



2022
Genertec
Corporate Social
Responsibility Report



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About this Report

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

Reporting Period

This report mainly covers information of the period between January 1, 2022 and December 31, 2022, and may include contents beyond the stated reporting period.

Reporting Scope

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

References to Genertec

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

Data Sources

Business data in this report come from the official documents and statistical reports of Genertec and the subsidiaries. Due to the change of statistical caliber, some data of previous years have been updated.

Basis of Preparation

United Nations 2030 Sustainable Development Goals (SDGs)
 GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI)
 ISO 26000: Guidance on Social Responsibility (2010) issued by the International Organization for Standardization (ISO)
 Guiding Opinions on Better Performing Social Responsibilities of State-owned Enterprises issued by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council
 Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) issued by the Chinese Academy of Social Sciences (CASS)

Access to the Report

This report is in English and is available to stakeholders and the public in PDF format, which can be downloaded and read on the Company's official website (<http://www.gt.cn/>). For a printed version of this report, please email genertec@gt.cn. During the preparation of this report, the reading interests and requirements of various stakeholders have been taken into consideration as much as possible, and efforts have been made to ensure the contents are concise, clear and easy to read. In order to expand the amount of information in this report, some contents are presented in the form of QR code. For more details, please feel free to scan the QR code.

Contents

Message from the Chairman 04

About Us 06

A Review of 2022 08

Feature Story I 10

Deepening of Reform Injects Fresh Impetus into High-quality Development

Feature Story II 14

Paving a "Road to Happiness" for Seniors with Business Presence of Whole Industry Chain

PART1

RESPONSIBILITIES
Serving the Country's Most Fundamental Interests 18

Underpinning Force of a Manufacturing Power 20

Dynamic Force of the Healthy China Initiative 24

Main Force of the Belt and Road Initiative 30

EMPOWERMENT
Starting the Engine of Development 36

Gaining the Upper Hand in Scientific and Technological Innovation 38

Providing Outstanding Experience with High-quality Services 44

Building a New Force for Brand Culture 46

Striving to Facilitate Industry Development 50

PART2

PEOPLE'S WELL-BEING
Building Harmony and Sustainability 52

Enhancing Green Development and Environmental Protection 54

Cultivating High-caliber Personnel 58

Facilitating Rural Revitalization 62

Promoting Public Welfare Undertakings 70

MANAGEMENT
Laying a Solid Foundation for Responsibility Performance 74

Stabilizing Operation with Enhanced Corporate Governance 76

Laying a Solid Foundation for Work Safety 77

Highlighting Responsibilities with Responsible Management 78

Boosting Development with ESG Building 80

FUTURE PROSPECTS 82

APPENDIX 84

Message from the Chairman



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

于旭波

Xi Jinping, general secretary of the Communist Party of China (CPC) Central Committee and Chinese president pointed out in the Report to the 20th National Congress of the Communist Party of China, "From this day forward, the central task of the Communist Party of China will be to lead the Chinese people of all ethnic groups in a concerted effort to realize the Second Centenary Goal of building China into a great modern socialist country in all respects and to advance the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization." As the backbone of the socialist economy with Chinese characteristics, central state-owned enterprises (SOEs) must play a strategic supporting role in the new journey of comprehensively advancing the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization, and accelerate the building of themselves into world-class enterprises, contributing to setting the stage for building a modern socialist country in all respects.

In 2022, Genertec resolutely implemented the spirit of important speeches and instructions made by Chinese President Xi Jinping, closely focused on the main task of embracing the 20th CPC National Congress, as well as studying and implementing its guiding principles, and implemented the decisions and plans of the CPC Central Committee and the State Council and the work requirements of the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. Upholding and strengthening the overall leadership of the Party, Genertec fully and faithfully applied the new development philosophy on all fronts, firmly and steadfastly focused on the role of serving as an underpinning force of building China into a manufacturing power, a dynamic force of implementing the Healthy China Initiative, and a main force of developing the Belt and Road Initiative, and comprehensively fulfilled the political, economic and social responsibilities of a central SOE, demonstrating our new commitments and new contributions to serving national strategies and meeting people's needs for a better life.

We have always been committed to pursuing the dream for our country. We have taken the initiative to undertake the important mission of developing high-end CNC machine tools, further optimized the business layout of the machine tool industry, achieved new breakthroughs in key and core technologies, and witnessed remarkable improvement in the capabilities to serve key industries and sectors

of the country. We have shouldered the heavy responsibilities as a SOE to invest in and operate medical institutions, striving to develop high-quality full-life-cycle medical and healthcare products and services. We have made every effort to fight the COVID-19 pandemic and treat patients, and to guarantee the supply of pandemic prevention materials. We have established a healthcare and elderly care platform to actively respond to the aging population and a health management platform to meet the individualized and diversified health needs of the people. We have channeled quality medical resources toward the community level, and set up 256 GENERTEC CLINICs across the country, addressing the "last mile" problem of medical services. We have actively participated in high-quality Belt and Road cooperation and the international industrial capacity cooperation, and taken part in a number of new energy projects in overseas markets under the model of investment-construction-operation, promoting Chinese equipment, technologies, standards, and brands to the world.

We have strived to be the best through practical actions. We have continued to deepen reform and accelerated the construction of new modern SOEs with internal dynamics and vitality, benchmarking for world-class standards. The three-year action plan for SOE reform was successfully concluded, and Genertec was awarded "Grade-A" for the excellent performance. Chinatesta Textile Testing & Certification Services Co., Ltd. (CTTC) was listed on the Beijing Stock Exchange, becoming the first company in the field of textile testing to be listed on the stock exchange. The construction of a modern enterprise system with Chinese characteristics was proceeded at a steady pace. The Party's leadership was continuously strengthened in improving corporate governance, and the standardized and regulated construction of the boards of directors of enterprises at all levels was fully completed. The pilot reform of state-owned capital investment companies was implemented and achieved results; the three-level management and control system was continuously improved; five sub-industry groups were incorporated, with full established institutions and systems and clearly defined roles and functions. We have continued to promote the modernization of management systems and governance capabilities, and constantly implemented management enhancement actions for the world's first-class standards, advancing the corporate efficiency and effectiveness to a new stage.

We have continued to foster new drivers of growth through innovation. Following the innovation-driven development strategy, we have put scientific and technological innovation at the core of our overall development, established a state key laboratory of high-end CNC machine tools, prepared to establish a key laboratory of aviation medicine research and translation, and promoted sci-tech self-reliance and self-strengthening at higher levels in key industrial fields such as machine tools, new materials, medical and healthcare, and pharmaceuticals. In 2022, the R&D investment of Genertec reached RMB2.23 billion, up 18% from a year earlier, and the R&D investment intensity was 1.22%, with that of the sector of machine tools reaching 11.57%. We have intensified efforts to cultivate and introduce scientific and technological personnel. The integration of the digital and real economies continued to create new drivers for growth and the nanometer time grating guaranteed the "Chinese precision." New breakthroughs were made in sci-tech innovation. In July 2022, Genertec won the title of "Enterprise with Outstanding Contributions to Innovation in Science and Technology" by

the SASAC of the State Council in the 2019-2021 service term assessment.

We have promoted green development with enterprising spirit. We have intensified efforts to promote industries towards high-end, intelligent and green development. Bearing the goals of "carbon peaking and carbon neutrality" in mind and focusing on synergizing the reduction of pollution and carbon emissions, we have formulated and implemented a special plan for green development during the 14th Five-Year Plan period, and accelerated efforts to develop a new pattern of green and low-carbon development. We have vigorously promoted green transformation of industries and enhanced efforts to save energy, cut emissions and reduce pollution. We have planned and advanced green industrialization and the production capacity of 90,000 tons of green fiber has been in full operation. The Group was awarded the title of "China's Top Runner for Industrial Carbon Peaking 2022", and Genertec Shenyang Machine Tool and Hainan Genertec Sanyang Pharmaceutical Co., Ltd., a company affiliated to Genertec Meheco, were awarded the title of national "Green Factory."

We have focused our energy on ensuring and improving people's well-being. We have strived to serve national development and social progress and meet people's needs. By incorporating a new core concept and system of corporate culture, we have worked to build a better "Genertec" brand and an image of a responsible global corporate citizen. We have actively carried out earthquake relief, strengthened aid work in Qinghai, Xizang and Xinjiang, participated in public welfare activities, and so on. The Group donated RMB10 million to the earthquake-stricken areas in Sichuan, and invested RMB28.8 million of assistance funds in the paired-up assistance counties of Wuchuan and Shangdu in Inner Mongolia Autonomous Region. The Group trained a total of 994 primary-level officials, pioneers in rural revitalization and technicians, and has won a "Good" rating in the evaluation for the paired-up assistance work of central units for three years in a row.

In a new era and on a new journey, the mission is even greater; striving is the only way forward. We will rally more closely around the CPC Central Committee with Comrade Xi Jinping at its core, follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and fully implement the guiding principles of the 20th CPC National Congress; acquire a deep understanding of the decisive significance of establishing of both Comrade Xi Jinping's core position on the Party Central Committee and in the Party as a whole and the guiding role of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; boost our consciousness of the need to maintain political integrity, think in big-picture terms, follow the leadership core, and keep in alignment with the central Party leadership; stay confident in the path, the theory, the system, and the culture of socialism with Chinese characteristics; firmly uphold Comrade Xi Jinping's core position on the Party Central Committee in the Party as a whole and uphold the Central Committee's authority and its centralized, unified leadership. We will turn our original aspiration and mission into the driving force that inspires us to advance, and forge ahead with enterprise and fortitude, making new and greater contributions to building a modern socialist country in all respects and advancing the great rejuvenation of the Chinese nation on all fronts.

About Us

Corporate Profile

Established in 1998, China General Technology (Group) Holding Co., Ltd., (hereinafter referred to as "Genertec" or "Group") is a centrally administered state-owned enterprise, which is directed by the State-owned Assets Supervision and Administration Commission (SASAC) of the State Council. It was approved by the government as a pilot enterprise of state-owned capital investment in December 2018. At present, Genertec has four listed companies, that is, Genertec Shenyang Machine Tool Co., Ltd. (Genertec SMTCL), Genertec Universal Medical Group Co., Ltd. (Genertec Universal Medical), China Meheco Group Co., Ltd. (Genertec Meheco), and Chinatexta Textile Testing & Certification Services Co., Ltd. (CTTC).

In recent years, Genertec has been focusing on three pillar businesses of advanced manufacturing and technical services, medical and healthcare, trade and engineering services, continuously optimized business layout and structure, constantly enhanced innovation-driven development, and made special efforts to promote high-quality growth. Genertec has been awarded "Grade-A" in the evaluation of the operating performance of central SOEs for 12 years in a row. Since 2014, the Group has been included in the list of Fortune Global 500 for seven times.



The Open Culture of Genertec



In the field of advanced manufacturing and technical services



Genertec has taken an active role in serving the national strategy for upgrading the country's manufacturing sector and positioned the development of high-end CNC machine tools as the core business. Since the founding of the People's Republic of China, Genertec has produced dozens of national firsts in the field of machine tool equipment, and about 20 workers have been honored as role model of the nation, a testament to the Group's dedication and commitments as exemplified by Ma Hengchang Team. At present, Genertec owns one machine tool research institute and seven machine tool production and manufacturing companies. Genertec has incorporated a machine tool equipment corporation in collaboration with Tianjin Municipal People's Government, taken the lead

to establish the China Technology Innovation Strategic Alliance for Advanced Machine Tool, and set up an innovation and R&D base for equipment digitalization. Genertec has grown into an industrial leader that boasts the broadest product lines, the widest service areas, and the strongest comprehensive technical capabilities. Genertec is also the biggest provider of high-end core equipment for key industries and areas. Genertec has been vigorously promoting the industrialization of new solvent-based cellulose fiber, making China the second country in the world to master the technology in the industrialization of green cellulose fiber.

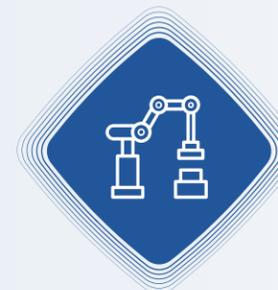
In the field of medical and healthcare



Genertec has actively carried out the Healthy China Initiative, accelerated the development of a comprehensive health ecosystem that is guided by health, supported by medical services, and guaranteed by a full range of services in various formats, so as to provide the people with all-around and full-cycle medical and healthcare products and services covering disease prevention, medical treatment, rehabilitation and elderly care. The Group has 92 pharmaceutical business branches in 30 provinces, municipalities and autonomous regions across the country, ranking 2nd among the 2022 Top 100 China Most Influential Pharmaceutical Enterprises; owns 343 medical institutions, with more than 48,000 inpatient beds in operation; has developed into a central

medical group with the leading number of beds, full business network coverage and distinctive characteristics of the whole industry chain, and played an important role in, among others, ensuring health and safety in national important industries and key fields, preventing and controlling the pandemic, conducting flood control and emergency relief, and guaranteeing emergency supply of medicines and medical devices. The Group boasts 59 health and elderly care institutions, community centers and service stations, with a total of more than 7,200 beds distributed in 19 provinces, municipalities and autonomous regions.

In the field of trade and engineering services



Genertec is the main channel and a major force for the imports of advanced technologies and key equipment in China. Its introduction of 156 advanced technologies and full equipment in the early years of the People's Republic of China laid a solid foundation for the country to develop manufacturing business. Over the past 70 years, Genertec has imported and introduced more than USD 340 billion of state-of-the-art technologies and complete sets of equipment for various industries, making a significant contribution to the nation's progress toward industrialization and the localization of major technical equipment. Genertec's vigorous participation in the tangible growth of the Belt and Road Initiative and the international industrial capacity cooperation has also driven and promoted Chinese standards, technologies and equipment to the world. Genertec ranked 105th in the ENR's Top 250 International Contractors in 2022. The Group has a long history

and significant advantages in undertaking the construction of special and major national projects, winning a total of 87 national-level awards including the China Construction Engineering Luban Awards and the National Quality Engineering Awards. As an integrated service provider for the supply chain of mobile communication terminal products, Genertec is also a leader in the field of terminal product distribution of mobile communication for years.

A Review of 2022

Time marches on and never stops. It connects the past and the future, engraving the footprints of our continuous endeavors. In 2022, Genertec, seizing the day and living it to the full and seeing the future development by reviewing the past, wrote a glorious new chapter and made great new achievements on the new journey in the new era.

01 Genertec conducted in-depth study, publicity and implementation of the guiding principles of the 20th CPC National Congress



Genertec welcomed the 20th CPC National Congress, as well as studied, publicized and implemented its guiding principles, and saw it as the top political priority; planned and carried out a series of publicity activities focusing on achievements, striving spirit, and role models; conducted study and lecturing activities by means of "six studies and six lectures," ensuring the effective implementation of the guiding principles of the 20th CPC National Congress within the Group. Zhang Weining with Xidian Group Hospital, which is affiliated to Genertec Universal Medical, was the only delegate to the 20th CPC National Congress of Beijing-based centrally-administered enterprises from the front line of medical and healthcare.

01 02

02 Genertec's three-year action plan for SOE reform was successfully concluded



Genertec achieved significant breakthroughs in establishing business layout, becoming a leading enterprise in both fields of machine tool equipment and medical and healthcare; basically established a three-level management and control structure, and further refined the mechanism in which officials can be demoted as well as promoted, employees can be dismissed as well as recruited, and salary can be increased as well as decreased; was awarded "Grade-A" in the evaluation of the three-year action plan for SOE reform; and, witnessed the enterprising spirit of all officials and employees to fully perform their duties and boldly take on their responsibilities, providing strong vitality and momentum for the Group to accelerate its course of becoming a world-class enterprise.

03 Genertec insisted on innovation-driven development and achieved new results in promoting sci-tech self-reliance and self-strengthening



Genertec achieved major scientific and technological breakthroughs in machine tool industry, established a three-level scientific and technological R&D system, set up a key laboratory of high-end CNC machine tools, completed the first batch of pilot construction of the branches of Genertec Machine Tool Engineering Research Institute Co., Ltd. (Genertec Machine Tool Research Institute) in Shenyang, Dalian and Shanghai, and established a joint fund for high-end CNC machine tools with the National Natural Science Foundation of China (NSFC); released five international standards and newly added six specialized and sophisticated enterprises that produce new and unique products; and, won the title of "Enterprise with Outstanding Contributions to Innovation in Science and Technology" by the SASAC of the State Council in the 2019-2021 service term assessment.

03 04

04 Genertec achieved significant results in integrating the medical institutions professionally



Genertec participated in the reforms of investing in and operating medical institutions by SOEs in a deep-going way, vigorously carried out professional integration with the medical institutions of China National Petroleum Corporation (CNPC) and Power Construction Corporation of China (PowerChina). It now owns 343 medical institutions, with more than 48,000 inpatient beds in operation. The Group's position as a leader in the field of medical and healthcare was further strengthened.

05 Genertec vigorously served the Healthy China Initiative by fully leveraging its advantages of main business



Genertec gave full play to its main business advantages, dispatched 222 personnel to assist Shanghai to fight against the pandemic, and more than 30,000 person-times of personnel to conduct pandemic prevention and control across the country; carried out over 33 million nucleic acid tests, and delivered more than one million boxes of COVID-19 treatment drugs in emergency. With the spirit of "never leave the front line because of slight wounds," all medical workers effectively guaranteed the physical health and life safety of the people.

05 06

06 Genertec actively served the major-country diplomacy with distinctive Chinese features, and successfully completed the series work of "BRICS China Year"



Genertec successfully completed all of the work assigned by relevant ministries and commissions, as well as the BRICS Business Council, and promoted four proposals to be included in the annual report of the council and two projects to be listed as the fruits of practical cooperation of the council; co-organized the special contest activities of the BRICS Skills Development and Technology Innovation Competition, and established the Industrial Innovation Alliance under the BRICS PartNIR Innovation Centre (BPIC), serving as a new platform for the Group to develop the main business.

07 Genertec continued to strengthen and deepen strategic cooperation with external stakeholders



In 2022, Genertec deepened the strategic cooperation with Tianjin Municipality, Liaoning Province and Heilongjiang Province successively, fostering a new role model for central SOE-local government cooperation; expanded the strategic cooperation with Tsinghua University, Tianjin University, Dalian University of Technology, Philips, Beijing Tourism Group, Peking University People's Hospital and others, realizing high-quality re-expansion of the "circle of friends."

07 08

08 Genertec achieved significant breakthroughs in capital market



Genertec completed the private placement of Genertec SMTCL, and the capital increase of Genertec Shenyang Machine Tool; issued the first scientific and technological innovation notes, with the headquarters serving as the issuer; and, CTTC was successfully listed on the Beijing Stock Exchange, becoming the first company in the field of textile testing to be listed on the stock exchange.

09 Genertec achieved positive results in corporate culture and brand building



Genertec held a release conference on corporate culture, releasing the new core philosophy system of corporate culture and the anthem of the Group "Invisible Arms." The trademark "Genertec" was successfully registered. Those efforts laid a solid foundation for improving the social influence and brand reputation of the Group.

