaches great importance to all-round and in-depth cooperation with the government, other enterprises, and research institutes, to pool strengths and share resources and fruits.



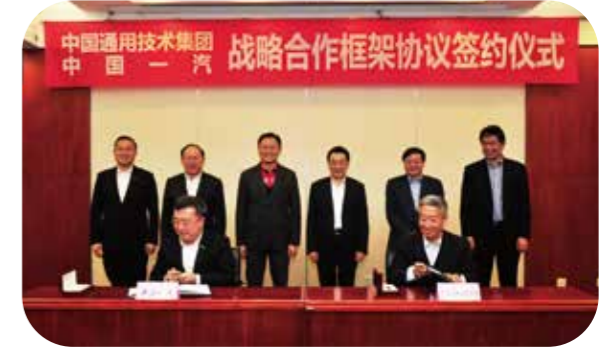
The Signing Ceremony of the Strategic Cooperation Framework Agreement Between Genertec and the Dalian Municipal Government, and the Kick-off Ceremony of the Reorganization of Genertec Dalian Machine Tool Co., Ltd. were held in Dalian



The world's first open-road 5G remote driving project, jointly initiated by Genertec and China Mobile, was officially released



Genertec and Shanghai Jiaotong University signed a strategic cooperation agreement



Genertec and FAW Group Co., Ltd. signed a strategic cooperation framework agreement

In 2019 April



PTAC and Huawei Terminal Company held a strategic cooperation agreement signing ceremony

June



Genertec and China Minsheng Bank signed a strategic cooperation framework agreement

October

November

December



The Signing Ceremony of the Strategic Cooperation Framework Agreement Between Genertec and the Shenyang Municipal Government, and the Kick-off Ceremony of the Reorganization of Shenyang Machine Tool Co., Ltd. were held in Shenyang, which is of strategic significance to the old Northeast China industrial base



Genertec signed a strategic cooperation framework agreement with China State Shipbuilding Corporation in Beijing

## ◆ Advancing Industry development

Genertec is committed to meeting the national strategic needs. Based on core technological competitiveness and resource advantages, the Group is striving to break key technological bottlenecks in the industry, actively participating in the formulation of national and industry standards, and providing strong technical support for CNC machine tools, new textile materials, automobile checking and testing, etc., to promote the continuous upgrading of the industrial structure.

### Boosting the industry's technological advancement

Genertec actively strengthens the research and development of key, cutting-edge and strategic technologies, and continues to provide equipment services and technical support for related industries such as CNC machine tools, new textile materials, and automobile checking and testing, to promote technological progress and the high-quality development of related industries.

Case

### Shenyang Machine Tool (Group) develops ultra-long stroke machine tools to help China's high-speed railways go global

Shenyang Machine Tool (Group) is actively carrying out the R&D of ultra-large gantry mobile five-axis machine tools for the processing of typical parts of rail transit locomotives. By setting up professional R&D teams and investing RMB 10 million in R&D, the company has overcome a number of technological challenges and successfully developed the "GMC45620u ultra-large gantry mobile five-axis linkage processing machine tool." It is capable of processing and manufacturing large-scale structural parts for the high-speed rail compartments, and thus improves China's R&D and manufacturing level for large-scale high-end CNC machine tools.



Case

### Qiqihar No.2 Machine Tool (Group) Co., Ltd. helps improve the national equipment manufacturing capability

From April 15 to 20, 2019, Qiqihar No.2 Machine Tool (Group) Co., Ltd. displayed its self-developed FA-130 CNC high-speed floor-type milling and boring machine and CZK5116×108 CNC turning and drilling compound machine tool at the 16th China International Machine Tool Show. These advanced machine tools will effectively improve China's processing quality and efficiency of large, complex, and precision parts in key industries, and help tackle problems such as multi-sequence processing in the valve industry. These machine tools fill in a number of domestic technology gaps, meet the urgent needs of processing equipment in key areas, and make outstanding contributions to the national economic development.



Case

### China Textile Academy makes a major breakthrough in "high-efficiency and low-consumption large-scale preparation technology of regenerated cellulose fiber"

On December 4, 2019, the national key R&D program "high-efficiency and low-consumption large-scale preparation technology of regenerated cellulose fiber" led by the China Textile Academy successfully passed the mid-term check. The project has developed the integrated technology of continuous pulp mixing and swelling activation, high-efficiency and low-consumption solvent recovery technology, and high-efficiency preparation and clean production technology of differentiated regenerated cellulose fiber, etc. It can ensure the safety of pulp raw materials for production, and improve solvent recovery and fiber product quality at the same time, thus of great significance to the development of China's regenerated cellulose fiber industry.



On June 28, 2019, the first automobile aero-acoustic wind tunnel in central and western China, invested and constructed by CAERI, was unveiled for trial operation in Chongqing. The automobile wind tunnel, once put into operation, will fill the gap in the aerodynamic wind tunnel test of automobiles in the central and western regions of China, and provide high-precision test equipment and advanced technical services for automobile enterprises in the product development stage. It will facilitate the competition in the automobile industry and improve the overall performance of automobile products.



## Accelerating the industry standardization process

Always following the frontier development of the industry, Genertec is active in the formulation of industry standards, and strives to play an important role in formulating national and international standards to promote the science-based and sound development of related industries. In 2019, the Group led and participated in the formulation and revision of 139 standards, and issued one international standard, ranking 7th among central SOEs in the formulation of national standards.

The international standard ISO 1833-28:2019 Textiles — Quantitative chemical analysis — Part 28: Mixtures of chitosan with certain other fibers (method using diluted acetic acid), with CTTC as the lead formulator, was officially released, the first of the ISO 1833 serial standards established outside the EU. This is another milestone in promoting China's textile standard in advantageous and characteristic sectors to the world, providing an effective method for the determination of chitosan fiber and a technical basis for producers, users and traders.

The SMTCL has actively participated in the formulation of industry standard for CNC double-side planer-type milling and boring machines with horizontal spindles, the first of its kind in China. This standard stipulates the requirements for the design, manufacturing and testing of such machines for general purpose and precision, and provides a strong basis for their design, manufacturing and testing, significantly improving manufacturing efficiency and benefits. It also provides technical guidance for the development of related products, conducive to the development and expansion of the industry.

Shenyang Machine Tool (Group) led the formulation of two national standards, the "Industrial cloud—Reference model" (GB/T37700-2019) and the "Industrial cloud service—Capabilities general requirements" (GB/T37724-2019), acting as a pioneering industrial enterprise in promoting the development of industrial interconnection.



## Prioritizing Healthcare Services to Improve the Well-being of the People



Committed to the "Healthy China" strategy, Genertec actively explores the innovative development model of the healthcare industry, and continues to improve the healthcare industry chain, the medical service system and hospitals' medical services. We aim to benefit the people and advance their well-being by leading the development of the healthcare industry, and we strive to forge Genertec into a "Healthcare Service Supplier" and a leading pharmaceutical and healthcare group in China with global influence.

Genertec completed an investment of about RMB **11** billion and generated revenue of RMB **42.1** billion in the pharmaceutical and healthcare sector

Genertec has accumulatively taken over and consolidated **90** medical care institutions and nursing homes with **24,100** beds



## ◆ Building a Reassuring Healthcare Industry

To serve its strategic priorities in the healthcare industry, Genertec has set up a Healthcare Department to support the high-quality development of pharmaceutical and healthcare business. It has vigorously promoted the growth of manufacturing, commerce and trade of pharmaceuticals, healthcare finance, etc., so as to build a sound, reassuring healthcare industry. In 2019, Genertec completed an investment of about RMB 11 billion and generated revenue of RMB 42.1 billion in the pharmaceutical and healthcare sector.



Genertec's pharmaceutical and healthcare



Then Chairman Xu Xianping unveils Genertec Ansteel Hospital Management Co., Ltd.



Unveiling ceremony of Yantai Harbour Hospital Co., Ltd.

### Case

#### Genertec Healthcare established to serve the "Healthy China" strategy

In March 2019, Genertec signed a framework cooperation agreement with Aviation Industry Corporation of China for co-building a domestic leading healthcare group. In July 2019, China General Technology Group Healthcare Co., Ltd. (referred to as "Genertec Healthcare"), jointly initiated by the two, was registered and established in Beijing. Genertec Healthcare will accelerate the implementation of the Group's strategic development plans and progress toward its own strategic goals. It will rely on strivers and aims to benefit people's health and contribute to the sound and sustainable development of enterprise-owned hospitals, to the development and upgrade of the Group's healthcare business, and to the "Healthy China" strategy.