09 10

10 Genertec achieved positive results in deepening the pilot reform of state-owned capital investment companies



Genertec established Genertec International Holding Co., Ltd., Genertec Health and Senior Care Industry Co., Ltd., Genertec Digital Intelligent Technology Co., Ltd., successively, prepared to establish a health management company, and carried out specialized restructuring of the businesses of capital companies; made significant progress in financial digitalization, and the digital system "GT-Financial Cloud" was successfully launched; and, achieved new breakthroughs in the comprehensive management reform of Genertec Xinxing.



Deepening of Reform Injects Fresh Impetus into High-quality Development

Feature Story

At the historical convergence of the Two Centenary Goals, in order to build new advantages and create a new situation for development in the face of profound and complex changes in internal conditions and external environment, Genertec is imperative to deepen reforms to stimulate motivation and vitality.



Genertec was awarded "Grade-A" in the evaluation of the three-year action plan for SOE reform of central SOEs in 2022

"SOE Reform Updates" and "SOE Reform Briefings" published typical cases of Genertec 5 times successively

Successful Conclusion of Three-year Action Plan for SOE Reform

The development of our cause shows us what needs to be changed, while furthering reform is the means by which we change it. As an important state-owned backbone enterprise directly administered by the central government, Genertec has resolutely implemented the spirit of Chinese President Xi Jinping's important discourses on deepening the reform of state-owned enterprises. With an even greater sense of purpose in thinking and action and a higher political awareness, the Group has effectively promoted the three-year action plan for SOE reform.



improving quality and efficiency and preventing risks, the Group has determined 97 tasks with 32 themes in eight fields. By adopting the approaches of dynamic tracking, backward scheduling and chart-style work assignment, all of which are in line with the monthly meeting, quarterly scheduling, semi-annual report, and annual summary, Genertec has formed a closed loop reform promotion system featuring full horizontal and vertical coverage, unity of commitments and actions, and high quality and efficiency. The assessment results are "double-linked" to the business performance assessment of the head of each unit and the comprehensive assessment and evaluation of the leadership team and personnel of the operating organization.

From laying a solid foundation for the three-year action plan for SOE reform, to comprehensively advancing and accumulating momentum, then to system integration and collaborative efficiency, Genertec has achieved new breakthroughs at a new starting point. Efforts have been intensified to make the state-owned sector more competitive, innovative, risk-resistant, and capable of exerting a greater level of influence and control over the economy.

Through top-down design, systematic deployment, IT-based oversight, quantitative promotion, penetrating management and rigid assessment, Genertec has formed a "six-in-one" closed loop of work, starting from strengthening organizational leadership, studying the first topic, formulating programs and detailed record, advancing regular meetings, enhancing performance assessment and supervision, to summarizing and promoting experience. With the focus on mechanisms and systems, priorities and difficulties, weaknesses and shortcomings, responsible chain, and effective results of reform, as well as the approaches of chart-style work assignment, stopwatch-style timing, benchmark-style self-examination, and in-depth analysis, the Group has effectively promoted comprehensive reforms that have gradually shown results and have continued to increase dynamism and vitality.

Genertec has established a leading group for comprehensively deepening reform with the secretary of the leading Party members group as the head, and printed and distributed the *Implementation Measures for the Evaluation of Key Tasks in the Three-year Action Plan for Reform (Trial)*. In accordance with the measurable, assessable, testable and actionable standards and focusing on stabilizing growth, strengthening innovation,



Genertec intensifies efforts to revitalize northeast China in the new era



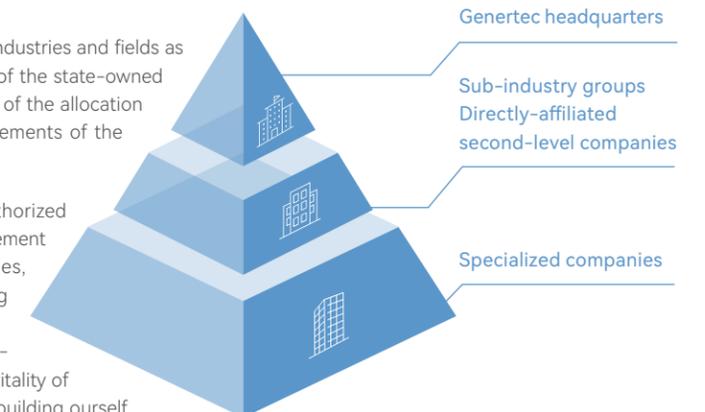
On August 23, 2022, the *People's Daily* published an article titled "Strive to Write a New Chapter in the Revitalization of Northeast China in the New Era" on its front page. The story wrote that since the strategic reorganization of Shenyang Machine Tool conducted by Genertec, the deepening of reforms has revitalized this old state-owned enterprise. The restructured enterprise has further clarified the ideas and approaches to solve the problems and difficulties in high-quality corporate development. In the first quarter of 2022, Shenyang Machine Tool achieved total profits of RMB18 million, seeing the first operational turnaround since 2015.



Fruitful Results in Pilot Reform of State-owned Capital Investment Companies

Promoting the concentration of state-owned capital in key industries and fields as well as superior enterprises, working to improve the layout of the state-owned sector and adjust its structure, and enhancing the efficiency of the allocation and operation of state-owned capital are the basic requirements of the pilot reform of state-owned capital investment companies.

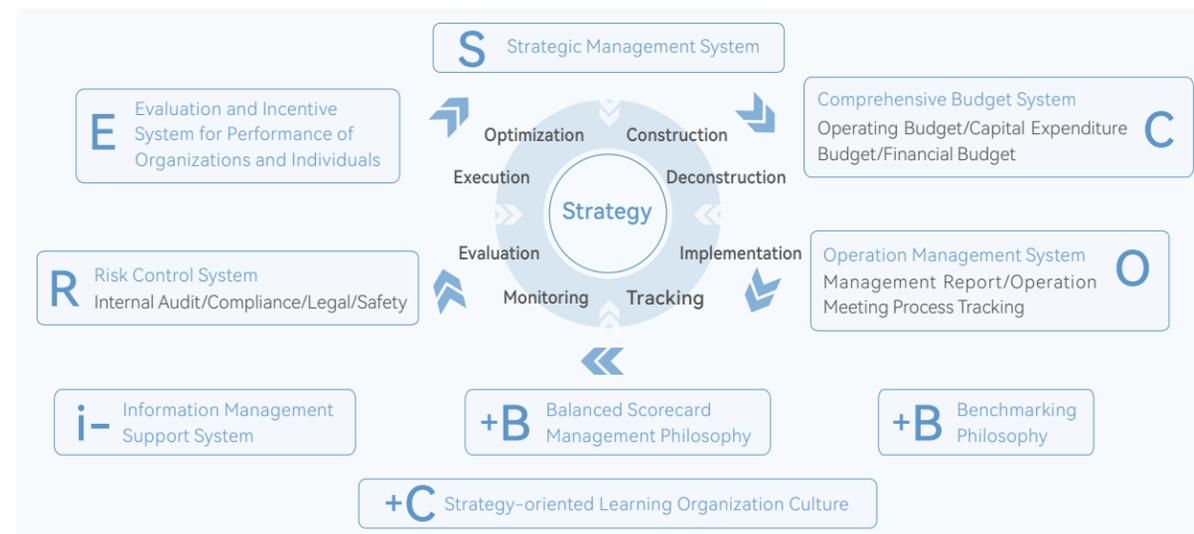
Genertec has kept deepening reform of the system of authorized operation of state-owned capital. Through adjusting management and control structure, improving management capabilities, enhancing foundation of power exercise, promoting targeted authorization, and strengthening oversight and supervision, Genertec has established a "five-in-one" full-cycle authorization control system, which fully activates the vitality of business entities at all levels and lays a solid foundation for building oneself into a world-class enterprise.



Centering on the functional positioning of capital regulation, Genertec has enhanced top-down design, gradually established the three-level management and control structure consisting of capital level, assets level and business level, and developed the "i-SCORE+" management system. Five sub-industry groups were incorporated, with full established institutions and systems and clearly defined roles and functions. The 16 former second-level companies were incorporated into each sub-industry group, and the number of enterprises directly managed by the Group's headquarters was reduced from 35 to 19; a total of 31 specialized business units were formed in accordance with the principle of "one enterprise, one policy," so as to realize the upward transfer of the rights of investment and operation and delegate power of specific production and operation to the lower levels.

Genertec has formulated guidelines for evaluating the ability of the boards of directors of important subsidiaries to exercise their powers, and implemented differentiated and targeted authorization and delegation of powers in accordance with the principle of "authorizing

as much as possible and as much as can be authorized." The Group has basically realized the full coverage of the implementation of functions and powers of board of directors by sub-industry groups and directly-affiliated second-level companies through an evaluation system consisting of 34 indicators, with focus on five dimensions of "corporate governance, decision-making mechanism, system construction, risk management and control, and operation quality." At present, Genertec has issued authorization lists to five sub-industry groups and eight directly-affiliated second-level companies on a "one enterprise, one policy" basis, covering 32 items of authorization, with individual enterprises having 37 items. For matters other than authorized items, the Group has comprehensively sorted out the approval and decision-making process of various items. In 2022, the Group optimized and refined 427 items of powers and responsibilities from 12 aspects, improved the approval process, formed a manual of powers and responsibilities, and implemented list management. Those efforts have significantly improved the efficiency and quality of approval and decision-making.



Reform of Three Systems in Full Swing

Genertec has intensified efforts to promote the reform of the three systems, that is, labor, personnel and income distribution systems. The tenure system and contractual management of management members have achieved full coverage at all levels; the open recruitment of managers of second-level operating institutions has been fully carried out; and, the market-oriented recruitment ratio of new key positions is 100%. The Group has established a two-way mechanism of appointing outstanding young management personnel from the headquarters to temporary posts of second-level units to get training, and vice versa; established and dynamically updated the "Genertec 300" young management personnel database; and, promoted 78 people to leaders of second-level units. Those efforts have further refined the mechanism in which officials can be demoted as well as promoted, employees can be dismissed as well as recruited, and salary can be increased as well as decreased. The Group has explored and established a number of mid-to-long-term incentive mechanisms. Genertec CTA, which is affiliated to Genertec Advanced Materials, has carried out a pilot program for project income dividend, becoming the first enterprise in Genertec to implement the management of total wages by a filing for record approach on a pilot basis. Genertec CTACELL, which is affiliated to Genertec Advanced Materials, has piloted and explored a comprehensive incentive scheme for cost reduction and efficiency increase. Genertec Meheco and other eight second-level units of Genertec have conducted open recruitment for 26 managerial positions. Genertec Xinxing has carried out a competitive employment system at the headquarters.



Genertec Xinxing carried out a competition for positions at the headquarters

Enhancing Quality and Performance with Special Corporate Reforms

Genertec has two scientific and technological reform demonstration enterprises and three "Double Hundred Action" enterprises. In 2022, Genertec Instec Technology, a scientific and technological reform demonstration enterprise, which is affiliated to Genertec CNIC, achieved "excellence" in the assessment of the SASAC of the State Council; Genertec CTA, which is affiliated to Genertec Advanced Materials, completed the listed reform tasks, while CTTC, which is also affiliated to Genertec Advanced Materials, successfully completed the transfer of listing from the National Equities Exchange and Quotations (NEEQ, also known as the New Third Board) to the Beijing Stock Exchange.

- The total labor productivity was RMB **322,000** / person, up RMB **38,000** / person from a year earlier
- The asset-liability ratio was **67.9%**, keeping within the budget
- The net profits of both Genertec Machine Tool and Genertec Guozhong Healthcare increased more than **50%**
- Genertec AMC won the Award for Best Organization of Project Transaction in 2022, the Award for Quality Services, and other awards and honors by the Beijing Stock Exchange
- Genertec Universal Medical was selected as Demonstration enterprise of corporate governance and establishment by the SASAC of the State council
- Genertec Dalian Machine Tool, Genertec QIER, and Genertec Shenyang Machine Tool all achieved a turnaround, converting the operating losses into profits



Recovery of funds from revitalization of various assets reached RMB **8.21** billion

The number of enterprises was reduced by **93** and **25** "zombie enterprises" were properly handled

The amount of irregular "accounts receivables and inventories" were reduced by more than **50%**

The number of heavily indebted enterprises was reduced by more than **40%**



CTTC completes listing on Beijing Stock Exchange

In 2022, CTTC, which is affiliated to Genertec Advanced Materials, was successfully listed on the Beijing Stock Exchange, becoming the first company in the field of textile testing to be listed on the stock exchange. Since the listing on the NEEQ, or the New Third Board, at the end of 2018, CTTC has officially entered the capital market. With the successful listing on the Beijing Stock Exchange, the company, by leveraging the capital market, continues to improve corporate governance, deepen mixed ownership reform, strengthen market-oriented incentives and constraints, promote transformation and upgrading through reform, and stimulate new momentum for corporate growth.





Paving a "Road to Happiness" for Seniors with Business Presence of Whole Industry Chain

Effectively responding to population aging of the country is crucial to national development, the people's livelihood, and social harmony and stability. It is also of great importance for China to become a modern socialist country in all aspects. As a central SOE with medical and healthcare as the primary responsibilities and core business, Genertec has taken the initiative to develop health and elderly care industry, striving to build a comprehensive and whole industry chain-based system integrating health and medical care, rehabilitation, elderly care and financial services.

Consciously Fulfilling Duties and Mission According to National Conditions

According to data from the seventh national census in 2020, a total of 149 cities across China have been in the "deep ageing" population category. China has the largest number of elderly people, with the fastest rate of aging and the heaviest task of coping with population aging. This is the basic demographic situation of China today and in the coming period.

The transformation of the training and convalescent institutions affiliated to the Party and government organs, as well state-owned enterprises and public institutions to develop inclusive residential elderly care is an important initiative for the development of the elderly care industry and the implementation of the national strategy for actively coping with population ageing. Applying a people-centered development philosophy, Genertec has actively developed an elderly care services network and a health support network for the elderly, covering both medical and healthcare services, contributing to the high-quality development of industries related to services for elderly people.

Genertec Health and Senior Care officially inaugurated

The opening ceremony of Genertec Health and Senior Care Industry Co., Ltd. was held in Beijing on July 27, 2022. The incorporation of the company is an important manifestation of Genertec's active implementation of the national strategy of population aging and the Healthy China Initiative, as well as an important manifestation of Genertec's active efforts for business establishment in health and elderly care industry, and the development of its primary responsibilities and main business. Applying a people-centered development philosophy, Genertec Health and Senior Care takes meeting the people's aspirations for a healthy and better life as the foundation and fundamental purpose of its business.



Establishing Business Presence with Specialized Platforms

In order to implement the national strategy of actively responding to population aging, expand the effective supply of diversified elderly care services, accelerate the development of the Group's elderly care business, and implement specialized management and operations, Genertec has taken the initiative to launch Genertec Health and Senior Care Industry Co., Ltd., with the participation of relevant medical platforms under the Group. The company is positioned as a specialized platform for the Group's coordinated development of the elderly care business, giving full play to the strategic synergies of medical and healthcare services and focusing on the development of the elderly care service business.

Development Vision

To become a world-class integrated service provider in the health and elderly care industry

Development Purpose

Fulfill the responsibilities of a central SOE, and promote the development of elderly care industry with an approach of active aging

Development Orientation

Practitioner of the healthy China initiative

Leader of the health and elderly care industry

Advocate of an active aging lifestyle

Based on the high-quality development of elderly care industry and insisting on integrated development of medical and healthcare services, Genertec has given play to the strengths in medical and healthcare industry, established business presence in the whole industry chain integrating health and medical care, rehabilitation, elderly care and financial services, strengthened the operation and management capacities of specialized elderly care services, and coordinated the development of various service models, such as home- and community-based elderly care, institutional elderly care and residential elderly care. Committed to meeting the growing needs of the elderly with high-quality and high-value-added services, the Group has been expanding upstream and downstream businesses such as rental and sales of assistive devices, training business, and elderly-oriented furniture. The Group has strived to build a multi-level, diversified and integrated health and elderly care industrial ecosystem integrating medical care, health, rehabilitation and elderly care, contributing to the development of the national elderly care causes with high-quality services.

CWTS transferred to Genertec Health and Senior Care

On December 28, 2022, Genertec signed a transfer agreement on China Women Travel Service (CWTS) with the All-China Women's Federation (ACWF). The two sides will work together to promote the professional integration of state-owned assets and innovative practices in the development of the comprehensive health industry, to achieve complementarity of resources, management, experience and other advantages, to expand the effective supply of high-quality health and elderly care services, and to achieve business synergies in the fields of "elderly care + tourism," "health + tourism," health recuperation and convalescence for employees, among others.



Boosting Happiness with Innovation and High-quality Services

By the end of 2022, the Group had operated and managed a total of **59** elderly care institutions and medical and healthcare projects with more than **7,200** beds distributed in **19** provinces, municipalities and autonomous regions

As a special service field, health and elderly care requires humanistic care and warmth. The convenient and high-quality products and services of Genertec provide customized and intelligent elderly care solutions for seniors. Through the three main models of home- and community-based elderly care, institutional elderly care and residential elderly care, the Group effectively combines modern medical technologies, precise health management and elderly care protection to form a new generation digital platform of open and standardized medical and healthcare, with medical care as guarantee, health management as basis, and health and elderly care as support. Genertec provides comprehensive services of "check-up, health management, diagnosis, medical treatment and rehabilitation, and healthcare for seniors" that integrate professional diagnosis and treatment technologies and equipment with health management, disease treatment, rehabilitation training, daily diet, living and elderly care. The elderly care institutions and medical and healthcare project operated and managed by the Group, such as Guilin medical and healthcare project of Gem Flower Healthcare, Beidaihe Haiqing project and Qingdao Haiqing project of Genertec Guozhong Healthcare, Shangdi project in Beijing and Penglai project in Yantai of Genertec Health and Senior Care, and the elderly care service center of 731 Hospital under Genertec AMHT, have jointly built a full-life-cycle health management and elderly care service platform for seniors. With those intensified efforts, the Group strives to be a practitioner of the Healthy China Initiative, a leader of the health and elderly care industry and an advocate of an active aging lifestyle.



Guilin medical and healthcare project of Gem Flower Healthcare



Beidaihe Haiqing project of Genertec Guozhong Healthcare



Qingdao Haiqing project of Genertec Guozhong Healthcare



Shangdi project in Beijing of Genertec Health and Senior Care



Penglai project in Yantai of Genertec Health and Senior Care



Elderly care service center of 731 Hospital under Genertec AMHT

Integration model of medical and healthcare of Gem Flower Healthcare

Baoding Gem Flower Oriental Hospital, under Genertec Gem Flower Healthcare, has become the first Grade-A secondary hospital to fully transform into a hospital integrating medical and healthcare services in Baoding, Hebei Province.

Health	With 1,000 square meters of health checkup space, the hospital integrates health checkup, health education and health management.
Health management	The hospital has carried out the "Pharmacists in the Community" series activity to guide the elderly suffering from hypertension, hyperglycemia, and hyperlipidemia to take medicines in the right way.
Medical care	The hospital carries out all of the medical services of a national Grade II hospital, and a number of its services are at the level of a Grade III hospital.
Rehabilitation	The hospital has introduced a number of experts specialized in Chinese medicine and rehabilitation medicine, and adopting green therapies such as "leech-sucking therapy" and "bamboo cupping."
Elderly care	A 3,000-square-meter elderly care center is planned to serve the semi-disabled and disabled people.



Genertec has studied and implemented the spirit of important instructions made by Chinese President Xi Jinping on stepping up efforts to address population aging and promoting the development of national undertakings for the aged. Applying a people-centered development philosophy, the Group has taken the initiative to carry out the corporate mission of "Creating a better life with good technology and quality service." Focusing on solving the problem of imbalance and insufficiency on the supply side of elderly care services, and with reform and innovation as the driving force, Genertec has followed market-oriented operation, integrated development, branded operation, and digital empowerment, and continuously expanded the supply of high-quality health and elderly care services. Through enhancing corporate governance, boosting business development and providing good services for the people, the Group has intensified its efforts to build itself into a world-class health and elderly care enterprise with excellent products, outstanding brands, strong innovation strengths, and modern corporate governance.



PART 1

Responsibilities: Serving the Country's Most Fundamental Interests

Insisting on the strategic positioning of being an underpinning force of building China into a manufacturing power, a dynamic force of implementing the Healthy China Initiative, and a main force of promoting the Belt and Road Initiative, Genertec has witnessed a progressive realization of goals and successive victories.

Underpinning Force
of a Manufacturing
Power 20

Dynamic Force of
the Healthy China
Initiative 24

Main Force
of the Belt and
Road Initiative 30

Underpinning Force of a Manufacturing Power

As the only central SOE with machine tools as its core business, Genertec has been committed to promoting the transition from "Made in China" to "Made by China" and upgrading China from a manufacturer of quantity to that of quality.

New Chapter of Manufacturing

Machine Tool Equipment

Genertec has positioned the development of high-end CNC machine tools as the core business. Through researching and developing new models and exploring new processes, Genertec continues to meet the diversified and fast-changing market demands with economical, efficient and flexible solutions.



With the establishment of Genertec Machine Tool Co., Ltd. (Genertec Machine Tool), Genertec conducts integrated and intensive management and control of the machine tool enterprises



With the acquisition of Tianjin Tianduan Press Co., Ltd. and the promotion of judicial settlement of Genertec Kunming Machine Tool Co., Ltd., Genertec opens up new arenas in development of metal forming machine tools and high precision coordinate boring machine



Six achievements of Genertec won the "China Machinery Industry Science and Technology Awards," ranking No. 1 in terms of level and quantity of awards. "Key technologies for reliability evaluation of high-end CNC systems" and "key technologies and system application of digital twin management, control, operation and maintenance of complex equipment" developed by Genertec Machine Tool Research Institute won the first prize of the Award for Scientific and Technological Progress and first prize of the Award for Technological Invention of the China Machinery Industry Science and Technology Awards respectively

"Genertec Cup" Multi-axis CNC Machining Competition held in Shenyang

The "Genertec Cup" Multi-axis CNC Machining Competition under the 2022 Belt & Road and BRICS Skills Development & Technology Innovation Competition was held in Genertec Shenyang Machine Tool in Shenyang City, northeast China's Liaoning Province, November 10, 2022. As a member unit of BRICS Business Council, Genertec has co-organized the event for three years in a row. The "Genertec Cup" Multi-axis CNC Machining Competition has developed into an annual event for outstanding talented people in China's machinery industry to showcase and exchange machining skills.

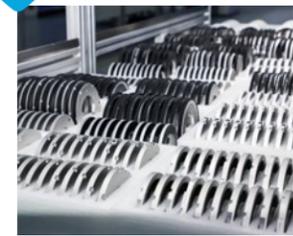
A total of 25 teams from central SOEs such as AECC, CFHI, CSSC and Genertec, as well as colleges and universities including Guidaojiaotong Polytechnic Institute, participated in the competition.



Vice-president Jia Dafeng delivered a speech for the competition



Nanometer time grating delivers Chinese precision



Nanometer time grating is a major original research achievement independently developed by China. By using the principle of "measuring space by time," the achievement successfully solved the precision position detection problem of high-end equipment. The national primary standard of angle developed based on nanometer time grating technology has an accuracy of ± 0.06 arc seconds, which reaches the limit of the level of existing detection instruments, realizing the independent control of precision displacement measurement technologies and apparatus.



Wang Huijie, vice-president of Genertec, conducted an investigation and research tour to Genertec Guoce Time Grating.

New Materials

Genertec has established business presence in the whole industry chain of new fiber materials, chemical fiber equipment manufacturing and engineering services, new textile materials, textile chemicals and biotechnology, as well as standard testing and technical services. The chemical fiber equipment manufacturing strength of the Group ranked among the top three in the world. The Group is also the only enterprise in China that grasps and possesses independent intellectual property rights of complete sets of technology for the industrialization of Lyocell fiber.



Leaders of Genertec conducted an investigation and research tour to Genertec CTA, which is affiliated to Genertec Advanced Materials

- ◆ The 10,000-ton composite spinning industrialization project of Genertec CHTF, which is affiliated to Genertec Advanced Materials, completed the installation of all production lines, seeing a 50% increase in sales
- ◆ In 2022, the production capacity of Lyocell fiber reached 90,000 tons, ranking No. 1 in China, with the largest domestic market share; the comprehensive energy consumption level was close to that of the benchmark enterprises
- ◆ The sales of colored fiber products, heat-insulating materials for firefighting suits, and high-end black fabrics for automobiles of Eastex Industrial Science & Technology Co., Ltd., which is affiliated to Genertec Advanced Materials, remained No. 1 in their respective segments

- ◆ The production and sales of functional tent materials and new anti-stabbing materials of CTA Hi-Tech Textiles Co., Ltd., which is affiliated to Genertec Advanced Materials, far exceeded the annual targets
- ◆ Seven achievements of Genertec CTA, which is affiliated to Genertec Advanced Materials, won the Scientific and Technological Progress Award of the China National Textile and Apparel Council (CNTAC); "Development and industrial application of continuous polymerization multi-head direct spinning technology for high-strength polyamide 66 industrial yarn" won the first prize of the CNTAC Scientific and Technological Progress Award
- ◆ "Lightweight and high-strength protective fencing clothing" developed by Genertec CTAJN Branch, which is affiliated to Genertec Advanced Materials, based on UHMWPE fiber, was selected as "Top 10 Textile Innovation Products in 2022"



Fiber products developed by Genertec CTACELL, which is affiliated to Genertec Advanced Materials



A full set of domestically produced Lyocell fiber production line with independent intellectual property rights

Genertec Advanced Materials establishes team to participate in Yarn Expo



In March 2022, the Yarn Expo Spring - China International Trade Fair for Fibers and Yarns was grandly held in Shanghai. The exhibition hall of Genertec Advanced Materials fully demonstrated the resource advantages and core competitiveness in the field of fiber materials, and deeply interpreted the brand concept of "Good Technology, Good Life."



At the expo, Genertec Advanced Materials exhibited more than 100 products covering the five industrial systems of new fiber materials, chemical fiber textile equipment manufacturing and engineering services, new textile materials, textile chemicals and biotechnology, and testing and technical services.

Inspection and Testing

Based on strengthening and optimizing the machine tools and the textile inspection and testing, Genertec has gradually expanded the inspection, testing and certification services in new fields such as health, medicine and medical equipment, striving to build a technical service platform integrating, among others, standard measurement, certification and accreditation, inspection and testing, experimental verification, data application and equipment promotion.

- ◆ CTTC, which is affiliated to Genertec Advanced Materials, has obtained the qualification of China Green Product certification, which allows it to carry out green product certification activities nationwide



New Achievements

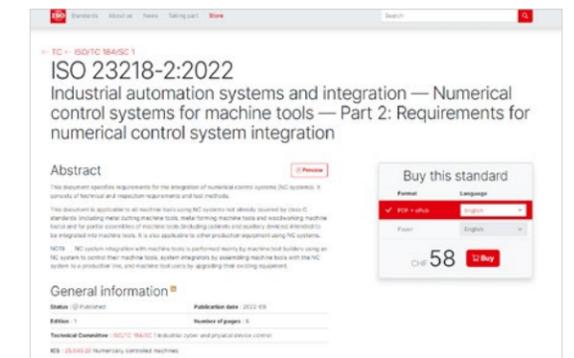
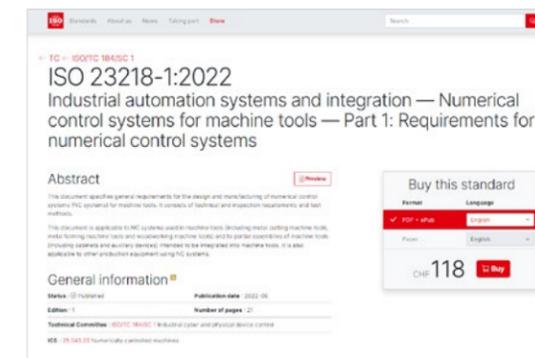
As a leading enterprise in the field of machine tool equipment in China, Genertec has given full play to the role of the "national team" in the machine tool industry, sorted out and formed a technological spectrum of high-end CNC machine tools, and set up a key laboratory for high-end CNC machine tools. Genertec and the National Natural Science Foundation of China (NSFC) jointly contributed RMB110 million to set up a joint fund for the innovation and development of high-end CNC machine tools enterprises. "Design method of large-scale high-precision five-axis gantry machining center" and other 60 plus core and sophisticated technologies achieved important breakthroughs. With the "dual engines" of guidance by standards and promotion by cooperation, the Group has intensified efforts to develop strategic partners and to boost integrated development of upstream and downstream enterprises.

The number of member units of the "Strategic Alliance for Technology Innovation in CNC Machine Tool Industry" has increased to **60**

First China-led series of international standards of numerical control systems for machine tools released

In 2022, Genertec Machine Tool Research Institute-led international standards, ISO 23218-1:2022 "Industrial automation systems and integration - Numerical control systems for machine tools - Part 1: Requirements for numerical control systems" and ISO 23218-2:2022 "Industrial automation systems and integration - Numerical control systems for machine tools - Part 2: Requirements for numerical control system integration" were officially released in June and September respectively.

The standards are the first China-led international standards in the field of numerical control systems for machine tools, realizing the country's "zero" breakthrough and further realizing the important transformation of "from 1 to N," which not only marks China's entry into a new stage of systematic development in this field, but also enhances the country's international influence.



Two international standards of textiles released

In October 2022, ISO 9867:2022 "Textiles - Evaluation of the wrinkle recovery of fabrics - Appearance method" and ISO 14389:2022 "Textiles - Determination of the phthalate content - Tetrahydrofuran method" were officially released. CTTC, which is affiliated to Genertec Advanced Materials, took the lead in formulating the two international standards. The release of ISO 9867:2022 further improves and unifies the global testing standards in this field, which is conducive to avoiding or reducing the economic losses caused by the differences in the testing results of the appearance performance of textile fabrics, and plays a positive role in promoting the production and fair trade of textile fabrics and their related products worldwide.

Dynamic Force of the Healthy China Initiative

The medical and healthcare business of Genertec has grown from scratch to become an industry-leading player and a dynamic force of the Healthy China Initiative.

Comprehensive Healthcare Industry

In the field of medical and healthcare, Genertec has actively carried out the Healthy China Initiative, accelerated the development of a comprehensive health ecosystem that is guided by health, supported by medical services, and guaranteed by a full range of services in various formats, so as to provide the people with all-around and full-cycle medical and healthcare products and services covering disease prevention, medical treatment, rehabilitation and elderly care. Currently, the Group has developed into a central medical group with the leading number of beds, full business network coverage and distinctive characteristics of the whole industry chain, and played an important role in, among others, ensuring health and safety in national important industries and key fields, preventing and controlling the pandemic, conducting flood control and emergency relief, and guaranteeing emergency supply of medicines and medical devices.

Pharmaceuticals and medical devices

With the establishment of 92 commercial medical branches in 30 provinces, municipalities and autonomous regions across China, Genertec has continued to optimize international trade in pharmaceuticals, exerted its domestic and international network advantages, made two-way efforts in introducing and exporting, and strengthened the integration and synergy with the pharmaceutical industry, pharmaceuticals and medical devices, playing an active role in guaranteeing the supply of emergency supplies of pharmaceuticals and medical devices.

Medical care

Genertec has five medical platforms of Genertec Universal Medical, Genertec Medical, Genertec Guozhong Healthcare, Genertec AMHT and Gen Flower Healthcare, 343 medical institutions with a total of over 48,000 beds, with the number of outpatient and emergency visits reaching 25 million person-times yearly; and established five regional alliances and 55 alliances of medical specialties. In 2022, Genertec provided medical services, medicines and medical equipment supply guarantee for the 2022 Beijing Winter Olympic Games and Winter Paralympics, which was highly recognized by the Beijing Organizing Committee for the Olympic Games, the SASAC of the State Council and other relevant units.

Health and elderly care

Genertec has intensified efforts to develop health and elderly care business, and established Genertec Health and Senior Care to leverage the synergistic advantages of its health and elderly care business and focus on the development of elderly care services by combining medical care and elderly care, further optimizing the industrial layout and striving to build a health and elderly care ecosystem. The Group now has 59 health and elderly care institutions, community centers and service stations, with a total of more than 7,200 beds distributed in 19 provinces, municipalities and autonomous regions.

Health management

Genertec has innovated in health management business, and prepared for the establishment of Genertec Healthcare. According to the requirements of "unified brand, unified platform, unified service standard, unified planning layout and unified management," the Group has strived to develop an integrated health management service system, intensified its efforts to constantly advance the building of a "health enterprise." In 2022, the Group provided health management services for 34 Beijing-based central SOEs, covering 278,000 people.



"Gen Flower" in full bloom

Deepening the reform of Gen Flower Healthcare was a key project of specialized integration among central SOEs. On February 28, 2022, the signing ceremony between Genertec and CNPC on deepening reform and conducting specialized integration of Gen Flower Healthcare was successfully held. According to the agreement, Gen Flower Healthcare was officially merged into Genertec, marking new achievements in the specialized integration of medical institutions under central SOEs.



GENERTEC CLINICs provide convenient and efficient medical services for people

Genertec has taken the initiative to channel medical resources toward the community level. Bearing the implementation of community inclusive medical care in mind, the Group has established 256 GENERTEC CLINICs in 74 cities across China, providing medical services for nearly seven million people in the communities and rural areas. Those efforts have effectively activated the "capillaries" of the community-level medical care network and solved the difficulties and pains of the people and workers in seeking medical treatment. Up until now, GENERTEC CLINICs have become medical institutions integrating diagnosis and treatment, physical examination, healthcare, health education, health consulting, health promotion and other health management services, providing convenient and efficient medical services for people.





Genertec safeguards "ice and snow dream" with professional, efficient medical services

Genertec intensified its efforts to provide professional and efficient medical services for the 2022 Beijing Winter Olympic Games and keep the bottom line of safety for major sports events. Beijing Electric Power Hospital, which is affiliated to Genertec Guozhong Healthcare, and Aerospace Center Hospital and Aerospace 731 Hospital, which are affiliated to Genertec AMHT, set up medical support teams for the Winter Olympics to ensure immediately rescue on the field and reduce the risks of accidents and injuries to athletes. Beijing Electric Power Hospital set up a special medical team for power supply guarantee, providing routine medical diagnosis and treatment, emergency medical care and first aid, and medication consulting services for the power supply workers of the Winter Olympics. The Aerospace Center Hospital and Beijing Electric Power Hospital sent medical personnel to undertake doping testing, making contribution to safeguarding fair competition, sports ethics and the Olympic spirits and ensuring a smooth and orderly Winter Olympics.

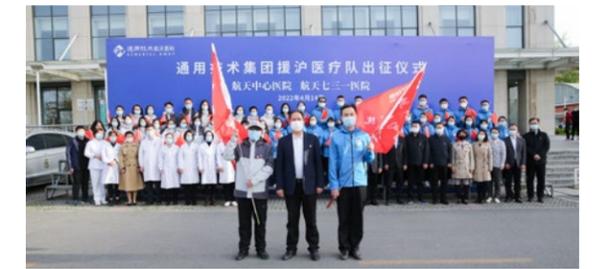


Fighting COVID-19

Genertec has taken the initiative to support the nation's campaign against the pandemic, and coordinated all of the efforts to invest in diagnosis and treatment, material support and project construction: from the medical workers headed for the frontline without considering their own safety to the pharmaceutical staff who worked day and night, and from the scientific research personnel who were racing against time to the hard-working project builders. All Genertec people have spared no efforts to fight the pandemic, guaranteeing a better future.



Zhang Yuzhuo, Chairman of SASAC of the State Council, and his delegation conducted an investigation and research tour to Genertec Meheco



Medical team of Genertec set out for Shanghai to help the megacity fight the pandemic



Genertec Xinxing-aided quarantine sites in Daiyue District, Tai'an City, east China's Shandong Province



Genertec medical team supporting Shanghai's pandemic fight returned in triumph



Genertec Meheco makes new achievements in drug variety

Guided by innovation in science and technology, Genertec Meheco, with variety development as the core and green development as the philosophy, has continued to promote drug development and consistency evaluation. In 2022, Genertec Meheco completed the phase II clinical trial of the newly developed TPN729MA Tablets; and, obtained the production certificates of six varieties including Rosuvastatin Calcium Tablets, Atosiban Acetate Injection and Tadalafil Tablets. In addition, eight varieties including Atropine Sulfate Injection and Cefotaxime Sodium for Injection passed the quality and efficacy consistency evaluation of generic drugs.



Genertec rushes to Shanghai to help fight the pandemic

As the COVID-19 cases surged in Shanghai in April 2022, Genertec responded immediately, setting up a leading group and a working group to help Shanghai fight the pandemic. The Group dispatched 222 people to join the medical team of the SASAC of the State Council to aid Shanghai, making positive contributions to winning the battle to defend Shanghai.



Enhancing Exchanges and Cooperation

Genertec has taken advantage of the internal medical resources platform to strengthen strategic cooperation with Peking University People's Hospital, China Academy of Chinese Medical Sciences and Guang'anmen Hospital in, among others, supply chain construction, medical alliance establishment, discipline development and talent cultivation.



Genertec and Peking University People's Hospital held a signing ceremony for an agreement on comprehensive business cooperation

Genertec signed an agreement with Peking University People's Hospital on establishing a medical partnership to further expand and deepen cooperation in pharmaceutical supply chain, discipline development, talent cultivation, among others.



Lu Yimin attended the opening ceremony of 2022 BRICS Business Forum upon invitation and participated in a panel discussion themed "Work together to address challenges and expand health cooperation amidst the pandemic"

Genertec continued to deepen the cooperation with China Academy of Chinese Medical Sciences and Guang'anmen Hospital to promote the complementary advantages of supply chain management, informatization construction and health management of Chinese medicine, and jointly advance the high-quality development of Chinese medicine.



Genertec and China Academy of Chinese Medical Sciences held a signing ceremony for a strategic cooperation framework agreement

Aerospace 731 Hospital, which is affiliated to Genertec AMHT, signed an agreement to become the teaching hospital of Beijing University of Chinese Medicine



In August 2022, Genertec and Beijing Tourism Group signed a strategic cooperation agreement to strengthen cooperation in the field of comprehensive healthcare and others.