### Case

#### The China Meheco-Chongqing Pharmaceutical consortium

In December 2019, China Meheco and Chongqing Pharmaceutical (Group) Co., Ltd. signed the *Agreement on China Meheco-Chongqing Pharmaceutical Consortium*. Accordingly both sides will carry out in-depth cooperation in pharmaceutical commerce and manufacturing and healthcare, to build a national consortium, expand pharmaceutical retail chain business, and promote the common development of emerging businesses. The consortium will help Genertec improve its pharmaceutical business network and industrial chain in Southwest China, and enhance its industry status and market influence.



### Case

#### Genertec Universal Medical successfully takes over Anhua Hospital to jointly build a distinctive brand of rehabilitation medicine

Anhua Hospital is a designated medical institution for urban employee-based medical insurance in Hefei, Anhui Province, and specialized in rehabilitation medicine. Genertec Universal Medical has taken over Anhua Hospital and become its own sponsor. In the future, the two will work together to chart the course of hospital development at different levels and lay out the direction of development. They aim to build the rehabilitation department into a rehabilitation medicine center that leads Anhui Province with distinct technologies and excellent diagnosis and treatment services. The affiliated community-level medical and health service institutions will be built into specialized branded community health service providers, which will not only meet the basic medical and public health service needs of local residents, but also provide multi-level specialized diagnosis and treatment services, thus effectively cooperating with and supplementing to the rehabilitation center.

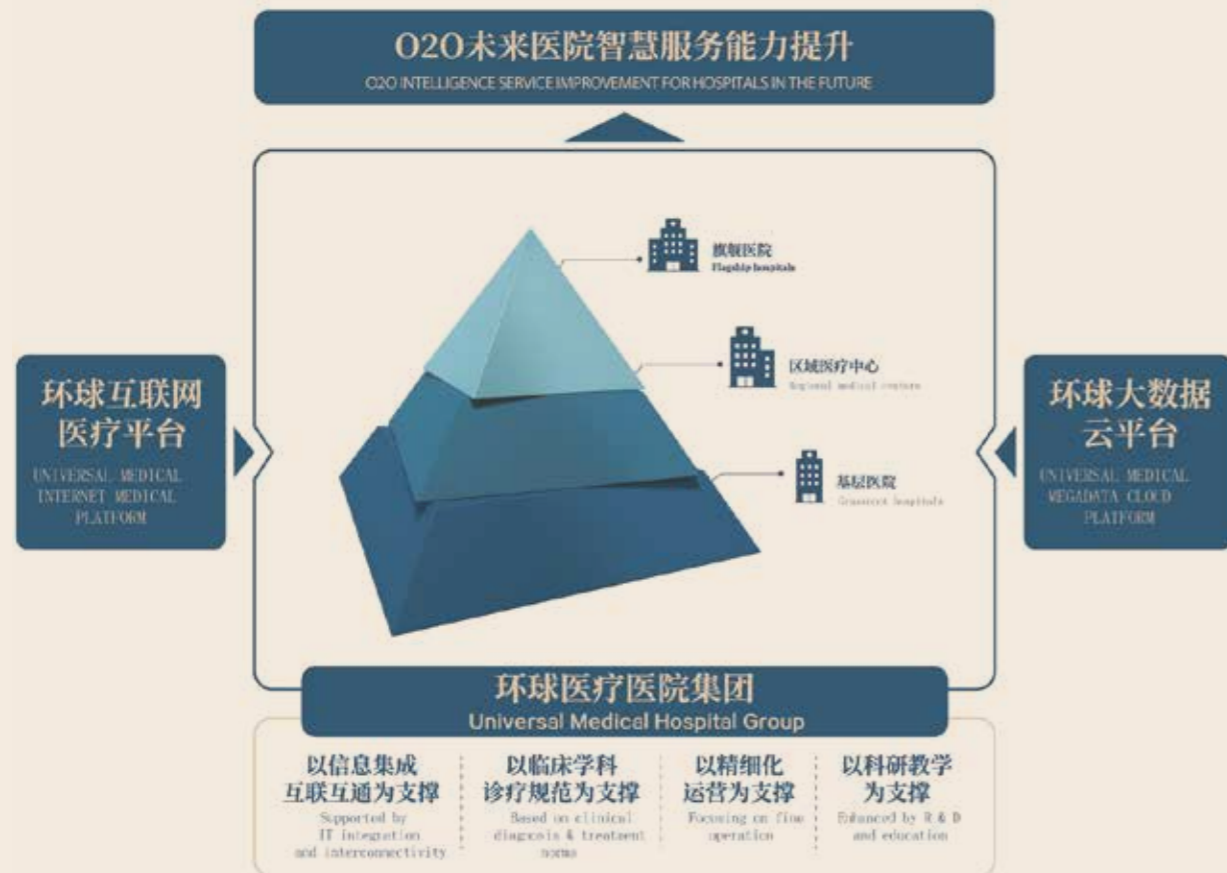


## ◆ Developing Intelligent Medical Services

Genertec continues to expand and integrate domestic and foreign medical resources, employ an international team of medical information technology specialists and advanced technology and experience to optimize the online healthcare platform. The purpose is to build an intelligent medical service platform based on brick-and-mortar hospitals, and create a comprehensive ecosystem of intelligent healthcare services to better benefit the people.

### Genertec Universal Medical's intelligent medical service system

Through recruitment and strategic cooperation, Genertec Universal Medical has formed an Internet-enabled professional technical team with global vision to build an intelligent medical service system with the help of AI, big data, and cloud computing, etc. The system will consist of two platforms: the Universal Medical Internet Medical Platform and the Universal Medical Mega-data Cloud Platform, and form a "pyramid" structure with the flagship hospital on the top, regional medical centers at the middle and the community hospitals at the bottom. This will help form the Universal Medical Hospital Group supported by information integration and sharing, clinical diagnosis and treatment norms, delicacy management and scientific research and education, so as to improve the intelligent service capability of future O2O hospitals.



IT application in intelligent hospitals

- 1 Help hospitals develop the Internet plus healthcare services**  
 With the Internet technology, we help hospitals optimize the visitor flow line and reform the healthcare, diagnosis and treatment service model
- 3 Promote the construction of tiered diagnosis and treatment and standardization of advantageous clinical disciplines**  
 Based on the Genertec Universal Medical's cloud computing service capability, deep, standardized and lean management and development of its core advantageous disciplines on the cloud platform have been promoted and the tiered diagnosis and treatment services have been enhanced

- 2 Improve the delicacy management and connectivity of intelligent hospitals**  
 We help carry out the overall planning of the intelligent hospital, and assist hospitals to complete the evaluation of connectivity, tiered services of intelligent hospitals, tiered evaluation of electronic medical records, etc
- 4 Build the Genertec Universal Medical big data platform and AI application services**  
 The Genertec Universal Medical Performance Center supports hospital operation and decision-making, assists clinical diagnosis, clinical research and education, discipline development, and provides accurate operational data for health management, insurance services, etc

Intelligent medical services

### Case The Internet-based healthcare platform updated to provide easier access to medical services

Under the guidance of the "Healthy China" strategy and the policy in favor of "Internet plus healthcare" development, Genertec Universal Medical has joined brick-and-mortar medical institutions to establish an Internet-based healthcare platform, covering online consultation, doctor consultation, appointment registration and other diagnosis and treatment services. The platform has passed the credibility evaluation for medical cloud applications at the Artificial Intelligence for Health Forum, making it the first Internet-based healthcare platform certified as a trusted cloud application.

In 2019, through technological and functional upgrading, Genertec Universal Medical released a new version of the platform, adding electronic prescription, remote image diagnosis and other functions. The updated platform rationally divides diagnosis labor online and offline, improves the medical consultation experience, expands the time and space coverage of medical services, and better matches doctors with patients. Intelligent technology is thus employed to increase easier access to medical services and meet personalized and diversified medical needs.



## ◆ Facilitating Medical Exchanges

Genertec continues to strengthen cooperation with government departments, central SOEs, and colleges and universities, and participate in major international cooperation projects to broaden the areas of cooperation. The Group also extensively engages in healthcare exchanges and communication at home and abroad, striving to protect the health of the people. By the end of 2019, the Group has accumulatively taken over and integrated 90 medical institutions with 24,100 beds.