In January 2022, Hubei Aerospace Hospital, which is affiliated to Genertec AMHT, held a seminar with Academician Chen Xiaoping of Tongji Hospital on the joint establishment of a medical partnership. Chen Xiaoping Academician Studio was officially settled in Hubei Aerospace Hospital, which is also the only academician studio among the medical institutions in Xiaogan City, central China's Hubei Province.

Main Force of the Belt and Road Initiative



As one of the earliest Chinese enterprises to enter the international market, Genertec, following the vision of a community with a shared future for mankind, has given play to the role as a main channel of "bringing in" and a forerunner of "going out," promoting Chinese equipment, Chinese technologies, Chinese standards, and Chinese brands to the world.

Building High-quality Projects

Following the principles of extensive consultation, joint contribution and shared benefits, Genertec has taken the "hard connectivity" of infrastructure as an important direction to promote the high-quality development of the Belt and Road Initiative.

In recent years, the Group exported more than USD **4** billion of production capacity cooperation projects to over **20** countries and regions around the world

Since 2019, the installed capacity of overseas clean energy projects invested and constructed by the Group has exceeded **4**GW

In 2022, the newly signed contracts for international engineering contracting business amounted to RMB**14.73** billion (around USD 2.115 billion) , up **60.2%** from a year earlier

In 2022, the Allur Automotive Project in Kazakhstan achieved double growth in production and sales volume, and continued to maintain a **50%** market share in the local region, making an important contribution to promoting the development of the country's automotive industry

Signed new infrastructure projects including the Safe City Phase II Project in Côte d'Ivoire and the LZ1/LZ2 Communication and SCADA Project in Algeria to create a "Silk Road of Information" to connect the globe intelligently

The **500** MW Renewable Energy Power Plant Project in Bangladesh is the largest project of its kind invested by Chinese enterprises in the region, and is one of the major infrastructure projects in the country in recent years



Bosnia and Herzegovina
Ivovik 84MW Wind Farm Project

The project is included in the Outcome List of China-CEEC Summit; the project team was awarded the "Most Important Foreign Investor"; upon the completion, the project will provide approximately 260 million kWh of clean energy per year, making it the largest new energy project in Bosnia and Herzegovina.



Hungary
Kaposvár 100MW PV Power Station Project

The project is one of the largest PV power projects ever built in Central and Eastern Europe and won the IJ Global Awards 2022 for European Solar.



Algeria
25MW PV Power Station Project

The project is the first commercially operated PV power station project in the Algeria and has become a model for new energy projects in Africa.



Bangladesh
Payra 2x660MW Ultra-supercritical Power Station Project

This project is the country's first ultra-supercritical power plant project, making Bangladesh the first country in South Asia to electrify the entire country.



Sri Lanka
Matara-Beliatta Railway Project

The railway is a key project for connectivity along the Belt and Road, and is the first new railway built in Sri Lanka in nearly 100 years.



Bangladesh
Dhaka-Ashulia Elevated Expressway Project

This project is one of the major projects in the field of transportation infrastructure in Bangladesh in recent years, and is another example of the connection between the Belt and Road Initiative and Bangladesh's Vision 2041.

Genertec International officially established

In May 2022, Genertec International Holding Co., Ltd. (Genertec International) was officially registered. The company is a sub-industry group formed by integrating Genertec CNTIC, Genertec CMC and Genertec CGCI, which are deeply engaged in the field of engineering services under Genertec. As a new platform for Genertec's international business, Genertec International will intensify its efforts to better serve the high-quality development of the Belt and Road Initiative and the green and low-carbon transformation.



Largest renewable energy project undertaken by Chinese enterprises in Bangladesh launched

On June 29, 2022, the agreement on Pabna 64MW PV Power Station Project was signed, marking the official launch of the 500 MW renewable energy project undertaken by Genertec International in Bangladesh. This project is the largest renewable energy project invested by Chinese enterprises in Bangladesh, which can provide about 821 million kWh of clean energy per year after its full completion and operation, reduce carbon dioxide emissions by about 818,500 tons per year, and increase the proportion of renewable energy power in Bangladesh to 15%, making an important contribution to the adjustment of country's power structure and power development.



Promoting Mutual Development

By utilizing the platforms such as China International Import Expo (CIIE), China International Fair for Trade in Services (CIFTIS) and BRICS mechanism, Genertec has strengthened synergistic cooperation with international first-class enterprises, jointly developed third-party markets, and actively spread Chinese brand image, injecting new ideas and creating new opportunities for global economic cooperation.



On November 6, 2022, the Genertec Global Procurement Contracts Signing Ceremony for the 5th China International Import Expo was held in Shanghai. Vice-president Zhou Mingchun attended and addressed the signing ceremony.

Genertec leader attends BRICS Forum on Partnership on New Industrial Revolution 2022

The BRICS Forum on Partnership on New Industrial Revolution 2022 was held in Xiamen, east China's Fujian Province, September 7, 2022. Lu Yimin attended the forum and delivered a speech on behalf of the Chinese members of BRICS Business Council. From September 8 to September 11, Genertec took part in the 2022 BRICS Exhibition on New Industrial Revolution with a theme of "Good Technology, Good Life," fully demonstrating the fruitful results of its participation in the construction of BRICS innovation bases in recent years. As a director unit of the BRICS Business Council, Genertec has actively implemented the contents of cooperation among BRICS countries at various levels and in different fields, contributing to the building of high-quality partnerships.

At the BRICS Industrial Innovation Contest 2022, "Copper-aluminum composite friction welding equipment" developed by Genertec SMTCL and "Data-driven AIoT production collaboration platform for machine tools" developed by Genertec Digital won the excellence prize in the track of intelligent manufacturing.



Procurement amount of Genertec at CIIE totals USD 3 billion over five years

Genertec has participated in five consecutive sessions of China International Import Expo (CIIE). Closely following the corporate mission of "Creating a better life with good technology and quality service," Genertec has reached a number of cooperation agreements with global partners in the fields of, among others, equipment manufacturing, engineering services, trade of pharmaceutical and medical products, and health science with a contracted amount of more than USD 3 billion, joining hands with global partners to write a new chapter of win-win cooperation.



China-Central Asia Health Industry Alliance established

The Parallel Session on Promoting Industry High-quality Development and Building a Global Community of Health for All under the Fifth Hongqiao International Economic Forum & Inauguration Ceremony of China-Central Asia Health Industry Alliance was held at the National Exhibition and Convention Center (Shanghai), November 5, 2022. The establishment of China-Central Asia Health Industry Alliance provides a practical guide for China and Central Asia to build a "Silk Road of Health." As the chairman unit of the Chinese working committee, Genertec Meheco will actively implement the tenet of "Openness, Equality and Win-Win Results," strive to build a cooperation platform for the alliance members to share resources and communicate with each other, and push forward the international cooperation in the field of health in all aspects, so as to make contributions to the building of a health community of shared future for mankind.



Enjoying Good Life

Based on its primary responsibilities and core business, Genertec has contributed to high-quality Belt and Road cooperation and international production capacity cooperation. By giving full play to the advantages in corporate operations, the Group has actively served and been integrated into the new pattern of global development, contributing to the building of a community with a shared future for mankind with practical actions.

- In Bangladesh**

 - Payra Power Station gave priority to purchasing local products and created **7,000** stable job opportunities
 - Donated BDT **16.45** million and a teaching building to a local high school
 - Upon completion of the project, for every kWh of electricity generated, BDT **0.03** will be donated to the country's social development fund, accumulating BDT **260** million for infrastructure development annually

- In Hungary**

 - Kaposvár 100MW Photovoltaic Power Station generated **140** million kWh of electricity, saving **57,000** tons of standard coal equivalent and reducing **142,000** tons of carbon dioxide emissions

- In Côte d'Ivoire**

 - Dedicated to building a national urban public safety management and dispatch system to enhance the level of safety and security in major cities, reduce crime rates and traffic accidents, and improve the business environment

- In Kazakhstan**

 - Employed nearly **3,000** local staff during the peak period
 - Built halal canteens, sauna rooms, among others, for local employees
 - Participated in volunteer tree planting, subsidized poor families, carried out student aid activities, etc.

- In Benin**

 - Built youth bookstores and conducted several China-Benin friendship schools
 - Installed solar street lights for Lokossa, Abomey and Grand Popo
 - Donated stationery and sporting goods to local schools and helped level school areas

In Algeria

- Created **3,500** job opportunities during the construction period
- About **200** job opportunities can be provided during the operation

In Ghana

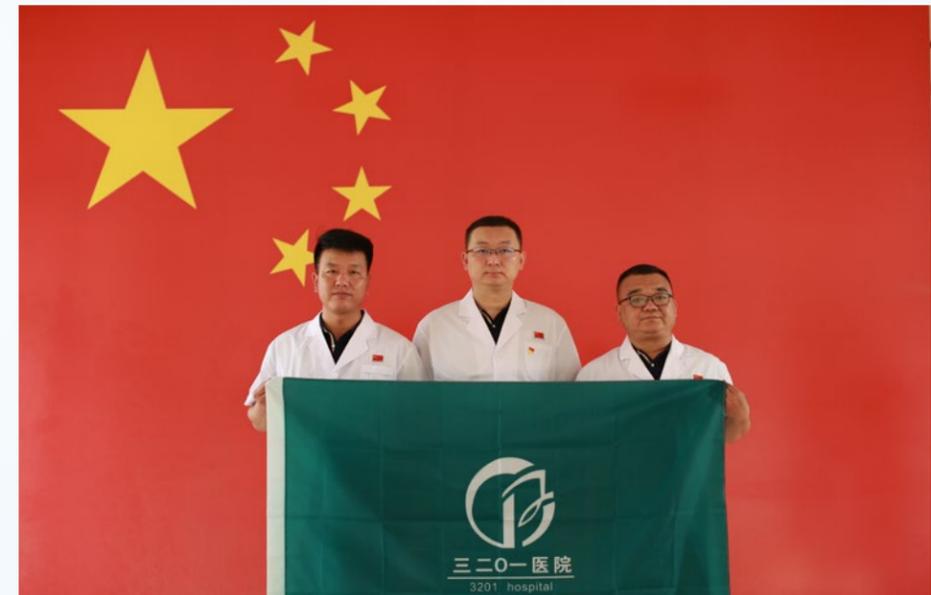
- Built more than 2,000 telecommunication towers to meet the telecommunication needs of more than **3** million local people and to advance the overall development of the country's telecommunications industry



Hello Africa, we are "Chinese doctors"



In June 2022, as member of the medical team to Sudan, Ding Jianlong, Zhou Jun and Liu Hai from 3201 Hospital, which is affiliated to Genertec Medical, participated in the "Spring Sprout" program launched by Chinese Embassy in Sudan. Centered in Khartoum, capital of Sudan, they will carry out one-and-a-half-year of medical work in three medical sites. Seeing them, the locals always warmly greeted, "friends, Chinese friends," to express their warmth and friendship to the Chinese people.





PART 1

Empowerment: Starting the Engine of Development

Success always belongs to Genertec people who keep forging ahead unwaveringly. No matter how the river flows and the time changes, we have always strengthened determination, made continuous efforts and forged ahead. Scientific and technological innovation dreams have been realized one after another. The culture of enhancing quality management and control has become a common practice. The dissemination of brand value is full of vitality. And the interests of partners are closely linked with each other.

Gaining the
Upper Hand in
Scientific and
Technological
Innovation **38**

Providing
Outstanding
Experience with
High-quality
Services **44**

Building a
New Force
for Brand
Culture **46**

Striving to
Facilitate
Industry
Development **50**

Gaining the Upper Hand in Scientific and Technological Innovation

Improving Scientific and Technological Innovation System

Genertec has been prioritizing the central role of scientific and technological innovation in the development, and continued to develop a holistic, self-contained and high-efficient scientific and technological innovation system. The Group has established a department of scientific and technological innovation, and scientific and industrial enterprises of Genertec have established science and technology management departments, thus further improving the three-level science and technology management system. The Group has established Genertec Machine Tool Research Institute and specialized branches to boost the development of entities for the R&D of machine tools. The Group has formulated and revised the management measures of major special programs and intellectual property rights, among others, and improved the institutional system of science and technology management.

Total investment in R&D reached RMB **2.23** billion, up **18%** from a year earlier



The intensity of investment in R&D was **1.22%**



The intensity of investment in R&D in machine tool sector reached **11.57%**, up **0.12** percentage points year-on-year



Innovation is a way of thinking as well as a spiritual character. Resolutely following the strategy of innovation-driven development, Genertec has taken scientific and technological innovation as the most important task and intensified its efforts to promote the initiative, advancing the noble cause of building a great country and national rejuvenation on all fronts through a Chinese path to modernization through catching up with and even outstripping the world's advanced level.

Promoting Development of Strategic Alliances and Consortiums for Innovation

Genertec boasts several national-level strategic alliances for industrial technology innovation in such sectors as CNC machine tools and chemical fiber. The number of the governing units of the Group-led Strategic Alliance for Technology Innovation in CNC Machine Tool Industry has reached 60. As one of the main initiators, the Group participated in the establishment of Innovation China, a program of the China Association for Science and Technology (CAST).

Implementing Scientific Research Projects of NSFC

Cooperated with the National Natural Science Foundation of China (NSFC), Genertec has initiated the establishment of a joint fund for innovation and development of enterprises in the field of high-end CNC machine tools for the first time in China. The Group has also released the first batch of eight guides, receiving positive responses from more than 30 teams from 22 universities and six research institutes, including Tsinghua University, Beihang University and China Academy of Machinery Science and Technology (CAM). With those efforts, the Group has deepened the cooperation of the machine tool equipment sector with scientific research institutes, and formed a stable and high-level R&D cooperation team.

Deepening Innovation Exchanges and Cooperation

Genertec has strengthened cooperation with leading universities and scientific research institutes, signing cooperation agreements with a number of universities. Those efforts have laid a solid foundation for the Group to focus on primary responsibilities and core business, conduct fundamental and prospective research, and enhance independent innovation strength.

- In February 2022, Genertec signed a strategic cooperation framework agreement with Tianjin University.
- In July 2022, Genertec signed a strategic cooperation framework agreement with Dalian University of Technology to deepen cooperation in the aspects of, among others, innovation in science and technology, industry development, and talent cultivation.



Signing ceremony for the strategic cooperation framework agreement between Genertec and Dalian University of Technology



Genertec held the 2022 Science and Technology Awards Conference to summarize and review the scientific and technological efforts made by Genertec and the results it achieved in 2022, and honor the teams and individuals who have made exceptional contributions in advancing scientific and technological innovation.

By the end of 2022, Genertec had a total of **3,584** valid patents, including **965** valid patents for invention



Genertec had formulated/ revised **18** international standards, as well as more than **1,000** national and industry standards



In 2022, Genertec won **205** scientific and technological awards and honors at various levels

won **111** awards and honors at provincial/ministerial level and industry level

published **200** papers in SCI journals and **428** papers in core journals of China



- Genertec won the honorable title of "Enterprise with Outstanding Contributions to Innovation in Science and Technology" by the SASAC of the State Council in the 2019-2021 service term assessment.
- Seven achievements of the Group were included in the "Catalogue of Recommended Scientific and Technological Innovation Achievements of Central State-owned Enterprises (2022)"
- Genertec won **one first prize of the Award for Scientific and Technological Progress** and **one first prize of the Award for Technological Invention of the China Machinery Industry Science and Technology Awards**
- "A film evaporator for dissolving cellulose" developed by Genertec CTA, which is affiliated to Genertec Advanced Materials, won the excellence prize of the 24th **China Patent Award**
- Hainan Genertec Sanyang Pharmaceutical Co., Ltd., which is affiliated to Genertec Meheco, won the title of "2022 National Intellectual Property Demonstration Enterprise"
- "Constant strain control system and control method for superplastic isothermal forging hydraulic presses" developed by Genertec Tianduan won the gold prize of **Tianjin Patent Award**



The orthopedic robot system developed by Aerospace Center Hospital, which is affiliated to Genertec AMHT, was showcased at the exhibition on the theme of "Forging Ahead in the New Era"

Specialized and Sophisticated SMEs of Genertec Advanced Materials

Genertec Advanced Materials has successively cultivated 10 specialized and sophisticated enterprises that produce new and unique products, including Eastex Industrial Science & Technology Co., Ltd., Beijing Chonglee Machinery Engineering Co., Ltd., Beijing CTA-Text Chemicals Co., Ltd., CTA Hi-Tech Textiles Co., Ltd., Beijing Zhongfang Jingye Electromechanical Device Co., Ltd., Genertec CHTF, CTTC, Dongguan CTA-Text Chemicals Co., Ltd., CTTC (Shenzhen) Testing Co., Ltd., and Genertec CTAJN Branch. Of those, Eastex Industrial Science & Technology Co., Ltd., Beijing Chonglee Machinery Engineering Co., Ltd., Beijing CTA-Text Chemicals Co., Ltd., and CTA Hi-Tech Textiles Co., Ltd. were recognized as "little giant" enterprises at national level.



Specialized and sophisticated SMEs of Genertec Advanced Materials

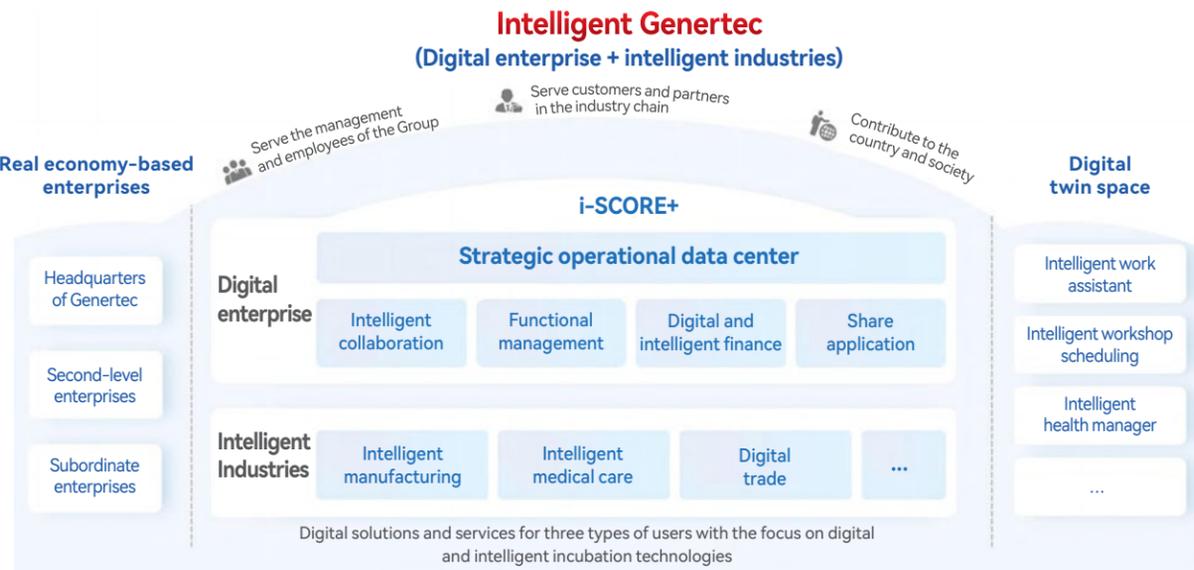
From soaking wet to complete dry, it only takes 10 minutes!

The technology applied by Anta in developing the "Knit short-sleeved running T-shirt with the highest evaporation rate" comes from the "microporous fiber" technology independently developed by Genertec CHTF, a company affiliated to Genertec Advanced Materials. In the production process, Genertec CHTF adopts special treatment technology to make the yarn of the fiber fabric have a microporous structure, which increases the evaporation area. Its surface area is seven times that of conventional polyester, and the evaporation rate reaches 0.38-0.41g/h, more than two times the national standard. This "black technology" of textile has greatly improved the quick-drying and breathability of the fabric, bringing the ultimate sports experience.

The polyester fiber applying the "microporous fiber" technology filled the gap in the market of high-quality moisture-absorbing and quick-drying green polyester fiber. The Anta's T-shirt produced in mass quantities has been verified as the "Knit short-sleeved running T-shirt with the highest evaporation rate" by the World Record Certification (WRCA).

Accelerating Integration of Digital and Real Business

Genertec has determined 2022 as the year of comprehensively promoting digital development and accelerating digital transformation, formulated the *Opinions of Genertec on Accelerating Digital Transformation*, vigorously promoted the "digital empowerment scheme," and intensified efforts to build a digital enterprise and to foster intelligent industries, striving to serve as a pacesetter of digital enterprises and the national team of intelligent industry.



Digital enterprise

- As a digital financial platform and a financial management platform, "GT-Financial Cloud" aims at realizing centralized financial management Genertec
- "GT-People" platform aims at realizing unified online management of HR and remuneration of Genertec
- "GT-Partners" system centralizes the management of customers and suppliers of Genertec to control the risks of cooperation with customers and suppliers
- Developing a strategic decision-making and operational management and control system with featured i-SCORE+ as the main line, and building a digital and intelligent "operation cockpit"
- Building an "Intelligent Genertec" collaborative office system covering the entire Group, which digitally promotes Genertec's member companies to break down geographical and organizational barriers and achieve efficient collaboration in the digital space

Intelligent manufacturing

- Comprehensively completing the pilot project of building an integrated operation platform for machine tools, which effectively supports the gradual implementation of the "five unifications," and constantly optimizes the scenario-based application with collaborative efforts
- Developing a three-level framework system for digital transformation, which covers intelligent factory, segment operation, and platform empowerment
- Establishing a "digital platform for new fiber materials industry," which features vertical integration, horizontal coordination, resource sharing, and internal and external balance

Intelligent medical care

- Achieving a preliminary consensus on the digital development plan for medical care industry, and developing category-based policies
- Establishing a digital health technology company, and promoting the development of standardized intelligent hospitals and medical big data centers
- The data platform for medical operation management and control has access to 91 hospitals, collecting and recording the diagnosis and treatment information of 15.51 million patients cumulatively
- Exploring the establishment of a business pattern of "Internet Plus Medical and Healthcare," and building a "Genertec Medical Chain" ecosystem to achieve connectivity of trusted data and value

Intelligent medicine

- Comprehensively launching the development of digital medicine, and establishing a digital medical technology company to realize unified business management, centralized coordination and control, and business innovation empowerment in accordance with the principle of "One Platform, One Standard"





"Copper-aluminum composite friction welding equipment" developed by Genertec SMTCL and "Data-driven AIoT production collaboration platform for machine tools" developed by Genertec Digital won **the excellence prize at the BRICS Industrial Innovation Contest 2022**

"Developing a 'Universal Health' centered on intelligent services for future hospitals" conducted by Xi'an Aero-engine Hospital, a medical institution affiliated to Genertec Universal Medical, won **the Outstanding Achievement Award at the China Cloud Computing & Big Data Technology and Application Conference 2022**

"Pilot Exploration of a Joint Control System for the Management of Cross-regional Hospital Group Based on 5G Plus" and "Remote surgical teaching and guidance based on private 5G network" conducted by Genertec Universal Medical were included in the list of **"National 5G+ Medical and Healthcare Application Pilot Projects"**

"Construction Practice of the Data Middle Office-based Internet Medical Industry Chain of Hospital Group" conducted by Genertec Universal Medical and "Facilitating Development of Ultrasound Discipline in Primary Hospitals with 5G Remote Ultrasound Technology" conducted by Genertec AMHT won the honor of **excellent innovative application cases at the ICT China 2022 High-level Forum**

The "AMHT Youyou" health management platform developed by Genertec AMHT was included in the list of **"Typical Cases of Digital Transformation of National Enterprises 2022,"** and was published on the *Case Study Report on Digital Transformation of Chinese Enterprises (2022)*

"Traceability and control of multi-level distribution logistics" conducted by Genertec PTAC was included in the *Industry Application Guide for Industrial Internet Identifiers (Logistics)* as the first case, and Genertec PTAC became the first batch of pilot enterprises for grade evaluation and certification of digital industry chain

"3455 Service System of 'AMHT Youyou' Health Management Platform" was included in the **"Catalog of Typical Digital Products (Services) for Chronic Disease Prevention and Treatment (2022)"** of the Chinese Center for Disease Control and Prevention

Genertec PTAC won the title of **"Advanced Group for Standardization of the Integration of Informatization and Industrialization (2022)"** and obtained the operator qualification of **"Industrial Internet Identifier"**

The digital workshop project conducted by Genertec QIER won the title of **"Heilongjiang Provincial Digital Demonstration Workshop"**

"5G-based Remote Ultrasound Diagnosis System Platform and its Application" conducted by Genertec AMHT was included in list of **"National 5G+ Medical and Healthcare Application Pilot Projects"**



Genertec develops new ecosystem for central SOEs to run medical institutions with digital technology



On July 23, 2022, Genertec, focusing on facilitating inclusive medical and healthcare with digital and intelligent technologies, participated in the 5th Digital China Summit. At the summit, Genertec showcased a number of latest achievements relating to digital technologies in the sector of medical and healthcare, including "human-machine coupling" medical care, Internet of Things + wearable ECG monitoring device, AR service system of identifier resolution, "fundus camera," among other. Through digital transformation, the Group reengineered the process of medical scenarios, providing high-quality and high-efficient medical services for patients with data empowerment, so as to ensure that high-quality medical resources reach a wider population faster.



Genertec Universal Medical makes more medical services accessible at fingertips



By taking digital development as an important focus for high-quality development, Genertec Universal Medical, through building a three-in-one intelligent hospital information system consisting of intelligent medical care, intelligent service and intelligent management, explored an online and offline integrated medical service model and independently developed an Internet health platform, which derives the five major product functions of intelligent medical access, online diagnosis and treatment, health management, specialty service and health shopping mall, so as to provide patients with the whole-process and diversified medical services.



Providing Outstanding Experience with High-quality Services

Pass rate of one-time delivery of machine tools reached **99.75%**



Among Genertec's 16 Grade III hospitals participating in the public hospital performance assessment, 2 hospitals were rated as **A**-level, and the scores of **8** hospitals increased year-on-year



Overall rate of high-class advanced material products reached **97.56%**



A total of **107** units obtained the quality management system certifications



Enhancing Quality Management and Control

The quality of products and services is the foundation for an enterprise to survive and develop. Genertec has firmly established the "total quality" concept and the quality-centered consciousness, comprehensively promoted the development of quality management systems, kept strengthening quality management system certifications, and conducted extensive employee-participated quality enhancement activities. Genertec held the first medical quality management forum; four of QC teams won the honorable title of "National Excellent Quality Management Team" and three projects won the "Quality Technology Award" of China Association for Quality.



Payra 2x660MW Ultra-supercritical Power Station Project in Bangladesh won the China Power Quality Engineering Award 2022



Genertec held the first medical quality management forum

Offering High-quality and High-efficient Services

Insisting on the core values of integrity and inclusiveness, Genertec has actively improved the accessibility of products and services, strictly prohibited false or misleading publicity, intensified efforts to plan, execute and control the whole process of offline and online integrated services, provided high-quality and high-efficient services for customers, and enhanced privacy protection in an all-around manner, so as to continuously and better meet and lead the customer needs.



Genertec AMHT won the "CIFTIS Chinese Service Practice Case Award"



Genertec AMHT Aerospace Center Hospital awarded for considerate medical services

In April 2022, the Department of Primary Health of the National Health Commission and the Health News Co., Ltd. jointly released the list of "Excellent Innovation Cases in Primary Health." The Second Outpatient Department (Aerospace Industry Community Health Service Station) of Aerospace Center Hospital, which is affiliated to Genertec AMHT, was included in the list for the high-quality services it provided for people. The department was the only primary medical institution in Beijing to be included in the list.



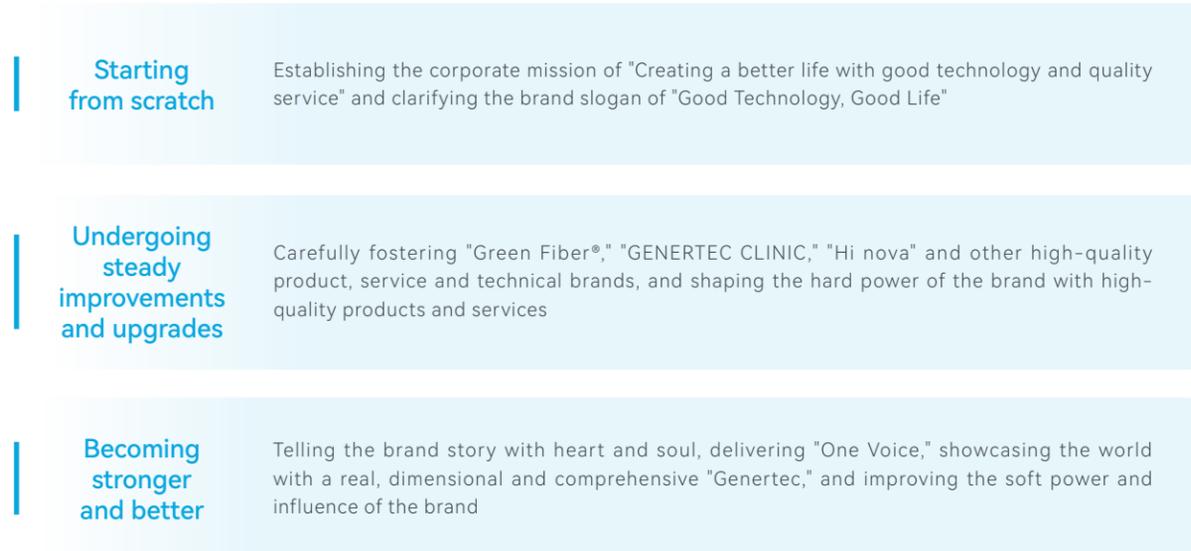
Building a New Force for Brand Culture

Brand is a comprehensive reflection of the competitiveness of an enterprise or even a country. An excellent brand embodies rich connotations such as quality, innovation, reputation, and culture etc.

Genertec has taken the initiative to develop the "One Culture" integration system featuring "consistent goals, complementary strengths, and efforts in the same direction," made the "Craftsmanship Brand Project" one of the nine major support projects of the 14th Five-Year Plan, shaped the "One Brand" horizontally and vertically with all efforts, and delivered the "One Voice" from the inside out.

Based on "One Culture"

Brand is a cultural concept that embodies the corporate spirit. Insisting on shaping "One Brand" and delivering "One Voice" with "One Culture," Genertec has accelerated its efforts to realize the organic unification of corporate culture, brand building and image broadcasting, conducted the initiative to guide brand development in a deep-going way, and made the "Genertec" brand larger, stronger, and better. Relying on fostering famous products, services and technical brands in the three main businesses, the Group has intensified efforts to promote the work from five aspects of comprehensively enhancing capabilities to guide brand development, improving brand management level, optimizing key influence factors of brand, advancing brand internationalization process, and developing brand creation paths. Genertec has carefully cultivated the "Genertec" brand that satisfies the country, the people, and the society. Starting from scratch, the brand has undergone steady improvements and upgrades, becoming stronger and better.



Genertec holds release conference on corporate culture



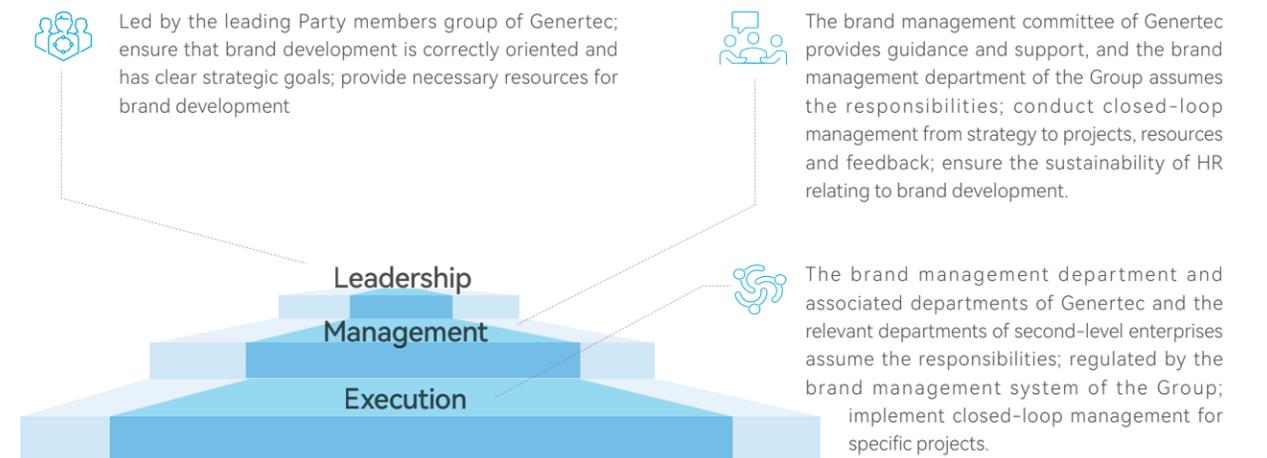
On July 1, 2022, Genertec held the release conference on corporate culture, releasing the new core philosophy system of corporate culture, the Corporate Culture Manual and the anthem of the Group "Invisible Arms." Genertec chose "Good Technology, Good Life" as the brand slogan, which is a pun with "Genertec," representing both the hard power of good technology as well as the soft power of quality service, and echoing with the corporate mission of "Creating a better life with good technology and quality service."



Strengthening "One Brand" Management

Implementing Brand Responsibility System

Genertec has developed a three-level brand management system consisting of leadership, management and enforcement, set up a brand management committee headed by the main leaders of Genertec, and established a whole-process brand management system that is oriented by strategic goals and focuses on resource management and closed-loop feedback management, forming a responsible brand chain featuring unimpeded communication, close linkage, and effective implementation at all levels.



GENERTEC CLINIC selected as typical case of brand development of central SOEs

According to the requirements of "five unifications," Genertec has intensified efforts to developed the GENERTEC CLINIC brand system featuring unified brand, unified image, unified service, unified standard, and unified IT platform. Through constant gathering of strength and innovation, the Group has improved the core competitiveness of its medical and healthcare sector and promoted the rapid and benign development of the chain brand of GENERTEC CLINIC, which has been selected as a typical case of brand development of central SOEs.

At present, the brand logo system of GENERTEC CLINIC covers GENERTEC CLINIC, Genertec Community Hospital, cartoon image and several of other logo elements. The image of "Genertec Ward Sister with Big Eyes" is cute and lovely, interpreting the original aspiration and mission of Genertec to serve people's health. Genertec has also carried out innovative service programs such as providing door-to-door medical service for patients and integrating elderly care and medical care, and launched Point-of-Care Testing (POCT) and mobile medical testing, diagnosis and treatment services such as emergency medical rescue. Genertec has innovatively built an enterprise version of high-end GENERTEC CLINIC flagship store with an area of about 500 square meters as the national demonstration center, and kept safeguarding the scientific and technological connotations of the GENERTEC CLINIC brand with innovation in science and technology.

"GENERTEC CLINIC Brand-Hospital at the Doorstep and in the Workplace" of Genertec was selected as a typical case of brand development of central SOEs (brand protection category) on the 2022 list of typical cases of brand development and excellent brand stories of SOEs released by the SASAC of the State Council.



Enhancing Brand Protection

Due to historical reasons, since the establishment of Genertec, the brand protection of the core name "Genertec" has been lagging behind for a long time, even without taking any actions, and the trademark registration was once faced with a serious situation. The trademark of "Genertec" is not only related to its own development, but also to the overall strategic layout and brand image of a central SOE. After tremendous efforts, the trademark of "Genertec" was successfully registered, and the brand protection of the core corporate name made a historic breakthrough.

At present, Genertec Corporation has applied for **275** registered trademarks in Chinese mainland



A total of **217** registered trademarks have been approved, basically covering the three major business sectors



Delivering "One Voice"

Genertec insists on idea that the corporate brand is the narrator of corporate stories and the disseminator of corporate value, and strives to create a brand image trusted by people of "Creating a better life with good technology and quality service."

Publicizing Momentous Events

Closely centering on momentous events, Genertec has carefully planned the publicity and reporting programs, showcasing the mission and responsibilities in strengthening manufacturing, serving the Healthy China Initiative and participating in high-quality Belt and Road cooperation.

Integrating into the World

Genertec encourages affiliated enterprises at all levels to participate in major national exhibitions, fairs, forums and conferences, as well as special exhibition activities of the industry in the name of "Genertec," integrating the brand into exhibitions, government-business cooperations, business negotiations and other relevant activities to enhance the spillover effect.

Building Brand Publicity Matrix

Genertec has developed an all-media, dimensional publicity matrix and launched distinctive convergence media programmes to boost brand broadcasting.

Creating Intellectual Property

Focusing on the market, customers, and products and services, Genertec has conducted innovation in social media brand marketing through popularization of medical science, health concept dissemination, and live streaming lectures to enhance the exposure of premium brands.

Cooperating with Media

Genertec encourages the affiliated enterprises at all levels to enhance collaboration and coordination with central mainstream media and local major media organizations, and to conduct special forums on brand broadcasting and publicity, salons and training activities, striving to establish an interlinked broadcasting pattern.



Lu Yimin attended the 2022 China Brand Forum upon invitation and delivered a keynote speech titled "Creating Outstanding Quality, Striving for World Class Excellence"



Conducted more than **30** corporate culture trainings; more than **330** corporate culture publicity and implementation activities; **3** pieces of work were included in the 2022 list of typical cases of brand development and excellent brand stories of central SOEs



Beijing CTA-Tex Chemicals Co., Ltd., which is affiliated to Genertec Advanced Materials, was recognized as the **"Most Influential Brand"** at the 2022 International Textile Supply Chain Industry Expo

"Coordinate China| How does the 'Precision Eye' measure space by time" won the special prize of **the 9th "SOE Good News Story Award" of the SASAC of the State Council**

A Cook from Bangladesh won the **second prize (overseas broadcasting category) of the 9th "SOE Good News Story Award" of the SASAC of the State Council**

A Surgery under a Flashlight, A Cook from Bangladesh, and I'm Making Gloves in Uzbekistan won **three prizes of the 4th Belt and Road Initiative Short Video Competition**



Road of the Genertec Brand



Nanometer Time Grating Creates 'Precision Eye'



A Cook from Bangladesh



I'm Making Gloves in Uzbekistan

Striving to Facilitate Industry Development

A solid foundation promotes growth and future accomplishments. Insisting on pooling wisdom and forming synergy, Genertec has worked hand in hand with stakeholders to contribute to the high-quality development of the industry.