### Strengthening cooperation with multi-parties

By strengthening cooperation, Genertec strives to build a leading healthcare group, gradually foster a healthcare service ecosystem covering the whole life cycle of patients, benefit the people with the best medical services, and drive the healthcare industry to thrive.





### Strengthen cooperation with local governments to develop local medical services

The Group has reached out to and signed strategic cooperation agreements with government departments in Dalian and Chongqing, to contribute to the high-quality development of local medical services

### Strengthen cooperation with enterprises to broaden the areas of healthcare cooperation

Genertec has strengthened communication and signed strategic cooperation agreements with central SOEs such as State Grid and China State Shipping Corporation on the divestiture of medical institutions. We have also contacted and exchanged with such central SOEs as China Communications Construction Company and China Railway Group Limited on international cooperation, to seek more partnerships in the healthcare sector

### Strengthen cooperation with colleges and universities to better commercialize research results

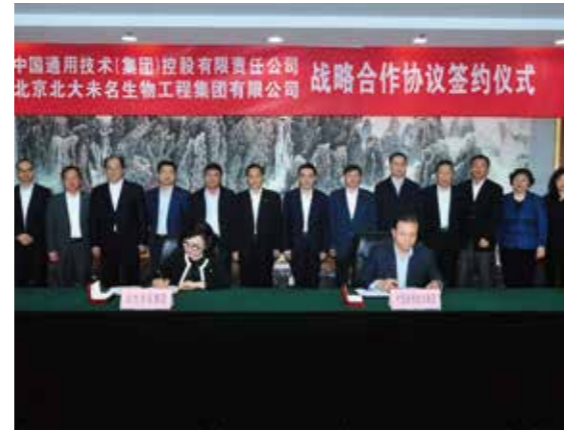
The Group signed strategic cooperation agreements with Shanghai Jiaotong University and Panzhihua University in Sichuan Province, to explore new models of university-enterprise cooperation in healthcare and pharmaceuticals, provide an enabling platform to accelerate the commercialization of universities' research results and support the Group's integration of business, universities and research institutes

Genertec strengthens healthcare cooperation with stakeholders

#### Case

### Genertec signs strategic cooperation agreement with SINOBIOWAY to expand areas of cooperation

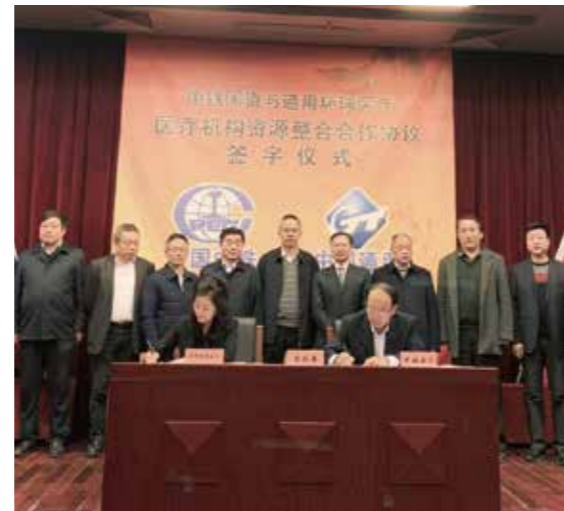
Beijing Sinobioway Group Co., Ltd. (SINOBIOWAY) is specialized in the establishment of bio-economic system and the development of bio-economic industry. In 2019, the Group signed a strategic cooperation framework agreement with SINOBIOWAY, leveraging respective business advantages, to expand cooperation in bio-medicine, the development of modern TCM system and comprehensive healthcare services. Both sides will explore new cooperation models, to deepen cooperation and enhance market competitiveness. The partnership will be based on equality, shared benefits and innovation, to achieve high-quality development for both sides.



#### Case

### Genertec Universal Medical signs cooperation agreement with CREC-SAM to support China's healthcare reform

In 2019, Genertec Universal Medical and CREC State-owned Assets Management Co., Ltd. (CREC-SAM) signed a formal cooperation agreement on integrating the latter's several medical institutions, to actively support the national healthcare reform, and vigorously take over hospitals from SOEs. The two sides will work together to further stimulate hospitals' vitality, enhance their technology and services for rapid development, and protect the lawful rights of the hospital staff. At the same time, Genertec Universal Medical will, considering the specific conditions of each hospital, take targeted steps to help them upgrade key disciplines and apply information technology, so as to provide better medical services for the CREC-SAM employees and nearby community residents.



## Strengthening exchanges within the healthcare industry

In 2019, the Group actively participated in the Enterprise-owned Hospital Reform and Development Forum, the 2019 China Hospital Management Forum, the first Annual Meeting of the Special Committee on Visceral Arterial Diseases of the China Branch of the International Union of Angiology, the second Belt and Road Forum for International Cooperation, the 11th Sino-US International Medical Summit and other medical forums. On these occasions, the Group exchanged views with global top medical institutions to enhance industry exchange, expand its brand influence and improve its medical management services.

#### Case

### China Meheco expands healthcare cooperation through visits and exchanges

In 2019, during the BRICS Summit in Brasilia, the capital of Brazil, the China Meheco delegation had a friendly meeting with the mayor of Rio de Janeiro on equipment upgrading for public hospitals in Brazil. The Group maintained good exchanges with the Korea-China Cultural Association and our executives visited the Seoul K-Medi Center and the Green Cross Holding Group, exchanging views on issues of common concern, and expressing interest in establishing a strategic partnership to jointly develop the global market, including China and the Republic of Korea, and expand cooperation in the healthcare industry.

#### Case

### Genertec Universal Medical sponsors a forum on the reform and development of hospitals owned by central SOEs in Yantai to promote the reform and development of hospitals

On April 13, 2019, the "Reform and Integration Promote Innovation and Development" Forum on the Reform and Development of Hospitals Owned by Central SOEs", sponsored by Genertec Universal Medical and co-organized by Yantai Harbour Hospital, opened in Yantai, Shandong Province. The forum brought together many healthcare experts and scholars from across the country and discussed the reform and development of hospitals owned by SOEs, so as to facilitate better integration and faster development after hospital reforms.





## Expanding Global Cooperation to Achieve Common Prosperity

Genertec has been vigorously “going global” and actively engaged in the implementation of Belt and Road Initiative. We focus on core business sectors such as overseas project contracting, construction, distribution of electronic products, bulk commodity trade and logistics services, to advance international development and deepen international communication and partnerships. We also pursue business development with a global vision and work with global partners to create win-win results.

The Group has import and export trade with **162** countries (regions)

It has contracted engineering projects in **19** countries

Its newly-signed contracts amount to more than **3** billion US dollars

The Group has been ranked among the Top 250 International Contractors by ENR for **8** consecutive years



## ◆ Contributing to the BRI Implementation

Genertec fully leverages its own industrial advantages to deeply participate in the Belt and Road Initiative (BRI) and promote the implementation of the “Global Player” strategy. The Group supports the economic growth of BRI partner countries with its main business, thus bringing Chinese standards, Chinese technologies and Chinese equipment to the world, enhancing its core competitiveness and global influence. In 2019, the Group had import and export trade with 162 countries (regions) and contracted engineering projects in 19 countries, boosting local economic development.

### 1 Strengthening top-level planning

We formulated the *Plan of Genertec for Serving the Belt and Road Initiative* and the *Genertec Medium and Long-term Strategic Development Plan for Project Contracting Business (2019-2023)*. These two documents further clarify the development goals, paths and institutional guarantees of our international operation, and allow us to better serve national strategies as a central SOE, and promote high-quality corporate development

### 2 Improving the institutional system

The Group improved the compliance management system, strengthened overseas compliance management and information support and the assessment mechanism, enhanced the international operation and management system, and coordinated international operation and management while expanding into overseas markets

### 3 Optimizing global presence

We implemented the greater-region management system based on overseas structural adjustment, and gradually transformed national centers to regional centers, to form a global marketing network and accelerate global market expansion

### 4 Improving the industrial chain

Genertec introduced advanced technologies urgently needed in China and by the core businesses of the Group. We aim to build an industrial chain integrating such functions as R&D, engineering design, project management, manufacturing of key parts, system integration, international trade, investment & financing, and project contracting, and thus build up our international competitiveness

Contributing to the BRI with international operation

In 2019

Over USD **3 billion** in value newly signed contracts of the Group

Ranked **73th** on the list of the “Top 250 International Contractors” by ENR

### Case Investing in Bangladesh’ s ultra-supercritical thermal power plant to support the upgrading of power energy structure

The Payra 2×660 MW Ultra Supercritical Thermal Power Plant Project in Bangladesh invested by CMC is the first ultra-supercritical coal-fired power station in Bangladesh, located in Patuakhali County, Barisal in southern Bangladesh, adjacent to Payra port. In 2019, the Unit-1 of the plant was commissioned. Equipped with advanced, efficient and clean ultra-supercritical technology, after completion and connection to the grid, the plant can generate 8.58 billion kWh of stable and reliable electricity every year, meeting one third of the electricity demand in Bangladesh. The power plant will effectively increase Bangladesh’ s power generation capacity and help upgrade its power energy structure.