Serving Real Economy

Adhering to the purpose of industrial finance serving the real economy, Genertec has focused on developing main business, and intensified its efforts to solve difficulties of small and medium-sized enterprises (SMEs). Genertec has implemented the rent reduction and exemption requirements for SMEs in the service industry and self-employed businesses, and reduced or exempted 104 million yuan of rents for 891 tenants. The Group has successfully issued the first scientific and technological innovation notes of 1 billion yuan, with its headquarters serving as the issuer, to support R&D of the machine tool sector, to invest in technological transformation and to supplement working capital.

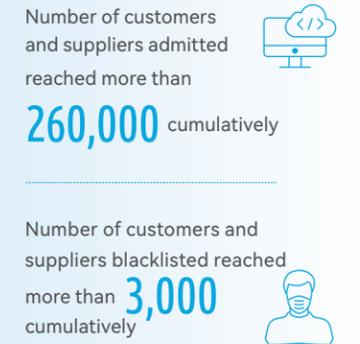


On September 1, 2022, Genertec Finance signed a strategic cooperation agreement with CIPS Co., Ltd., agreeing that the two parties will carry out in-depth cooperation in cross-border payment, product R&D, international business and other areas. Ma Kehui, Chief Financial Officer of Genertec, who also serves Chairman of Genertec Finance, attended and addressed the signing ceremony.

Building Responsibility Chain

Insisting on integrity management and fair competition, Genertec has issued the *Administrative Measures for Procurement* to clarify the qualifications of suppliers in terms of quality, environment, occupational health certification, work safety and the CCC certification. Genertec has prioritized the procurement of green products to create a green supply chain, and advocated suppliers to fulfill their social responsibilities. The Group has strengthened the centralized and unified management of the credentials of customers and suppliers, with a total of more than 260,000 customers and suppliers admitted and more than 3,000 blacklisted. Through the self-developed digital supply chain operation platform, Genertec has served more than 110,000 customers in 350 prefectural cities, and promoted a 30% increase in supply chain circulation efficiency, forming a digital collaborative ecosystem.

The centralized procurement rate increased from **19% to 60%**, with some indicators reaching the advanced level of the SASAC of the State Council



Genertec CNIC was recognized as an Elite Business Partner by Siemens



A Return Banquet held by Genertec Harbin Measuring & Cutting Tool Group Co., Ltd. for distributors

Focusing on Industry Development

Genertec has kept strengthening exchanges and communication with international organizations, chambers of commerce and associations, and joined Global Alliance for Trade in Services and China Song Ching Ling Foundation, preliminarily forming a cooperation and communication network consisting of chambers of commerce and associations and focusing on primary responsibilities and core business. Those efforts have promoted the expansion and upgrading of Genertec's circle of friends in pragmatic external cooperation.



Aerospace Center Hospital, which is affiliated to Genertec AMHT, co-organized the Aerospace Medicine and Human Health Session

China Universal Leasing successfully closes green loan facility

At the end of 2022, China Universal Leasing Co., Ltd., which is affiliated to Genertec Universal Medical, successfully signed green loans with Standard Chartered Bank and Bank of Jiangsu respectively. In April 2023, the first ESG sustainability-linked syndicated term loan was closed, marking a breakthrough in green financing and labeled loans for Genertec Universal Medical, which provided financial support for green transformation and sustainable development.





PART 2

People's Well-being: Building Harmony and Sustainability

Ploughing a field in spring, hoeing in summer, harvesting in autumn, and storing in winter, the four seasons come and end with the starry river turning round and round. The rhythm of life follows that of nature. Genertec is also looking for green footprints of "lower carbon" among mountain ranges and green grass, striving to form the enterprise backbone through talent cultivation and boost rural revitalization by contributing new strengths. The Group is making every effort to develop the public welfare undertakings with hardworking and making each "impossible" become possible.

Enhancing Green
Development
and Environmental
Protection

54

Cultivating
High-caliber
Personnel

58

Facilitating
Rural
Revitalization

62

Promoting
Public Welfare
Undertakings

70

Enhancing Green Development and Environmental Protection

"If we do not fail Nature, Nature shall never fail us." Embracing the concept that lucid waters and lush mountains are invaluable assets, Genertec has always been committed to pursuing harmonious coexistence with the natural environment.

Protecting Lucid Waters and Lush Mountains

Genertec has kept improving environmental protection management systems, and integrated green and low-carbon development into its overall planning of industry development. The sub-industry groups and directly-affiliated second-level companies of Genertec have all established or clarified leading bodies and administrative departments of energy-saving and environmental protection. Genertec has launched an IT platform system of energy-saving and environmental protection with further improvement in the early warning ability on environmental risks, as well as the green content and supply quality of products and services. No environmental pollution event has ever occurred all year round.



The 18MWp distributed PV power plant of Genertec Dalian Machine Tool reduces CO₂ emissions by approximately 20,700 tons per year

42 units obtained environmental management system certifications



3 units obtained energy management system certifications



Investment in energy-saving and environmental protection reached RMB 209.51 million, up 22% from a year earlier



Deepening Energy Conservation and Emission Reduction

Led by the carbon peaking and carbon neutrality goals, Genertec has taken the synergistic interaction between pollution reduction and carbon reduction as an effective means to manage the strategic key of pollution prevention and green development from the source. The Group has integrated the concept of energy conservation, environmental protection and carbon reduction in product design, continuously promoting pollution reduction and carbon reduction by new materials, new technologies, and new processes.



The CATL (Jiangsu Contemporary Ampere Technology Limited) 12.5MW/52MWh project undertaken by Genertec International is the largest liquid-cooling energy storage system at user end in China, having won the "2022 Application Innovation Golden Vine Award of Energy Storage Industry"



Since its operation, the Bangladeshi Payra 2×660MW Ultra-supercritical Power Station Project undertaken by Genertec CMC has cumulatively reduced SO₂ emissions of about 43,600 tons, having achieved zero-discharge of waste water



Green transformation of industries

Strengthen scientific allocation of resources and make efficient and economical utilization; promote to replace by clean energy and make significant reduction of pollutants. Genertec QIER reduced carbon emissions of 24,200 tons through the heating supply from combined heat and power generation. The refined steam line energy-saving transformation project of Genertec CTACELL, which is affiliated to Genertec Advanced Materials, can save quantity of steam of around 900 tons per year. The ultrasonic waste water reuse rate of China Textile Academy (Tianjin) Technology Development Co., Ltd. can reach 100%. The comprehensive energy consumption of the "Pilot Base of Green Dyeing and Finishing" in Genertec CTAJN Branch was lowered by 58.19%. Eastex Industrial Science & Technology Co., Ltd. was awarded the title of "2022 Water Conservation Enterprise of Hebei." The medical institutions of Genertec have comprehensively enhanced medical waste management and achieved harmless disposal of medical waste.



Industrialization of green industries

Enhance the introduction, innovation, popularization and application of green and low-carbon technologies such as green fiber, green building, and energy performance contracting. Genertec has spent "18 years on rubbing a sword that is not possible to defeat" and broken overseas technological monopoly, having achieved the localization of Lyocell fiber to help solve the problems of resource shortage and environmental pollution existing in textile industry.



Development of green standards

Genertec has prepared the first green energy standard for medical institutions of the Group, that is, *Technical Specification/Guidelines of Green Energy Standard and Energy Conservation and Carbon Reduction Technologies for Medical Institutions*. CTTC, which is affiliated to Genertec Advanced Materials, has released a national green standard, which is one of the first national green textile product certification and evaluation standards. Genertec has participated in national green manufacturing system development, and Genertec Shenyang Machine Tool and Hainan Genertec Sanyang Pharmaceutical Co., Ltd., a company affiliated to Genertec Meheco, have been awarded the title of national "Green Factory." The Group has also been awarded the title of "Pacemaker Carbon Peaking Industrial Enterprise" at the 1st Chinese Industry Carbon Peaking Forum 2022.



Genertec CGCI, which is affiliated to Genertec International, undertook the project of the five-year action plan for energy conservation of Yan'an City



The waste water treatment project of China Meheco Topfond Pharma Co., Ltd., which is affiliated to Genertec Meheco

Energy consumption per output value of RMB10,000 lowered by 8.14%

In April 2022, Genertec Shenyang Machine Tool Yinfeng Foundry Co., Ltd. completed the debugging of electric furnace and melted the molten iron of the first furnace, representing the technical transformation and environmental protection upgrading project of Yinfeng Foundry officially entered pilot production phase. This transformation project phased out obsolete cupola furnace melting process and replaced it by cleaner and more efficient medium-frequency induction furnace able to have continuous melting for 24 hours a day. After the transformation, that annual foundry productivity is expected to reach 70,000 tons and comprehensive energy consumption is expected to be 11,452 tons of standard coal equivalent, with energy consumption per output value of RMB10,000 lowering by 8.14%.



Genertec Advanced Materials operates a Lyocell fiber production line with highest single-line capacity in China

Genertec Advanced Materials spent 18 years on independent research and development, resulting in the industrialized technology of Lyocell fiber and successful commercialization of the research finding. Genertec Advanced Materials has built the Lyocell fiber production line with highest single-line capacity in China, broken overseas technological monopoly, and won the first prize of Science and Technology Award of China National Textile and Apparel Council (CNTAC) and the gold prize of the CNTAC Patent Award.

In the Canopy's Hot Button Report 2022, Genertec CTACELL, which is affiliated to Genertec Advanced Materials, obtained 24 buttons and earned a "green shirt" designation, making it the only one Lyocell fiber company in China having obtained this rating. On May 9, 2023, the largest domestic Lyocell fiber production line project with annual productivity of single line reaching 60,000 tons built by Genertec CTACELL, a company affiliated to Genertec Advanced Materials, successfully passed acceptance check. The unit consumption and comprehensive energy consumption of product solvent have reached international advanced level.



Note: Canopy is a not-for-profit organization dedicated to protecting environment founded by worldwide environmentalists. The "Hot Button Ranking" made by this organization refers to comprehensive assessment on raw material suppliers in the fashion circle through multiple aspects including the suppliers' contribution to forest protection, and R&D on alternative fibers.

Conducting Low-carbon Operation

Genertec has kept enhancing resource awareness, conservation awareness, environmental awareness, low-carbon awareness, green awareness, guided employees to save water, electricity and materials, among others, and advocated green mobility. The Group has actively carried out publicity activities for environmental protection, and promoted to develop simple, moderate, green and low-carbon ways of production and lifestyles, facilitating the building of a beautiful China.



Beijing Golden Harvest Science and Technology Development Co., Ltd., which is affiliated to Genertec Xinxing, established a "Green Changemaker Community" and proposed the initiative of "simple packaging"

Nearly **2,000** children visited the laboratory

Nearly **1,800** children participated in the campaign online

More than **1,000** "Little Green Envoy" certificates have been issued cumulatively





Little green envoys visits CTTC laboratory

CTTC, which is affiliated to Genertec Advanced Materials, carried out "Little Green Envoys in the Laboratory – Large-scale Scientific Practice Activity for Children" to bring children into the laboratory and pass on green concept and clothing knowledge, creating a green, scientific and environmentally-friendly public welfare journey full of playfulness and children's interest. As of 2022, the practice activity has been successfully held for seven times with nearly 2,000 offline laboratory visitors and about 1,800 online participants, and more than 1,000 "Little Green Envoy" certificates have been given out.



Cultivating High-caliber Personnel

Genertec has taken the initiative to deepen the reform of mechanisms and systems for talent development, laying a solid foundation for the cultivation, introduction, retention and good use of talented personnel.

Safeguarding Rights and Interests of Employees

Genertec has strictly abides by the Labor Law of the People's Republic of China, Labor Contract Law of the People's Republic of China, and other related laws and regulations, objects to all discrimination behaviors in regard to gender, age, ethnic group, religious faith and cultural background, and insists on providing equal opportunities for employees. Adhering to the principle of equal pay for equal work, Genertec signs, performs, changes, cancels or terminates labor contracts with employees in accordance with the law. The Group completely eradicates employment of child labor and is against forced labor, sex harassment or maltreat behavior of any form.

- Signing rate of labor contracts reached **100%**
- Coverage of social insurance reached **100%**
- 48** units obtained occupational health and safety management system certifications

Democratic Management

Genertec has formulated the *Methods of Work of Trade Unions and Measures for the Implementation of Worker's Congress* to strengthen and perfect the democratic management system with worker's congress as the fundamental form, and has carried out "reception day by leaders" activity on a regular basis. The feedback rate for supervision and handling of employees' opinions and suggestions has reached 100%.

Occupational Health

Genertec has continuously carried out the employee assistance program (EAP), with online lectures covering about 30,000 participants, conducted publicity and education on prevention and treatment of occupational diseases, and improved employees' working environment.

Remuneration and Benefits

Genertec has established and improved the market-oriented salary distribution mechanism and welfare system with salary more distributed to core positions and talented personnel in short supply. The positive correlation between employee income and value contribution has become clearer.

Facilitating Employee Growth

Genertec has strived to open up career development paths for the management, professionals and technicians, and skilled workers, and carried out training in a planned, organized, categorized, multi-form, and practical manner. The Group has selected and transferred 51 young officials to participate in the first session of "Indigo Blue Program" young and middle-aged official training class, which is the first closed-type long-term training class totally released from work in the Group's history. Genertec has made great efforts to promote the establishment of "Ma Hengchang-style Teams in the New Era" and greatly advanced the building of industrial worker teams.

"Genertec Blue Program" Talent Echelon Cultivation System	
Training program for industry leaders, heads of leadership teams and senior executives	Deep Blue Program
Training program for industry leaders and reserve leaders of leadership teams	Azure Blue Program
Training program for outstanding young officials	Indigo Program
Training program for newly recruited employees	Cradle Program

20,000 person-times of employees participated in various training programs organized by the Group cumulatively



Deepened the open competition mechanisms; as for the second-level enterprises of Genertec, members of the leadership teams under the age of 50 and 45 accounted for **56%** and **29%** respectively, and the "post-1980s" accounted for **13%**



The apprenticeship mechanism of Genertec Machine Tool Research Institute



Passing on the skills at the workshop of Genertec Shenyang Machine Tool



Rules and regulations for employee growth developed by Genertec Xinxing

Genertec CNIC safeguards employees' mental health

Genertec CNIC organized employees to watch EAP mental health series lectures of "Healthy Genertec, Walking with Love," and relieved employees' mental stress under the pandemic by guiding them to understand the balanced relation between the family and work, care about themselves, and manage pressure, guaranteeing employees' physical and psychological health.



The inauguration ceremony of the Worker's Health Management Committee under the China Occupational Safety and Health Association (COSHA) was held in Genertec CNIC



Labor skill competition held by Genertec Advanced Materials



Genertec QIER pursues excellence with craftsmanship spirit



Zhang Jinghai, leader of Team I in the heavy machining workshop of Genertec QIER heavy machining factory, was awarded the "National May 1st Labor Medal" in 2022, which is another great honor he has earned in the 27 years since taking the job. He has always insisted on the persistent belief of "Striving to be Number One" and kept the "craftsmanship spirit" of making perfection more perfect. By virtue of the belief and the spirit, he has well completed production tasks with high quality and high efficiency for years, and has maintained product pass rate of above 99%. He has been successively awarded the honorary titles of national technical expert, national young expert at post, model worker of Heilongjiang Province, and medalist of May 1st Labor Medal of Heilongjiang Province, among others.



Genertec Dalian Machine Tool serves as pioneer, and acts as spearhead in tackling challenges

The assembly workshop of the machining center of Genertec Dalian Machine Tool was established in 2008, with a total of 93 employees at an average age of 37, among whom there are 11 senior technicians, 9 technicians, and 66 senior skilled workers. It is an innovative workshop integrating assembly, manufacturing, maintenance and repair, mainly manufacturing machine tools including horizontal machining centers and vertical machining centers. It undertakes the assembly and manufacturing of new-type machine tool products, and has successively produced more than a thousand sets of high-end machine tools of various models for the country's major special projects and several major fields. In the meantime, it also undertakes the maintenance tasks of high-end machine tool equipment of various models within the company. It has been awarded the honorary titles of "Worker's Pioneer of Liaoning Province 2021" and the "National Worker's Pioneer 2022."



Creating an Enterprise Full of Happiness

Genertec has attached great importance to the balance between work and life of employees and cares about their lives. The Group has formulated targeted assistance plans for employees, carried out "Double festivals of New Year's Day and Spring Festival" activity to send warmth for employees in difficulty, organized the first session of convalescence and relaxation activity for model employees, and held exhibitions themed "Craftsmanship Spirit" and a variety of recreational and sports activities to enhance employee care and the sense of happiness of employees.



Yu Xubo visited employees in difficulty of Genertec Machine Tool Research Institute on January 24, 2022



Employees' Bookstore of Genertec



Employees' Fitness Center of Genertec



Brisk walking activity organized by Genertec Medical



The 6th Genertec Employees' Table Tennis Competition

Facilitating Rural Revitalization

Genertec has insisted on pursuing rural revitalization by building on the success in poverty alleviation in an in-depth manner. Taking the 20th anniversary of paired-up assistance in Wuchuan County, north China's Inner Mongolia Autonomous Region, as an opportunity, Genertec has effectively promoted the five major revitalization programs with original aspirations, unchanged direction, unweakened strength and ceaseless steps, driving the assisted areas to enter the "fast track" of development and achieve the "acceleration" of rural revitalization.

Consolidating Achievements in Poverty Alleviation

Insisting on the sustainable assistance concept of "combining targeted assistance and local economic and social characteristics with the advantages of the Group's major business," Genertec has made overall planning of carrying out assistance measures for industry, medical care, education, consumption, ecosystem, employment, and people's well-being to comprehensively boost rural revitalization and help realize common prosperity for all. In 2022, the Group invested assistance funds of RMB28.8 million in Wuchuan County and Shangdu County in Inner Mongolia Autonomous Region, and invested assistance funds of RMB500,000 in Youyang

County in Chongqing Municipality, Mizhi County in Shaanxi Province, and other regions lifted out of poverty. The Group introduced assistance funds of RMB1 million, and trained a total of 994 person-times of community-level officials, pioneers in rural revitalization and technicians, with the number of trainees of each category reaching 300,274 and 420 person-times respectively. The Group purchased and helped sell the agricultural specialty products of RMB15.618 million for targeted assistance counties and other regions lifted out of poverty. The Group has won a "Good" rating in the evaluation for the paired-up assistance work of central units for three years in a row.

Genertec invested assistance funds of RMB **28.8** million in Wuchuan County and Shangdu County



Genertec introduced assistance funds of RMB **1** million



Continuing Rural Revitalization

Industrial Revitalization

In Wuchuan County

Genertec has kept a foothold in potato and Chinese medicinal materials, which are the two major competitive industries. The Group has invested in RMB700,000 to conduct potato sample testing and make quality analysis on "Wuchuan Potato," further creating the brand of potato. Genertec Meheco has made supporting investment of more than RMB12 million and increased the registered capital of Inner Mongolia Genertec Chinese Medicine Co., Ltd. to RMB30 million together with Wuchuan County in Inner Mongolia Autonomous Region. Genertec continuously carry out the introduction experiment of geo-authentic medicinal materials, establish a new model of promoting rural revitalization by combining "industrial support, employment promotion, technical support, consumption assistance, and brand building" in the traditional Chinese medicine industry.