The Payra 2×660 MW Ultra Supercritical Thermal Power Plant Project in Bangladesh

### Case

### Myanmar 900MW LNG to Power Project promotes the development of green power

The 900MW LNG power project in Myanmar is the first overseas investment, construction and operation project for CNTIC to promote localized operations. It is also Myanmar’ s first power generation project to use imported LNG (liquefied natural gas) as fuel, which is economical, low-carbon and eco-friendly. The project boasts efficient and flexible power generation technology and diversifies Myanmar’ s energy power portfolio. After completion, the project can provide clean and reliable power supply for locals within a short period of time, optimize Myanmar’ s power structure, and significantly increase power supply in the dry season. It will noticeably improve local living standards and promote the development of the China-Myanmar Economic Corridor.



Myanmar 900MW LNG to Power Project

### Case

### Investing in Allur Group to upgrade the Kazakh automobile industry

In 2019, CMC and Anhui Jianghuai Automobile Group Corp., Ltd. (JAC) jointly acquired 51% of the stakes in Allur Group, Kazakhstan’ s largest automaker, and became its controlling shareholder. It was the first joint investment made by Chinese enterprises in Central Asia’ s automobile industry. CMC and JAC joined hands to “go global”, promote the upgrading of China’ s own automobile manufacturing industrial chain, expand the global market, and enhance international competitiveness. Simultaneously, the project will contribute to bilateral economic and trade exchanges by upgrading Kazakhstan’ s prioritized automobile industry and aligning its “Bright Road” economic plan.



Allur Group’ s automobile production workshop

### Case

### The special train of Belarus agro-industrial project opens to promote the high-quality development in China and Europe

In October 2019, GENTRANS officially launched a special train service for the CITIC Construction Belarus agro-industrial complex, with the first train full of equipment and materials departing from Qisumu Railway Station in Ulanqab City. The train, carried 32 40-foot high-cube containers in its 32 carriages, containing equipment needed for the Belarus agro-industrial complex project. The train left China from Erlianhot border port, then past Mongolia and Russia, and arrived at its destination in Minsk, Belarus. It took only 16 days to cover the whole 5,800 km journey, 7 days fewer than the traditional China-Europe freight train service, and moreover emitted less carbon dioxide. It is thus not only good for the BRI, but also good for ecological environment, and will promote high-quality development in China and Europe.



The special train of Belarus agro-industrial complex project

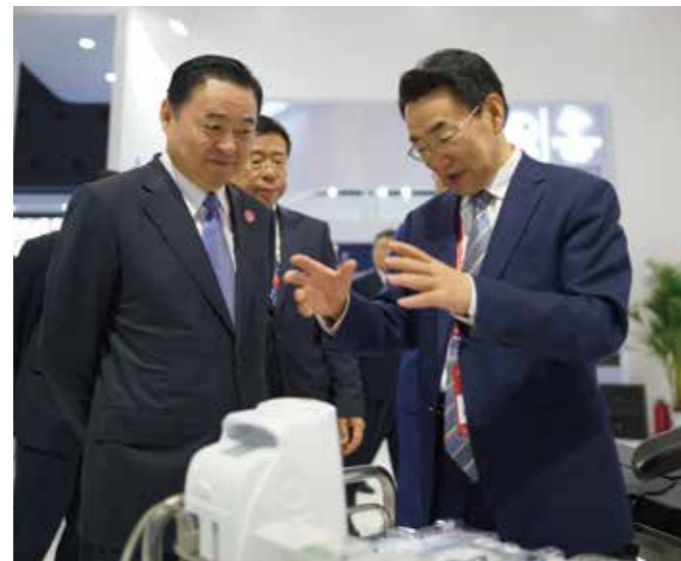
## ◆ Deepening International Exchanges

Genertec integrates its own resources and actively participates in international exchanges and cooperation. Through strengthened communication and cooperation, we allow governments and enterprises in other countries to know better about us, expand and intensify cooperation, and gradually enhance our brand image, making big strides towards the goal of becoming a world-class enterprise with global competitiveness.

### Case Genertec participates in the first China-Africa Economic and Trade Expo

In June 2019, the Group was one of the 12 central SOEs invited to exhibit at the first China-Africa Economic and Trade Expo. The exhibition booth was built under the theme of “Genertec to create a better life,” featured integrated healthcare solutions, and reflected Genertec’s vision of creating a better life with the African people.

By the end of 2019, while promoting economic and trade cooperation with Africa, Genertec and its subsidiaries had tracked projects worth over 6 billion US dollars, covering infrastructure, power, energy, public works engineering, etc. In addition to traditional infrastructure cooperation, the Group’s economic and trade business highlights the people-oriented, mutually beneficial, and development-driven concepts.



Hao Peng, Chairman of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council, visits the Group’s exhibition booth in the company of then Genertec Chairman Xu Xianping

### Case Genertec participates in the second China International Import Expo

In November 2019, Genertec attended the second China International Import Expo as an important member of the central SOE trade mission. During the expo, the Group signed a strategic cooperation agreement with American GE Healthcare Group, its subsidiary China XinXing Group signed a letter of intent for health technology business cooperation with Philips (China) Investment Co. Ltd., and several other subsidiaries signed more than 20 procurement contracts with companies such as ANDRITZ and Smith & Nephew. We are expanding and deepening collaboration to make greater contributions to economic growth, technological advancement, industrial upgrading and social development.



Signing the letter of intent for health technology business cooperation

### Case

## Genertec’s subsidiaries participate in the second Belt and Road Forum for International Cooperation

The second Belt and Road Forum for International Cooperation (BRF), held in Beijing and themed on *Belt and Road Cooperation: Shaping a Brighter Shared Future*, was a high-profile global event. It attracted nearly 5,000 foreign guests from more than 150 countries across five continents and 90 international organizations. The Group’s subsidiaries such as China XinXing Group, CNTIC and CMC also attended the forum and closely communicated with world leaders, promoting pragmatic cooperation with BRI partner.



CMC signs a MOU with Hungarian Ministry of Innovation and Technology



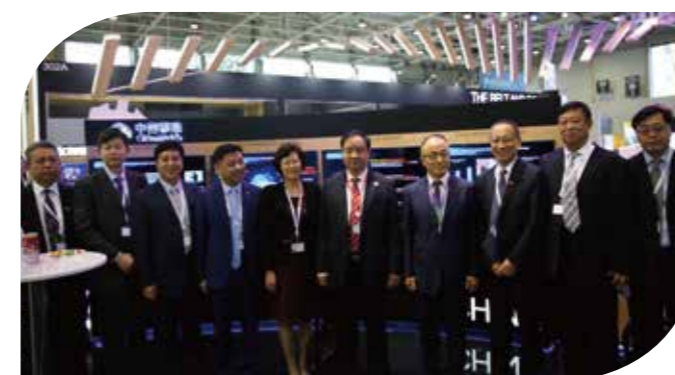
Representatives of Genertec and Hungary hold an in-depth discussion on implementing the bilateral cooperation framework agreement and Genertec’s role in Hungarian energy and infrastructure construction



General Manager Lu Yimin attends the 6th meeting of China-Italy Entrepreneur Committee and holds friendly talks with Italian industry associations and famous entrepreneurs



Then Genertec Chairman Xu Xianping attends the 2019 Summit on Chinese Central SOEs Supporting Macao as Service Platform between China and Portuguese-speaking Countries



PTAC organizes enterprises to participate in ITU Telecom World 2019 and won the “ITU Most Valuable Partner Award”



CNTIC is awarded the “Outstanding Contributor” at the 10th International Infrastructure Investment and Construction Forum

## ◆ Win-win Cooperation with Partners

In pursuit of win-win cooperation for development, Genertec strengthens cooperation in production and operation, expands cooperation areas and shares development fruits with partners so as to promote common prosperity and generate mutual benefits.

### Sharing development fruits

Genertec integrates global operation into its development strategy. In overseas expansion, the Group actively integrates into local communities to help boost local economic and social development and benefit local people with its development.

Case

#### Opening a railway line in southern Sri Lanka to optimize local transport

Matara-Beliatta Railway Project in Sri Lanka, undertaken by CMC, was formally open to traffic in April 2019. It will complete the land, air and sea transport network in southern Sri Lanka. In addition to greatly improving the transportation capacity along the railway line, it will create many jobs to promote south Sri Lanka's economic growth and benefit local residents. Meanwhile, the project has trained many local technicians through its long implementation period, who are a valuable asset for Sri Lanka and will contribute to the following phase II project and improve Sri Lanka's overall railway management level.

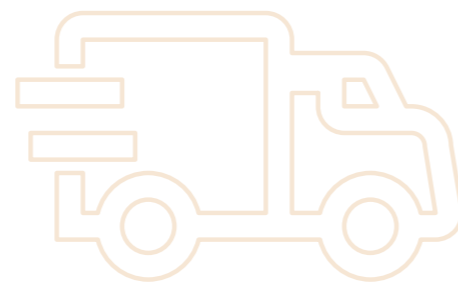


Matara-Beliatta Railway Project in Sri Lanka

Case

#### Building highways in Kazakhstan to promote local social development

China XinXing Group has undertaken the KM415 and MB266 highway reconstruction project and the Astana (Nur-Sultan) southwest ring road project in Kazakhstan. They are hailed as model projects aligning the BRI proposed by China with Kazakhstan's "Bright Road" economic plan. These projects have significantly improved the local infrastructure and living standards, and continue to create local jobs, hiring more than 1,500 local employees during the peak construction period. They have become the engine of economic and social development in Kazakhstan.



The highway construction site in Kazakhstan

## Helping partners flourish

The Group always attaches importance to achieving win-win results with partners. By continuously promoting localized operations and employment, and carrying out local procurement, we optimize and upgrade cooperation with partners and assist them in continuous improvement and development, in an effort to jointly improve management and product quality.

Case

#### Carrying out localized procurement in Ashuganj 400MW Combined Cycle Power Plant (East) Project to boost local industry development

During the construction of the Ashuganj 400MW Combined Cycle Power Plant (East) Project, CNTIC actively established extensive cooperative relations with local businesses. It sourced raw materials such as rebars, cement, concrete, sand and gravel, wires and cables, plumbing materials, welding materials, plates, hardware materials, chemical materials, construction materials, oil, pipes, etc. from local suppliers, and purchased logistics services, visa extension services, and leased machinery and equipment from local companies and agencies, thus promoting local processing and basic manufacturing businesses to improve their production level.

Case

#### Payra thermal power plant in Bangladesh hires locals and improves employees' competence

The first phase of the Payra coal-fired power plant was Bangladesh's first PPP coal-fired power generation joint-venture with China, and its largest power project. The project construction created 4,923 local jobs and CMC valued the education and training of local employees to improve their overall skills. As of the end of 2019, CMC had organized skill and cultural training sessions for over 100,000 local employees, with a total investment of more than 5.11 million US dollars, which promoted local economic development and effectively improved local labor quality.



A distant view of the Payra thermal power plant



Case

#### China XinXing Group strengthens localized operations to pursue win-win outcomes

Since opening a branch in Kazakhstan, China XinXing Construction & Development, a subsidiary of China XinXing Group, has continuously strengthened human resource management. In addition to recruiting special talents from China, it has also embraced the principle of "localized employment" and continued to increase the proportion of local employees in the project management team and strengthen the cultivation of backbone local staff. As of the end of 2019, the Kazakhstan branch company's foreign personnel accounted for over 92%. It has not only trained outstanding local talents, but also reduced the high cost of dispatching personnel from China to Kazakhstan and transnational operations, and thus bolstered the competitiveness of the company. In addition, it has localized the supply of most of the materials, machinery and equipment, which saves costs and improves efficiency while driving local industrial development and economic growth.



## Putting Employees First to Help Realize Their Career Dreams

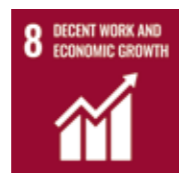
Genertec firmly believes that employees are the core engine of business development. Employee-centered, the Group strives to protect employees' rights, interests, and physical and mental health and attaches importance to employee growth and value realization. We commit ourselves to creating a harmonious workplace where employees and enterprise develop together.



Total employees:  
**53,398**, including  
**1,300** new recruits

Investment in employee training:  
RMB **9.55** million

Total amount of condolence  
money and gifts to employees:  
about RMB **1.93** million



## ◆ Protecting the Rights and Interests of Employees

The Group is committed to protecting the lawful rights and interests of employees. We provide employees with equal employment opportunities, competitive remuneration and benefits, and a democratic and equal workplace, and respect and treat our employees well.

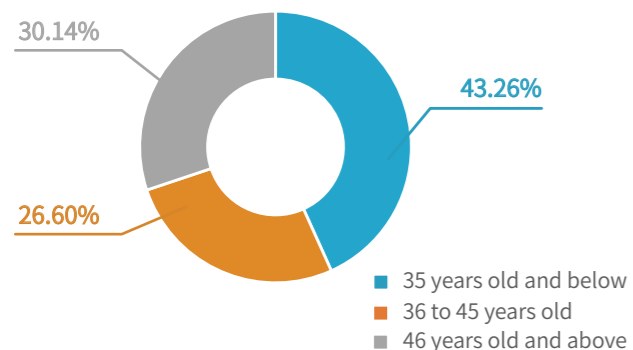
### Equal employment

In strict accordance with the requirements of the *Labor Law* and *the Labor Contract Law*, Genertec upholds fairness and openness, bans discrimination in any form and the use of child labor or forced labor, and strives to provide equal employment and career development opportunities to all employees.

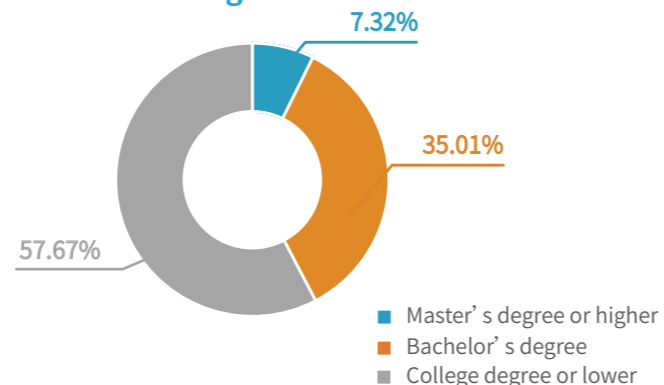
In 2019

Total employees: <b>53,398</b>	Number of new employees: <b>1,300</b>	Total employees of overseas subsidiaries: <b>2,291</b>	Number of employees with disabilities: <b>207</b>
Ratio of Female employees: <b>33.94%</b>	Ratio of female managers: <b>22.66%</b>	Labor contract signing rate: <b>100%</b>	

Age breakdown



Education background breakdown



Genertec staff structure

### Remuneration and benefits

The Group highly values the contribution of its employees. We constantly improve the salary distribution system and long-term incentive system, to enhance employees' sense of gaining and vitality.

#### Remuneration

- ◆ The *Genertec Employee Performance Evaluation Measures* was revised to optimize the performance evaluation system, by closely linking individual performance with team performance.
- ◆ A working mechanism of income distribution is in place to benchmark against both economic efficiency and labor cost input and output efficiency.
- ◆ The Genertec payroll management and control mechanism that is basically adapted to the labor market was established and improved.
- ◆ The *Payroll Management Measures of China General Technology Group* was revised, clarifying the wage increase of each business segment, and implementing the separate payroll management policy.