In Shangdu County

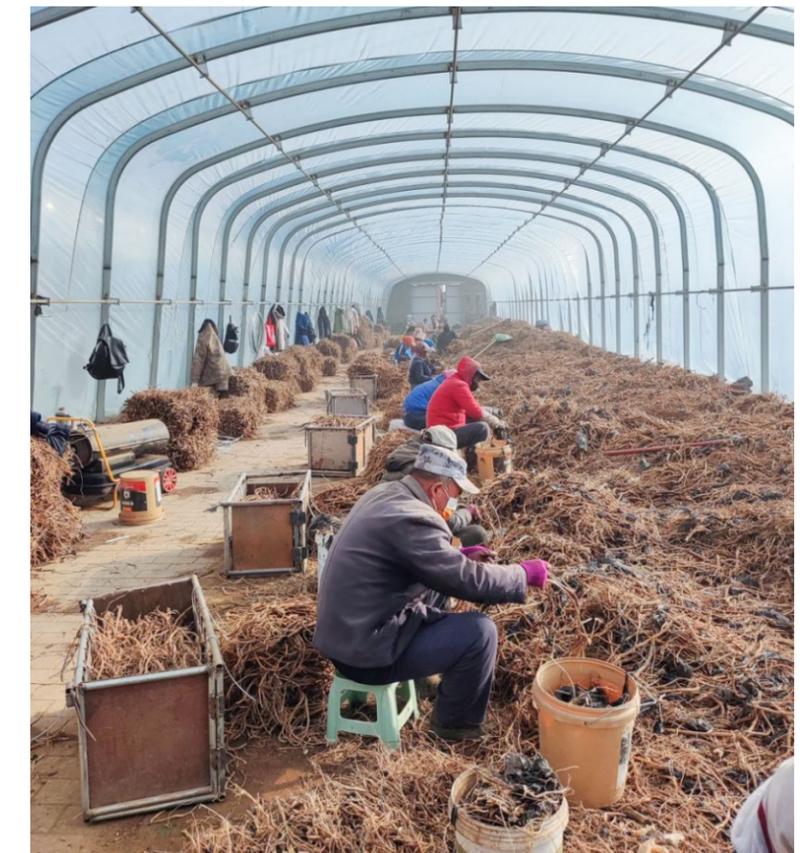
Genertec regards the development and growth of rural collective economy as an importance approach to increase people's income. The Group has invested in RMB550,000 to support planting and breeding cooperatives, resulting in both development of rural collective economy and increase of villagers' income.

Genertec held meetings of the leading Party members group for **8** times all year round to study the spirit of important instructions made by Chinese President Xi Jinping on rural revitalization and targeted assistance work.

The Group selected **3** outstanding officials to take temporary posts in two counties of Wuchuan and Shangdu and carried out **15** assistance projects all year round, focusing on strengthening the assistance in industry, education, ecosystem, culture, and people's well-being.



Genertec International conducted its assistance work in a school



Local farmers were processing the roots of membranous milk vetch (Astragalus membranaceus)



Wuchuan revitalizes "Home of Astragalus membranaceus" with development of Chinese medicinal materials industry

Since 2017, Genertec has taken Chinese medicinal materials as the starting point of industrial assistance in accordance with the working concept of selecting industries with emphasis on local specialties, developing industries based on actual situation, empowering preferential industries by science and technology, and planning industrial development with taking the future into consideration to combine the medicinal material resource endowment that Wuchuan County owns. Focusing on geo-authentic medicinal materials such as Astragalus membranaceus and Scutellaria baicalensis, the Group has actively explored the model of rural revitalization driven by Chinese medicinal materials industry. Since 2022, Inner Mongolia Genertec Chinese Medicine Co., Ltd. has planted geo-authentic medicinal materials including Astragalus membranaceus, Scutellaria baicalensis and licorice of 3,323.56 mu, driving the whole county to plant an area of almost 35,000 mu. It has input RMB8.95 million to vitalize Inner Mongolia Sanzi Pharmaceutical Co., Ltd., promoted Chinese medicinal materials to develop from planting to processing after production and product marketing, and driven Chinese medicinal material enterprises to concentrate on the Golden Triangle Industrial Park in Wuchuan County, creating the pilot zone of Chinese medicinal material industry. It has also insisted on "preserving medicinal materials by the land, preserving medicinal materials by technology" and jointly tackled key problems together with Inner Mongolia Medical University and other institutions. As a result, the jointly applied the scientific research project of "Research and promotion of artificial planting and wild cultivation of the endangered medicinal herb Gentiana dahurica Fisch" was approved as a key R&D and result transformation project of Inner Mongolia Autonomous Region.



Chinese herbal medicine plantation base in Wuchuan County

In 2022, the Chinese medicinal material base of Astragalus membranaceus in Wuchuan County obtained the Good Agricultural Collection Practices (GACP) certification. The Astragalus membranaceus base with organic certification meeting EU standards has entered the conversion period. So far, Wuchuan County has gradually established customized production and processing base of licorice and Astragalus membranaceus qualified for foreign trade. The Astragalus membranaceus and licorice from Wuchuan County have entered international market. In the third session of the training program on demonstration projects of assistance work by central units held in 2022, the industrial assistance experience exchange themed "Planting Chinese medicinal materials and leading to prosperity – Genertec facilitates Wuchuan County's revitalization of "Home of Astragalus membranaceus" received extensive recognition.

Chinese medicinal materials industry park of Genertec in Wuchuan County

Talent Revitalization

Genertec has invested in RMB10 million to support the Phase II of "Smart Classroom" project in Shangdu County



Genertec has constructed 160 smart classrooms



Talent revitalization is the key to rural revitalization. In 2022, Genertec trained a total of 994 person-times of community-level officials, pioneers in rural revitalization and technicians and invested in RMB600,000 to support the development of Wuchuan Genertec Vocational School and raise the quality of vocational education. The Group has invested in RMB10 million to support the Phase II of "Smart Classroom" project in Shangdu County and constructed 160 smart classrooms, having realized the sharing of high-quality resources at four levels. Genertec has set up "Genertec Educational Development Fund" and invested in RMB450,000 to fund and reward the 50 students from poor families and 15 in-service frontline teachers in Shangdu County. Genertec has also invested in RMB1 million to support Genertec Primary School and Genertec Second Kindergarten to install LED publicity display screens, and to support the heating supply system renovation project of Genertec Primary School, providing great support for the infrastructure construction of local schools and the improvement in school environment and quality of education.

Cultural Revitalization

In Wuchuan County

Genertec has combined rural revitalization with revolution-themed tourism, and invested in RMB300,000 to renovate Jing'ergou revolution-themed tourist center of Wuchuan County and create a revolution-themed history education base integrating the functions of visit, experience, study, and interaction, providing new driving force for the development of rural revitalization. The Group has carried out public culture initiatives and invested in RMB300,000 for Culture and Tourism Bureau of Wuchuan County to hold a seminar focusing on the history of Northern Wei Dynasty (archaeology), deepening the exploration of the historical and cultural value of the county.

In Shangdu County

Genertec has invested in RMB1.25 million to support the Convergence Media Center of Shangdu County to replace outdated equipment and reward excellent publicity workers. The Group has intensified its efforts to boost village development with cultural activities, and facilitated the establishment of the first village dance team of the county to manifest the vital essence and spirit of rural revitalization through dancing.



Zhang Zhenrong, Vice-president of Genertec, donated stationery supplies to local students

Ecological Revitalization

In Wuchuan County

Genertec will invest in RMB2 million annually to support the ecological development action plan themed "Greening Lush Mountains, Safeguarding Northern Frontier" for five years in a row from 2020. By 2022, a total of RMB6 million has been invested cumulatively. The Group has invested in RMB2 million to plant ecological forest of 200 mu, driving local people to increase income and achieve prosperity while building the ecological protection barrier for northern frontier.

In Shangdu County

Genertec has invested RMB450,000 to help 109 rural households in Quannaози Village of Shangdu County replace coal stoves by electric boilers, making the village a demonstration one among the first batch of villages switching from coal to electricity in the county.

Genertec will invest in RMB **2** million annually to support the ecological development action plan themed "Greening Lush Mountains, Safeguarding Northern Frontier" for five years in a row



Genertec has invested in RMB **450,000** to help villagers in Shangdu County replace coal stoves by electric boilers



Organizational Revitalization

In 2022, Genertec carried out the activity themed "100 Party Branches Assisting 100 Left-behind Children." Genertec selected 100 Party branches within the Group system and chose 100 students at the stage of compulsory education from Wuchuan County and Shangdu County to form paired-up assistance. Each Party branch annually provides financial support of RMB1,000 as student subsidy to a left-behind child until the child completes nine-year compulsory education, offers mental and material assistance to the child, and helps the child solve practical difficulties in study, life, psychology, among others. Genertec has given full play to the role of Daqing Mountain in Wuchuan County as a "Party Spirit Education Base of Genertec," and driven each unit of the Group to carry out educational training activities in the Party spirit education base in batches, supporting the development of revolution-themed education industry in the county.



Symposium on the assistance work conducted by Genertec for Shangdu County

Deepening Featured Assistance

Replying on the business characteristics, Genertec and all the affiliated units carried out a variety of featured assistance activities in 2022, providing sustainable strength for people's collective prosperity.

Medical Assistance

Genertec has formed the "three-assistance" model of assistance in construction, assistance in improvement, assistance in teaching, and established paired-up assistance with Wuchuan County General Hospital by sending experts for local assistance, telemedicine, further education for personnel, and department development. Genertec AMHT has been to Shangdu County providing special medical assistance and helped the county build a tertiary hospital. Genertec AMHT has also set up remote outpatient services for Wuchuan County General Hospital and opened green channel for local people to seek medical treatment in Beijing. Genertec Mobile Clinic has provided physical examination, diagnosis, and treatment for 1,388 person-times of residents in Wuchuan County and Shangdu County all year around, offering high-quality, efficient, safe, and accessible medical and health services for community-level people. Beijing Electric Power Hospital, which is affiliated to Genertec Guozhong Healthcare, has sent six professional medical teams successively since 2018, having cumulatively provided medical diagnosis and treatment for 9,382 person-times of patients in Maduo County, Qinghai Province, and Zigui County, Badong County, Changyang Tujia Autonomous County and Shennongjia Forestry District in Hubei Province, as well as other regions, and donated medicines of 77,482 boxes to people there. The donated medical equipment and medicines worth RMB5.2 million in total.

Genertec Mobile Clinic has provided physical examination, diagnosis, and treatment for **1,388** person-times of residents in Wuchuan County and Shangdu County all year around



Beijing Electric Power Hospital, a medical institution affiliated to Genertec Guozhong Healthcare, has donated medicines of **77,482** boxes to local people. The donated medical equipment and medicines worth RMB **5.2** million in total.



Moreover, during the COVID-19 pandemic, Genertec Finance donated RMB500,000 in cash to Wuchuan County and Genertec Meheco donated anti-pandemic supplies worth more than RMB200,000 to help Wuchuan County fight the COVID-19, supporting local anti-pandemic work.



Genertec Mobile Clinic provided medical services for community-level people

Genertec Guozhong Healthcare provides medical services in Maduo County

From August 2 to August 6, 2022, Beijing Electric Power Hospital, a medical institution affiliated to Genertec Guozhong Healthcare, sent 11 experts from nine departments including orthopedics department, cardiovascular surgery department, and endocrinology department to establish a medical team to conduct a medical tour to Maduo County in Qinghai Province. The tour on volunteer basis provided medical services for more than 400 person-times of people. After the tour, Beijing Electric Power Hospital also donated commonly-used medicines to Maduo County People's Hospital and Machali Town Health Center.



Genertec AMHT conducts free clinical program in Fuyuan County

From August 27 to August 31, 2022, Aerospace Center Hospital, which is affiliated to Genertec AMHT, went to Fuyuan County Hospital of Traditional Chinese Medicine to conduct the free clinical program with the theme of celebrating the 20th CPC National Congress and facilitating rural revitalization. It was the 7th time for Aerospace Center Hospital to go to Fuyuan County Hospital of Traditional Chinese Medicine to conduct free clinic since these two hospitals established paired-up assistance relation in 2014. The Large-scale Free Clinic of Aerospace Center Hospital & the Opening Ceremony of Expert Chen Jichao's Studio and the Launch Ceremony of the Pulmonology Department of Fuyuan County Hospital of Traditional Chinese Medicine was held on August 28. It was the second expert from Aerospace Center Hospital to establish a studio in Fuyuan County, representing another progress made in medical services of the county.



Consumption-based Assistance

Genertec has formulated, printed and distributed the Group's consumption-based assistance work program. The Group has taken the initiative to participate in assistance campaigns including "Consumption-based Assistance Week for Rural Development by Central SOEs" and "New Spring Consumption-based Assistance." Genertec has established the "Genertec Hall" on the e-commerce platform for central SOEs to provide consumption-based assistance, organized trade unions of the headquarters and all of sub-industry groups and directly-affiliated second-level companies to make centralized procurement of agricultural products from Wuchuan County and Shangdu County, carried out production and marketing matching activities in a wide range, and purchased agricultural products worth RMB2.4 million. Genertec has cumulatively purchased agricultural products worth RMB14.699 million from the regions lifted out of poverty throughout the year, and assisted the two targeted assistance counties to sell agricultural products worth RMB920,000.

Genertec Guozhong Healthcare has invested in nearly RMB400,000 of consumption-based assistance funds, of which nearly RMB200,000 was used to purchase "Genertec Assistance Gift Bags" and RMB186,000 was used to purchase assistance products. Genertec CNIC and the affiliated Genertec Instec Technology took the opportunity of giving festival gifts to employees on International Workers' Day, Mid-Autumn Festival, and National Day to provide consumption-based assistance of more than RMB351,000. Genertec Xinxing purchased agricultural products worth RMB3.2 million from poverty-stricken counties and made a procurement of RMB290,000 of products for its canteens. Genertec Advanced Materials purchased agricultural products of RMB691,200. Genertec PTAC provided consumption-based assistance of RMB1.1615 million. Genertec Shenyang Machine Tool held a Wuchuan specialty trade show from live streaming to dining table, selling 15 kinds of local branded agricultural products including mutton, Astragalus membranaceus, and oatmeal.

Caring Assistance

Genertec PTAC carried out "Taking a Wish, Lighting Up a Dream" public welfare activity and donated more than 1,300 pieces of winter clothing with a total value of over RMB170,000 to children in need in Shangdu County. Genertec International conducted a charitable donation activity for left-behind children in 2022 back-to-school season and made centralized procurement of schoolbags, pen bags, colored pens, jump ropes, and badminton with a total value of more than RMB5,000 for 50 left-behind children. Genertec CNIC carried out a charitable donation activity themed "Realizing Dreams with One Heart, Making Contribution by Youth" and donated 87 boxes of cultural and entertainment products with a total value of RMB17,000 to Qitai Town Genertec Primary School in Shangdu County. Genertec Health and Senior Care provided technical guarantee for the development of elderly care industry in Wuchuan County.



Genertec PTAC conducted a donation activity themed "Taking a Wish, Lighting Up a Dream"

"Two Assurances and Three Guarantees"

Genertec has taken the initiative to consolidate the achievement of "Two Assurances and Three Guarantees," that is, rural poor people are free from worries over food and clothing and have access to compulsory education, basic medical services and safe housing. The Group has invested in RMB850,000 to purchase insurance against falling back into poverty for 7,274 monitored permanent rural residents in Wuchuan County, building a line of defense to prevent falling back into poverty. The Group has also invested in RMB200,000 to establish a "Special Banking Account of Adolescent Care," and has built psychological guidance room with counseling facilities and purchased psychological guidance courses in Wuchuan County First High School, greatly guaranteeing local children's mental health and realizing their well-rounded development.

Village-stationed Assistance

Xi'an Electric Power Hospital, which is affiliated to Genertec Guozhong Healthcare, has carried out targeted assistance work in Maogeta Village of Mizhi County, Yulin City, northwest China's Shaanxi Province, sent three staff members to form a working team stationed in the village, and donated RMB300,000 for the project of hardening the road by bricks and the drainage ditch project, making it more convenient for agricultural machinery and tools to go up the mountain for farming.

Promoting Public Welfare Undertakings

Genertec has internalized the volunteer spirit of devotion, care, mutual assistance, and progress into its gene, implementing the spirit and sending warmth to others wherever it goes.

Participating in Emergency Relief

Genertec has always fought at the frontline of disaster rescue and relief. After the 6.8 magnitude earthquake struck in Luding County in Ganzi Prefecture, southwest China's Sichuan Province, Genertec donated RMB10 million to the disaster-stricken area immediately and rapidly sent two emergency medical rescue teams to provide full support for the earthquake relief work and help resume the order of production and life as soon as possible.



Sichuan Electric Power Hospital, a medical institution affiliated to Genertec Guozhong Healthcare, participated in the earthquake relief work in Luding County



"BAO DE 8120" Ship, well done!

On December 31, 2022, the vessel "BAO DE 8120," which belongs to Xinxing Logistics, a company affiliated to Genertec Xinxing, successfully saved three fishermen fallen overboard when it was sailing in Chengshantou sea area of Weihai, east China's Shandong Province. Xinhua News Agency, *The Beijing News* and other mainstream media reported the rescue operation. The broad masses of netizens highly praised the heroic and kind act of sailors on the vessel "BAO DE 8120." The rescue was on the hot news list of *The Beijing News*.



Strengthening Aid Work in Qinghai, Xizang and Xinjiang

Over the years, Genertec has taken the support to the development of Qinghai, Xizang and Xinjiang as a significant political task, and delivered advanced medical technologies and high-quality health services to the border areas of ethnic minorities. With a strong sense of political responsibility, Genertec has strengthened the aid work in Qinghai, Xizang, and Xinjiang, striving to improve people's livelihood, boost local development and enhance ethnic unity.

In Qinghai Province

Established in March 2019 by Genertec PTAC, the Qinghai Branch of Genertec PTAC Northwest Company has assisted 254 retailers to improve their livelihood. Beijing Electric Power Hospital, which is affiliated to Genertec Guozhong Healthcare, has sent professional medical teams to carry out medical tours in Maduo County, northwest China's Qinghai, for several times since 2018.

In Xizang Autonomous Region

In accordance with actual business development, Genertec has formulated working measures to support the high-quality development of the Xizang's economy and society from three aspects: medical and healthcare, engineering services, and consolidation and expansion of poverty alleviation achievements. Several hospitals affiliated to Genertec have sent medical personnel to support Xizang for years. Since entering the Xizang-Qinghai Industrial Park in October 2017, Xizang Zhongjian Pharmaceutical Co., Ltd., which is affiliated to Genertec Meheco, has cumulatively achieved an operating revenue of more than RMB5.3 billion and paid taxes of about RMB420 million.