#### Benefits

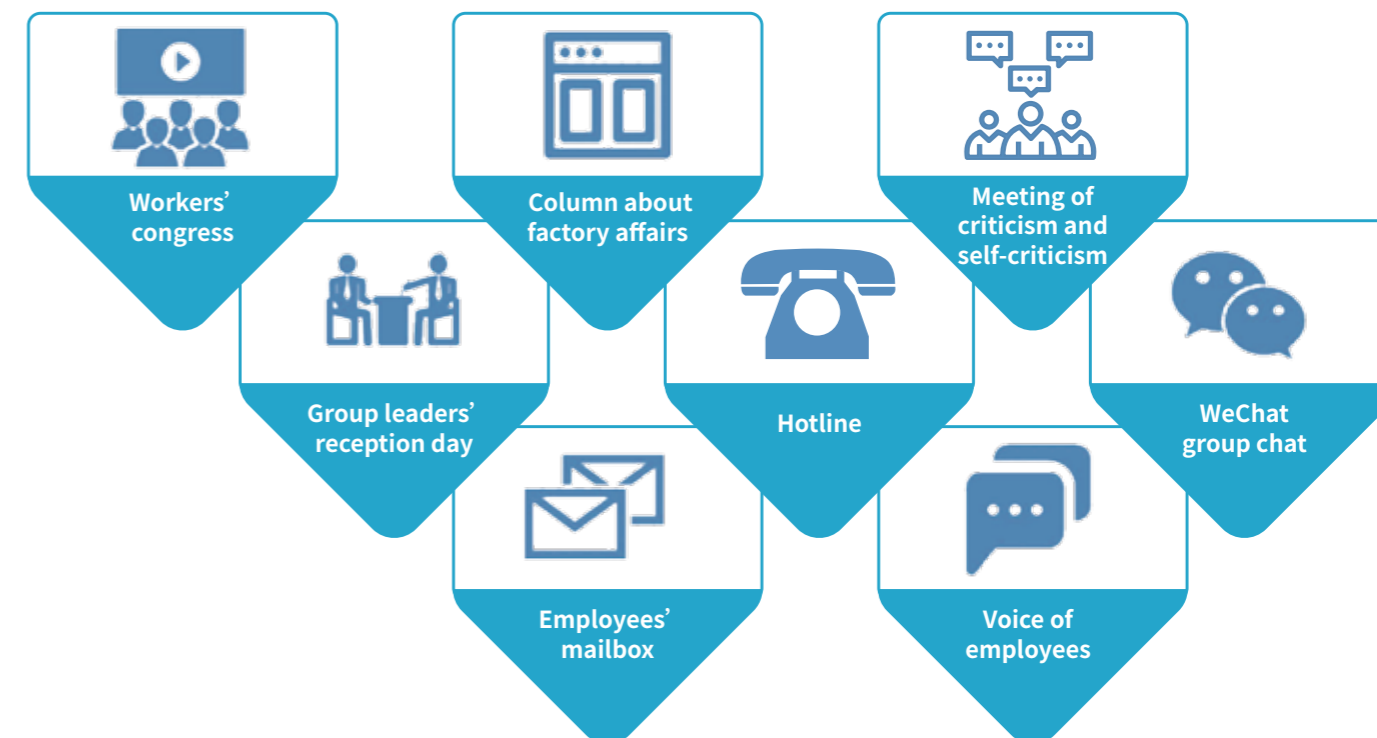
- ◆ We have regulated corporate equity and dividend incentive management, and promoted the implementation of equity incentive plans for listed companies.
- ◆ We have implemented the annuity plan and established a supplementary pension insurance system.
- ◆ Employees are entitled to paid annual leave, maternity leave, sick leave, personal leave, etc.
- ◆ We provide the supplementary medical insurance and accidental injury insurance for employees.
- ◆ We help apply for and secure Beijing *hukou* (household registration) for employees seconded from outside Beijing and for employee spouses who live outside Beijing.
- ◆ We distribute holiday gifts, movie vouchers, annual park pass, etc. to employees.

Remuneration and benefits at Genertec

### Democratic management

Genertec continues to improve the democratic management system via the workers' congress and the information disclosure of factory affairs. By organizing the Group leaders' reception day and heart-to-heart talks, we listen attentively to the voices of employees and actively report their demands and concerns to the superior level, in a bid to promote the harmonious development of labor relations, and give full play to the main role of employees in corporate development.

Employee coverage rate of the five social insurances and one housing fund:  
**100%**



Democratic communication channels for employees



The third meeting of the Group's first workers' congress

## ◆ Highlighting Employees' Development

Helping employees grow is the Group's responsibility. We strive to create a diversified training system to improve employees' capabilities, and actively facilitate their career development, providing employees with broad development space and a platform for realizing their dreams.

### Employee training

Genertec puts moral education first and emphasizes ability training. The Group insists on targeted training covering all staff, continues to advance reform and seek innovation, and tightens control over training while advancing it in a steady manner. The Group also comprehensively pushes forward theoretical development, ability training and knowledge update, and has established a quality training system composed of source training, follow-up training, and full-process training. It has also developed targeted and diversified training courses to upgrade employees' various qualities and abilities.



The Group's training programs

### Case Genertec's first training program for young talents in 2019 successfully concluded

From June 10 to July 3, 2019, the Group's first training program for young talents provided 264 class hours of training for 38 students from various departments of the Group, covering CPC knowledge education, business strategy, leadership development, and management know-how and skills. The training has comprehensively improved the political quality, management, professional, and thinking abilities of the trainees, and provided a strong organizational guarantee for the Group's talent reserve and for implementing the strategy of building Genertec into an Innovation Pioneer, Green Development Practitioner, Technology Pillar, Healthcare Supplier and Global Player.



### Case The Genertec Universal Medical's "Dean's Lecture Hall"

More than 40 middle-level managers from Genertec Universal Medical participated in the "Dean's Lecture Hall" training program under the theme of "Legal Person's Corporate Governance Thinking and Management Philosophy in the VUCA Era". The lecture focused on corporate management, used the sand table to simulate business decision-making, and compared the entrepreneurial process with the Age of Exploration, to help managers better play the role of management and guides, and inspire more ideas and possibilities to the development of hospitals.



## Career development

Genertec has continuously improved the system of talent selection and appointment, and established two career development channels for employees: "management" and "professionals". By introducing the point-based performance evaluation for promotion mechanism and the position review committee, the Group further regulates the promotion procedures. In addition, we encourage employees to compete for internal positions and recommend suitable candidates for employees to realize their career value.

### Establishing the talent selection and appointment system

- We have optimized the team structure and strengthened the team building.
- We organized the selection and appointment of personnel for the headquarters (overseas subsidiaries).
- We strengthened the supervision and inspection of talent selection and appointment.

### Broadening channels for talent selection and appointment

- We drafted *Professional Managers Guidelines* etc., to explore the establishment of a professional manager system.
- We organized and carried out the recommendation and selection of national key talent projects.
- We drafted the *Genertec Administrative Measures for Key Talent Pool*, and organized public competition for open positions within the Group when appropriate.

### Cultivating versatile talents

- We dispatched outstanding cadres to work in the poverty-stricken areas which we have paired up for poverty alleviation, to improve their ability to handle urgent, difficult, dangerous and heavy tasks.

### Establishing a talent evaluation system

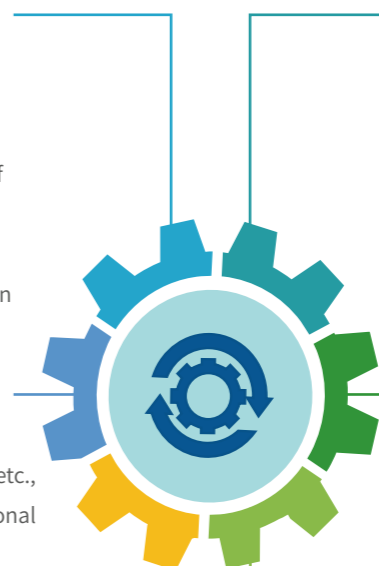
- We carried out performance appraisals and democratic appraisals.
- We strictly followed procedures in selecting and appointing talents, and asked around to find out their true performance.

### Adjusting and optimizing the headquarters position

- The heads of headquarters were re-employed or dismissed based on new positions, and the responsibilities of each position were clarified. The departmental job description was updated.
- We drafted the *Administrative Measures for Positions and Ranks of Genertec Headquarters*, and established professional development channels for employees.

### Selecting and training outstanding young personnel

- We implemented the *Opinions on Discovering, Training and Selecting Outstanding Young Personnel to Meet the Requirements of the New Era*, and dynamically updated the pool of outstanding young personnel.
- We stepped up efforts in the training and employment of outstanding young personnel.



Genertec's measures to support employees' career development

## ◆ Valuing Employee Health

Genertec highly values employees' health and safety and continues to improve its occupational health and safety management system. We strive to regulate and normalize our occupational safety and health management practices, and take science-based precautions to minimize corporate operation risks and ensure occupational health and safety.

### Work safety

The Group continues to improve safety conditions. While focusing on improving the safety accountability system, the institutional system, and the prevention and control system, the Group strengthens the tiered management and control of safety risks and the investigation and elimination of potential threats, and pushes ahead the implementation of key tasks for work safety.



### Safety management system

We revised the *Administrative Measures of Genertec on Work Safety Supervision* to improve the work safety accountability system and assessment methods.

### Safety management institutions

We established a work safety, environmental protection, and quality supervision headquarter to strengthen leadership and organizational structure for work safety, and clarify the responsibilities and working systems of the leading group.

### Safety management practices

The letter of commitment on work safety and environmental protection targets was signed, which clarifies the stakeholders' responsibility for work safety. We organized fire safety and emergency evacuation drills.

## Improving Work safety

### Safety management education

We launched the "Work Safety Month" safety awareness and training campaign; compiled a special manual for equipment and hazardous chemicals storage and use, and formulated a list of key points in identifying hazardous factors and investigating and eliminating hidden hazards.

### Safety management supervision

We inspected work safety to supervise the implementation of rectification measures for hidden dangers. We also formulated work plans for centralized rectification of problems identified and hazardous chemicals, etc.

Genertec's measures to fulfill its principal responsibility for creating a safe workplace



Launching ceremony of Genertec's "Work Safety Month"



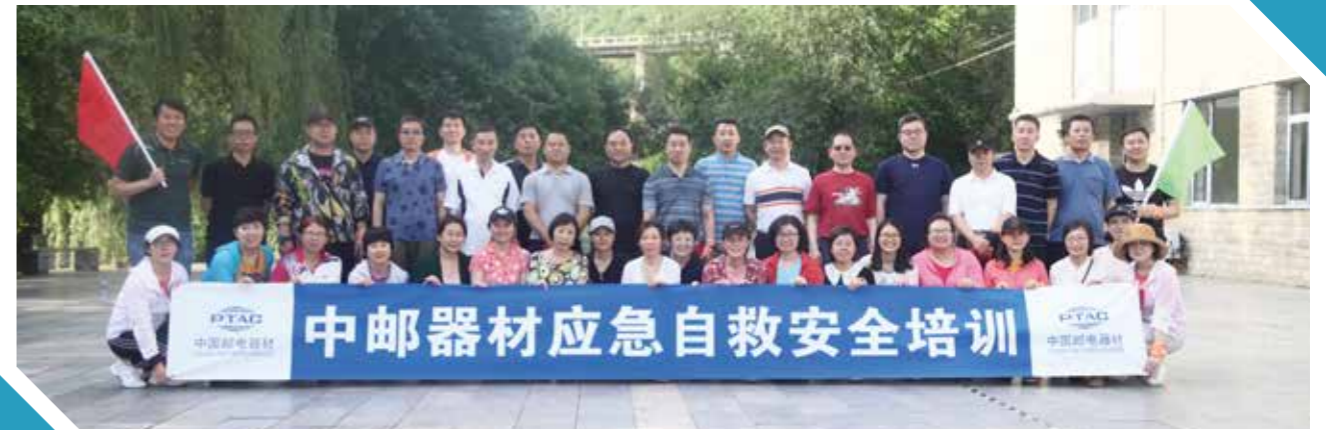
SMTCL organizes a "Ankang Cup" work safety production knowledge contest



Chinalight publicizes knowledge about work safety on exhibition boards



Work safety inspection at GENTRANS



PTAC organizes an emergency self-rescue training

## Occupational health

The Group continues to improve its employees' occupational health management system, and promote regulated management of occupational health. Focusing on the theme of "Improving Occupational Health for a Healthy China", Genertec has organized the publicity week of Law of the People's Republic of China on the Prevention and Control of Occupational Diseases and the knowledge contest of this law, to raise employees' awareness of occupational diseases and improve their awareness and abilities of taking care of themselves. We have promoted comprehensive healthcare services, launched the EAP (Employee Assistance Program), and organized health examinations for employees to better manage their health.



Genertec organized a total of **31** lectures on the theme of "Improving Occupational Health for a Healthy China" **1,824** employees participated in the knowledge contest of *Law on the Prevention and Control of Occupational Diseases*

### Case

#### CMC provides special training on mental health for overseas employees

CMC organized overseas dispatched employees in Beijing to attend the special training on *Mental Health and Adjustment of Overseas Dispatched Employees*, which was live streaming to overseas organizations. Various methods were used in the training to guide employees to re-understand stress, source of stress and its classification, so that they could master the art of stress and emotion management and the psychological skills of cross-cultural communication, etc., thus guiding them to ensure physical and mental health at work. The training was videotaped and uploaded to the I-EAP platform to reach and benefit more employees working overseas.



### Case

#### Chinalight organizes a road show under the theme of "Physical and Mental Health for a Happy Chinalight"

In April 2019, Chinalight held a health road show under the theme of "Physical and Mental Health for a Happy Chinalight." In the form of Q&As, it imparted knowledge about disease prevention, diet, and fitness to employees, and promptly corrected their misunderstandings about health. At the same time, professional health consultants were invited to field health questions from employees. This activity improved employees' health awareness and psychological quality, and further enhanced their sense of belonging to the company.



PTAC organizes a training on first aid knowledge and skills

## ◆ Caring for Employees

It is Genertec's goal to offer employees a happy and better career life. We help employees achieve work-life balance, give every employee full respect and care, and continue to improve their sense of happiness and belonging.

### Work-life balance

We organize diversified cultural and sports activities year after year, not only to provide employees a platform to show their talents, but also to help them relieve work pressure, so that they can better enjoy their work and life.



The first international youth talent contest of Genertec



Shenyang Machine Tool (Group) hosts activities to celebrate the 70th anniversary of the founding of the People's Republic of China



Chinalight organizes a football match



GIM organizes a spring brisk walk



CAERI holds the 5th "CAERI Cup" Football Match



GENTRANS organizes employees to visit the World Horticultural Expo in Beijing

## Caring for employees with special needs

The Group timely reaches out to meet the needs of employees at workplace and daily life, and strives to enhance their sense of happiness. Considerate support and particular attention are given to special groups such as needy employees, female employees, and retired employees. In 2019, the Group organized nearly 900 retirees to take physical examinations and spring and autumn outings, visited more than 600 of them, and distributed RMB 318,000 to over 60 employees, visited 763 employees, and handed out condolence money and gifts worth RMB 1.93 million.



### Caring for retirees

- We organized physical examinations for retirees and well handled the reimbursement of their drug expenses.
- We visited and sent birthday cakes and gifts to retirees celebrating their birthdays.
- We equipped office furniture, checked and upgraded fire-fighting facilities for retirees' activity center.
- During the COVID-19 pandemic, we distributed personal protection equipment to retirees.



### Helping employees in need

- We paid special visits to needy employees and their families.
- We set up a "Supporting Plan Fund" for employees in need.
- The *Pilot Measures of Enrollment Support for Children of Employees in Difficulties* was formulated to provide subsidies for children of employees in difficulties.



### Caring for female employees

- We continued to invest in the special illness mutual assistance program for active female employees in Beijing, and applied for special and critical illness subsidies provided by the mutual assistance program for female employees.

Genertec's measures to care for employees with special needs



Retirees perform the show, *Harmonious China*, to celebrate the 70th anniversary of the founding of the People's Republic of China



Lu Yimin, General Manager of Genertec, visits Bao Chengren, an old Party member, on behalf of the Group



China National Cooperation for Overseas Economic Cooperation (CCOEC)'s flower arrangement activity on the International Women's Day



China XinXing Group's theme activity on the International Women's Day



## Fulfilling Responsibility to Build a Harmonious Community

Guided by the corporate values of “innovation, entrepreneurship, harmony and win-win results,” Genertec works hard to fulfill its community responsibilities, and leverages its industrial strengths to help boost the economic development of project areas. At the same time, the Group actively participates in and organizes charity activities, to improve medical care and education in remote areas, promote the sustainable development of communities, and contribute to social harmony.

Donation:  
RMB **1.27** million,  
including RMB  
**59,000**  
donated overseas



## ◆ Facilitating Community Development

The Group actively responds to the call of the CPC Central Committee and the State Council, and earnestly fulfills its social responsibilities as a central SOE. It engages in strategic cooperation with local governments and other enterprises to promote regional economic growth. While expanding international business, the Group gives full play to its own advantages to help the development of overseas communities.



Case

### China XinXing Group launches strategic cooperation with Zhangjiajie City Industrial Investment Co., Ltd. to promote the economic development of Zhangjiajie

China XinXing Group signed a strategic cooperation agreement with Zhangjiajie City Industrial Investment Co., Ltd. and Greentown to deepen cooperation in tourism infrastructure construction and on improving the overall environment and rural living environment in Zhangjiajie. They aim to enhance Zhangjiajie's reputation and visibility as a tourist destination, build it into an open, culturally advanced, safe, eco-friendly, and livable destination for international tourists, jointly develop international boutique tourism projects, and bolster the city's economic and environmental development.

Case

### China XinXing Construction & Development undertakes construction projects for Beijing Daxing International Airport to contribute to the coordinated development of Beijing, Tianjin and Hebei

In strict accordance with the requirements for model projects of quality, workplace safety and integrity, China XinXing Construction & Development strictly and efficiently advanced the construction of such supporting facilities as the dormitories for shift workers, water supply pipelines, decoration of VIP lounges in the terminal building, weather radar station and secondary radar station for air traffic control at the second bid section of the China Southern Airlines base at Beijing Daxing International Airport. By so doing, the company was contributing its wisdom and expertise to China's drive to build a strong civil aviation powerhouse and boost the coordinated development of Beijing-Tianjin-Hebei cluster.



Dormitories for shift workers of the China Southern Airlines base at Beijing Daxing International Airport constructed by China XinXing Construction & Development



Case

### CMC builds resettlement houses for the community of its project area in Bangladesh

While building the Payra coal-fired power plant, CMC helped the locals build resettlement home and neighborhood equipped with lighting, drinking water, schools, medical care center, shelters, leisure and entertainment facilities according to the resettlement plan of Bangladesh, greatly improving the life of and winning high praises from the locals. It also donated 16,454,362 Taka to the local Chithalia High School to build a teaching building. The stationed Chinese employees actively volunteered to teach in local schools, to help the development of local education.



CMC employees as volunteer teachers in Bangladesh

Case

### CCOEC provides aids to support many overseas events

CCOEC actively implements decisions made by the central government, and fulfills its responsibilities as a central SOE, by going all out to provide foreign aid, which wins acclaim for China and the Group and enhances the Group's brand reputation and visibility while supporting the recipients. It donated vehicles and sports equipment for the 16th Pacific Games in Samoa in 2019; communications facilities and telecommunications equipment to the Conference on Interaction and Confidence Building Measures in Tajikistan; and 100 police vehicles to Ghana to help increase the response efficiency of the Ghanaian police and maintain Ghanaian social stability.



Police vehicles donated by CCOEC to Ghana

## ◆ Contributing to Public Welfare

Genertec actively fulfills its social responsibilities as a central SOE, continuously improves the volunteer service system, and encourages employees to participate in community services, education aid, disaster relief, and blood donation, to give back to the society.

In 2019, Genertec's Youth Volunteer Service Team, under the theme of "One Heart, One Dream", carried out various volunteer activities to promote core socialist values.



Volunteers of Genertec at the Western China International Fair for Investment and Trade

**Case Book donation to Shangdu County, Inner Mongolia**

To meet the reading needs of disadvantaged students and increase their access to more knowledge, the Youth Poverty Alleviation Team of the Youth League Committee of Genertec called for employees across Genertec to donate books to Genertec Primary School and Genertec Kindergarten in Shangdu County, Inner Mongolia. As the International Children's Day approached, they brought all the donated books, more than 5,000 in total, to the students, and held a book donation ceremony. It was a special gift for the International Children's Day, sowing the seeds of reading among the children, which is beneficial to their growth and study.



The book donation ceremony

**Case Donating blood, saving lives**

In order to alleviate the shortage of clinical blood use during summer vacation in Beijing, the Group called for employees of some affiliated companies in Beijing to donate blood, which received positive responses from the employees. Despite the thunderstorms on the day of blood donation, 24 employees visited the donation station and gave out their blood, lighting up the hope in others' life, and giving back to the society with concrete actions.



The Sunshine Company of Chinalight donated books to Bayangzhuang Primary School in the Xiong'an New Area



China XinXing Construction Engineering organized an education aid activity in Huangyangchuan Primary School of Gulang County, Gansu Province

**Case Genertec Universal Medical launches the "Pass on Love" initiative in Shangdu**

Genertec Universal Medical launched a series of charity activities in Shangdu County, Inner Mongolia Autonomous Region, bringing love and care, knowledge and technology to locals to promote the traditional virtues of solidarity and mutual assistance, and fulfill the social responsibilities as a central SOE. It delivered medical and healthcare supplies and daily necessities to Shangdu Central Nursing Home, answered questions about health issues raised by the elderly, and showed them love and care; selected and sent picture books to the children in the primary school of Dakulun Township, and discussed with the school headmaster and the director of the Bureau of Education on how to help and benefit more children in the future; organized academic exchange activities in Shangdu County Hospital to provide medical staff with rich and interesting technical guidance.



Genertec Universal Medical's employees visit Shangdu Central Nursing Home to show their love and care

**Case Chinalight employees show love and care for people with disabilities**

In October 2019, the technical service company of Chinalight organized employee volunteers to visit the Warm Home of People with Disabilities in Donghua Neighborhood, Dongcheng District, Beijing, to send donations to the poor people with disabilities. With the help of the community staff, they also participated in a series of interactive activities with the aid recipients and had a closer look at the handicrafts they made. This visit not only stimulated the enthusiasm of employees for voluntary services, but also further strengthened their sense of corporate social responsibility.



The Youth League Committee of the Group and China XinXing Group jointly undertook summer camps for middle school students from Tibet, providing internships and jobs for university students of ethnic minority groups



The "Learn from Lei Feng" volunteer activity organized by an affiliated company of China XinXing Construction Engineering



Forging ahead on the new voyage, let us set sail again to pursue our dreams! In 2020, standing at a new starting point, China General Technology Group will follow Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, bravely assume the responsibilities as a central SOE and focus on the high-quality development requirements. The Group will also pursue the noble mission of the strategy of building China into a manufacturing power, “Healthy China” strategy and the Belt and Road Initiative to comprehensively improve its ability to serve the national strategies and complete the goals of the “13th Five-Year Plan”, while making unremitting efforts to become a world-class and competitive enterprise at an early date.



## Innovation Pioneer

- ◆ Improving the indigenous innovation system to enhance innovation capabilities
- ◆ Pooling the innovative strengths of the main business to inject new vitality to the high-quality development of the Group



## Green Development Practitioner

- ◆ Continuously optimizing the environmental management system
- ◆ Promoting green operations in all production links
- ◆ Actively raising the awareness of environmental protection



## Technology Pillar

- ◆ Strengthening sci-tech research to help boost the technical level of the industry
- ◆ Carrying out technological cooperation and sharing its results



## Healthcare Supplier

- ◆ Improving the medical service system to build a reassuring healthcare industry
- ◆ Creating an all-round intelligent healthcare ecosystem to benefit more people
- ◆ Extensively engaging in exchanges and cooperation in healthcare to foster a healthcare industry ecosystem



## Global Player

- ◆ Speeding up the development of the international markets, to promote the entire supply chain to go global
- ◆ Deeply engaging in the Belt and Road Initiative and international production capacity cooperation
- ◆ Actively integrating into overseas local communities to share development results with the world



## Social Harmony Contributor

- ◆ Putting people first to promote the overall development of employees
- ◆ Consolidating the results of poverty alleviation to contribute to rural revitalization
- ◆ Improving the volunteer service system and overseas CSR performance mechanism to build up the image as a responsible international corporation



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# About the Report



## Releasing Cycle

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

## Reporting Period

The report mainly covers information of the period between January 1, 2019 and December 31, 2019, and may include contents beyond the stated reporting period.

## References to Genertec

For better readability, China General Technology (Group) Holding Co., Ltd. is hereinafter referred to as “Genertec”, “the Group” or “we/us”.

## Reporting Scope

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

## Reporting Preparation Process



## Access to the Report

The report is available in both Chinese and English, including paper and electronic versions. You can download the electronic version of the report from the official website of the Group.  
Website: [www.genertec.com.cn](http://www.genertec.com.cn)

## Data Source

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

## Compilation Conformance

The report is prepared in accordance with the *Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfilling Corporate Social Responsibilities* released by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), *GB/T 36001-2015 Guidance on Social Responsibility Reporting*, *GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB), *ISO 26000: Guidance on Social Responsibility (2010)* issued by International Organization for Standardization (ISO), *Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0)* issued by the Chinese Academy of Social Sciences and other related standards.



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