In Xinjiang Uygur Autonomous Region

Genertec has established 13 affiliated subsidiaries and branches including China Meheco Tianshan Pharma Co., Ltd. in Xinjiang Uygur Autonomous Region, with a payment of RMB18.88 million in taxes and fees and an employment of 1,036 people, having made active contributions to the economic development of the region. As the first-aid sub-station of Urumqi 120, Xinjiang Gem Flower Hospital, which is affiliated to Genertec Gem Flower Healthcare, opened a green channel running 24 hours per day for employees in the factory during the pandemic while guaranteeing daily outpatient operation. The Group has purchased 2,000 sets of work clothes worth RMB980,000 to support the development of textile industry in the south part of Xinjiang. Xinjiang Tianfang Hengde Pharmaceutical Co., Ltd., which is affiliated to Genertec, mainly operates in the area covering the region stationed by the north military command of the Xinjiang Production and Construction Corps. Tianfang Hengde Pharmaceutical has well managed the logistics and delivery of medicines, medical equipment, and first-aid medicines there.

In Tibetan-inhabited areas in southwest China

Focusing on the tasks of improving infrastructure, enhancing ecological protection, guaranteeing and improving people's well-being, and developing featured industries of the Tibetan-inhabited areas in Sichuan, Yunnan, and Gansu provinces, the Group has promoted the innovative development of Chinese medicine industry, improved public health system capacity, and provided high-quality services to support the infrastructure construction and trade network establishment there. Genertec has also intensified efforts to create job opportunities and strengthen personnel assistance.



Little Drolma from Xizang seeks medical treatment in Genertec Medical

In June 2022, a 4-year-old child named Drolma from Xizang accidentally fell and hurt her eyes. Her parents got very nervous with worry and went a long distance overnight from Changdu City, southwest China's Xizang Autonomous Region, to the Chengdu-based 363 Hospital, which is affiliated to Genertec Medical. Diagnosis of the hospital was left eyelid lacerated wound and lacrimal ductule rupture. The hospital immediately arranged surgery for the little Drolma. With the good care in the hospital, the little Drolma had her traumatic condition turn better quickly and received gifts from the medical staff. It is not a choice made by accident to travel over a thousand kilometers from Changdu to Chengdu and from plateau to plain to choose a hospital affiliated to Genertec. It was a choice made by the family of the little Drolma based on the good "word of mouth" accumulated by the hospital's continuous assistance for in Xizang in many years.



Genertec brings medical care to snow-covered plateau

3201 Hospital, which is affiliated to Genertec Medical, has sent medical staff to support the medical work in Xizang for more than 20 years. In 2022, Wang Chengli, Yin Hanrong, Fu Tian, Jiao Yumo, Zhou Juan, and Ma Yonggang, among others, from 3201 Hospital successively came to Ali Prefecture in southwest China's Xizang Autonomous Region with the 7th and the 8th batches of "group-based" medical aid teams of Shaanxi Province for Xizang to carry out medical assistance.



Sichuan Electric Power Hospital, which is affiliated to Genertec Guozhong Healthcare, has worked for plateau power grid construction for 10 years. Closely following the objective of "zero disability or death from altitude sickness, and zero spread of plague or major epidemic disease," Sichuan Electric Power Hospital has established a perfect three-level medical guarantee system. Medical staff can provide medical services for project workers under extreme climate of minus 30 degrees Celsius.

After the COVID-19 broke out in Xizang in 2022, eight doctors and 23 nursing staff were sent by Aerospace Center Hospital, which is affiliated to Genertec AMHT, and 27 medical personnel were sent by Ansteel Group General Hospital, XD Group Hospital, Maanshan MCC17 Hospital and Shanghai Zhongye Hospital, which are affiliated to Genertec Universal Medical, to rush over a long distance and assist snow-covered plateau, supporting the pandemic prevention and control in Xizang.

Dedicating to Charitable and Volunteer Initiatives

Wholly-devoted dedication comes from keeping the greater self in mind and keeping the big love in heart. Genertec has actively fulfilled social responsibilities and carried out volunteer service in a wide range. Relying on the "Xinyan Charity Fund," the Group has conducted a number of donation and assistance projects. The volunteer service team of Genertec CGCI, which is affiliated to Genertec International, has won the title of "Best Volunteer Service Team in Beijing." Genertec Universal Medical has completed the donation of the third time to "Xinyan Charity Fund" and reached donations of RMB6 million cumulatively, having been included in the list of the "20th China Charitable Ranking."



Genertec CNIC donated 87 boxes of cultural and entertainment products to Qitai Town Genertec Primary School in Shangdu County



Genertec Meheco won the title of "Charitable Enterprise" of the Red Cross Society of China



Volunteer service team of Genertec Capital conducted an elderly care activity in Lujiazui Sub-district in Shanghai



Employees of Genertec Advanced Materials carried out "Learn from Lei Feng" activity

"Xinyan Charity Fund" carries out assistance projects



Established in 2021, "Xinyan Charity Fund" was initiated by Genertec Universal Medical and approved by China Primary Health Care Foundation (4A). Adhering to the purpose of helping patients, supporting doctors, and assisting institutions, the fund has provided assistance for more than 380 patients and their families. For the next step, "Xinyan Charity Fund" will further expand its assistance range and disease category, and carry out 11 special public welfare projects in total focusing on pediatric department, gynecology department, cardiovascular department, oncology department, orthopedics department, nephropathy department, department of brain, and apoplexy and rehabilitation department. Relying on the 20 hospitals in northeast China, north China, northwest China, southwest China, Jiangsu Province and Anhui Province, the fund will carry out full-life-cycle public welfare assistance to provide precise and efficient medical services for more than 1,000 residents.

Public science programs enhance children's sense of science and technology



In order to enhance children's awareness of textile technology and further inherit intangible cultural heritage skills, Genertec CTJN Branch, which is affiliated to Genertec Advanced Materials, has carried out a series of public welfare activities to popularize scientific knowledge themed "Experience Science and Technology & Approach Culture - The Second Classroom for Children." The courses include textile craftsman experience, intangible cultural heritage of plant dyeing technique, digital printing, DIY cloth design, little scientific experiment on textile, among others. In August 2022, Genertec CTJN Branch cooperated with Shaoxing Youth Activity Center to carry out the first experience activity of "Intangible Cultural Heritage of Plant Dyeing Technique," and almost 40 children participated.





PART 2

Management:

Laying a Solid Foundation for Responsibility Performance

Insisting on efficiency-and value-oriented principles, Genertec has enhanced the management of work safety, and laid a solid foundation for and promoted sustainable development with practical actions, making every minute and every second meaningful, efficient, and fruitful by doing well of even little things.

Stabilizing Operation with Enhanced Corporate Governance **76**

Laying a Solid Foundation for Work Safety **77**

Highlighting Responsibilities with Responsible Management **78**

Boosting Development with ESG Building **80**

Stabilizing Operation with Enhanced Corporate Governance

Genertec has always made economic stability our top priority and pursue progress while ensuring stability. Genertec has focused on strengthening the "sustained force" of development and winning the initiative of development from steady and sound operation.

196 subsidiaries of the Group established a standardized board of directors, as needed

190 enterprises featured a majority of outside directors on the board of directors

839 lawsuits were settled
RMB3.3 billion of losses were reduced or recovered

Legal review rate of rules and regulations, economic contracts, and major decisions reached 100%

Nearly 100 law popularization activities were conducted, with nearly 10,000 person-times of participants

Genertec promoted the full coverage of audits with high quality and comprehensively completed the rectification of economic accountability audit issues identified by the National Audit Office

The average capital collection rate was 80.85%, reaching the advanced level of central SOEs

Enhancing Corporate Governance

Genertec has established a corporate governance institutional system that regards the articles of incorporation as the core, takes the system of decision-making on major issues, important appointments and removals, major projects, and the use of large amounts of money as the link, and relies on the working rules and authorization systems of each decision-making body. The Group has optimized the diversified composition of members of the board of directors of its affiliated enterprises, giving sufficient consideration to gender, age, cultural and educational background, professional experience and skills, among others. Genertec gives full play to the functions of independent directors, and has established a database of outside directors and a database of independent directors of its listed holding companies. A total of 57 directors have been recorded in the databases and a corporate governance mechanism featuring statutorily-defined and transparent rights and responsibilities, coordinated operations, and effective checks and balances among the shareholder meeting, the Party committee, board of directors, the management, and board of supervisors has been established.

Conducting Legal and Compliance Operation

Genertec has kept deepening the law-based construction of central SOEs, formulated and released the *Administrative Measures for Compliance* and other compliance management rules and regulations, constructed the "1+N" compliance management system, enhanced the development of management systems and organizational systems as well as team construction of legal compliance work, promoted the general legal counsels, legal institutions, legal personnel, and legal management systems and processes of second-level enterprises to be in place, and carried out the special campaign of "Compliance Management Enhancement Year." The Group has actively conducted publicity and training of legal compliance and enhanced all employees' awareness of respecting the law, learning the law, and abiding by the law in mind and by actions consciously.

Strengthening Internal Control of Risks

Focusing on the functional positioning of state-owned capital investment companies, Genertec has continued to strengthen the construction of core functions of the Group's headquarter, including strategic management, resource allocation, audit and supervision, and risk management and control. Genertec has formulated and released the 14th Five-Year Plan for Risk Management and Internal Control and the Internal Control Standards Manual. The Group has improved the "1+N" internal control system, formulated and released risk management bans covering trade, overseas projects and others, formulated and released the audit system optimization scheme, established Audit Center at Genertec level, adjusted and optimized the audit institution settings of Group's second-level units, and strengthened the implementation of the delegation mechanism of responsible persons for audit institutions. Genertec has also put forward the "financial management + CIPS" bank-corporate linkage concept for the first time, having achieved the first batch of over 70 CIPS visible accounts of non-direct bank accounts all over the country and further improved the centralized management and control of capital and fund settlement. The key management and control indicators including annual asset-liability ratio, cash flow, and interest-bearing liabilities have all reached the budget objectives.



Genertec protects shareholders' interests, subscribes shares in full amount

On October 14, 2022, Genertec invested in RMB1.5 billion to subscribe the private issued shares of Genertec SMTCL in full amount. This offering is the first major measure adopted by Genertec SMTCL in capital market since joining the Group, showing the confidence and support that both capital market and the controlling shareholder have on high-end CNC machine tool industry and the enterprise. After the offering, the asset-liability ratio of Genertec SMTCL got greatly lowered, having further improved capital structure, enhanced anti-risk capability, and protected all shareholders' interests.

Laying a Solid Foundation for Work Safety

Genertec has effectively implemented the spirit of important discourses made by Chinese President Xi Jinping on work safety. Centering on the conclusion of the three-year action plan for enhancing work safety, the Group has solidly implemented the 15 strict measures for safe production and the requirements of the "Six Must-Dos" for work safety.

Insisting on Safe Development

Insisting on systematic governance, Genertec has promoted work safety in a holistic manner, and further implemented work safety responsibility of each position. Of all sub-industry groups in primary industry and secondary industry and all directly-affiliated second-level enterprises of Genertec, members of Party committees assume the responsibility of work safety. Discipline inspection and supervision authorities have included work safety as a key supervisory matter, and special audits of work safety costs have been carried out in a deep-going way. There were no major casualties or safety-related accidents throughout the year.

830 persons-in-charge of 188 units were assessed by their direct superiors on their work safety performance

Units at all levels managed 35,179 potential safety hazards

7 units obtained the Work Safety Standardization Certificate (L2) and 19 units obtained the Work Safety Standardization Certificate (L3)

Genertec Xinxing won 2 prizes of National Demonstration Construction Site for Work Safety Standardization and 11 prizes of Green (Civilized) Construction Site for Wok Safety at provincial/ministerial level

Improving Risk Management and Control

Genertec has further improved the dual-prevention mechanism for the classified management and control of safety risks and the investigation and treatment of hidden dangers. Based on the identification of hazard sources, the Group has carried out comprehensive, professional, seasonal and day-to-day hidden danger investigation and treatment to ensure that safety risks are under control. Members of the leading Party members group of Genertec have set an example by going to community-level enterprises to carry out work safety inspections and supervision and guide emergency drills, further improving the safety risk awareness and capabilities of employees.



Genertec Xinxing obtained the Certificate of Construction Site for Work Safety Standardization of Construction Projects



Hubei Aerospace Hospital, which is affiliated to Genertec AMHT, won the title of the "6th National 119 Firefighting Advanced Group"

Intensifying Safety Education

7 large production enterprises have built work safety warning educationrooms

7,796 employees participated in the online launch of the "Safety Production Month" campaign

Genertec has actively carried out diversified safety trainings. Taking the series activity of "Work Safety Month" and the "Lecture Hall" of work safety as effective means, the Group has continuously enhanced the enthusiasm and initiative of officials and employees to participate in work safety programs.



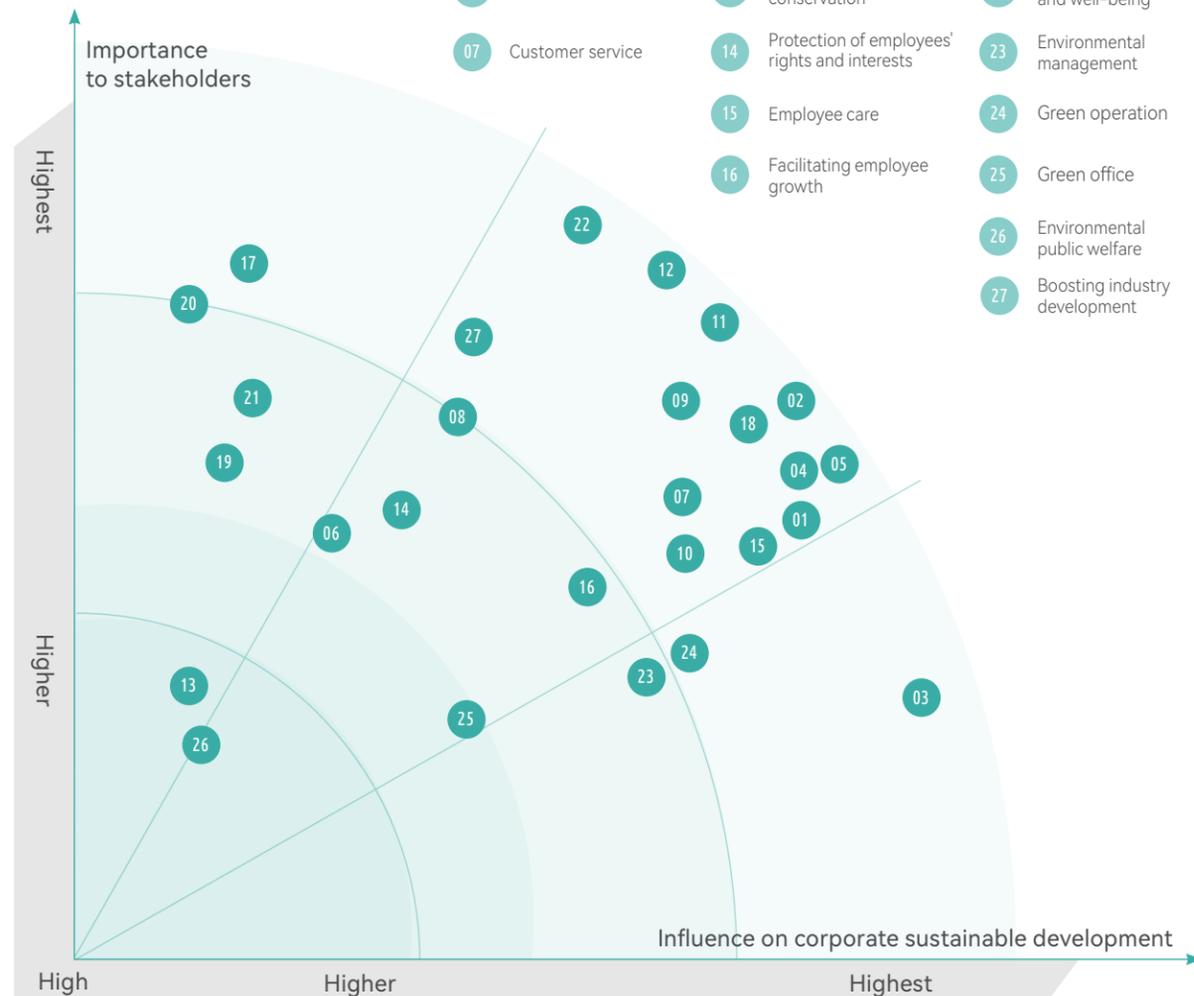
Genertec held a mobilization and deployment meeting for the 2022 "Work Safety Month" Campaign

Highlighting Responsibilities with Responsible Management

Identifying Responsibility Issues

Based on the social responsibility indicator system and combining with the development strategies and actual operations, Genertec has dynamically identified and screened out material issues of concern to both Genertec and the stakeholders by analyzing national macro policies as well as domestic and international social responsibility standards, and draws up a material issue matrix to carry out the social responsibility work in a targeted manner.

- 01 Legal compliance
- 02 Anti-corruption and integrity
- 03 Deepening reform
- 04 Innovation in science and technology
- 05 International operation
- 06 Product safety
- 07 Customer service
- 08 Emphasis on occupational health
- 09 Supply chain management
- 10 Conducting strategic cooperation
- 11 Green products and services
- 12 Energy-saving and emission reduction
- 13 Biodiversity conservation
- 14 Protection of employees' rights and interests
- 15 Employee care
- 16 Facilitating employee growth
- 17 Emergency response
- 18 Rural revitalization
- 19 Promoting community development
- 20 Charity and public welfare
- 21 Volunteer services
- 22 Promoting health and well-being
- 23 Environmental management
- 24 Green operation
- 25 Green office
- 26 Environmental public welfare
- 27 Boosting industry development



Genertec has actively promoted the integration of the idea of social responsibility into the development strategy, operational management and corporate culture. The Group abides by laws and regulations, operates in good faith, strengthens environmental protection, enhances employee care and gives back to the society. The Group joins hands with all stakeholders to grow together, share the development fruits, and create greater value for the organic unity of the economy, the society and the environment.

Responding to Concerns and Expectations

In order to respond to the expectations and concerns of various stakeholders in a timely and efficient manner, Genertec has built diversified communication platforms, released social responsibility reports regularly, carried out public open day activities, set up a social responsibility column at the official website, participated in various exhibitions and exchanges activities, and established effective communication mechanisms, further deepening and substantiating the Group's social responsibility work.



"Shouldering responsibility of SOEs for running medical institutions, fighting the pandemic and serving the people" was included in the *Research Report on Corporate Social Responsibility of Central Enterprises (2022)*, and was recognized as an excellent case of the pandemic prevention and control by the SASAC of the State Council



Genertec was recognized as one of the top 3 enterprises in the "Machinery and Equipment Manufacturing Industry of the 2022 Chinese CSR Development Index"

Genertec was awarded the "Responsible Golden Bull Awards - Responsible Brand Award"



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

Boosting Development with ESG Building

As a responsible central SOE, Genertec has carried out in-depth special-topic research in the field of ESG, integrated ESG into corporate governance systems, strengthened ESG risk management, and fully emphasized ESG information disclosure, so as to effectively improve operational efficiency and governance effectiveness.



Refining Management System

Genertec has attached great importance to ESG management, continued to improve the top-down design of ESG and constructed an ESG work system covering the board of directors, the management, the headquarters and affiliated enterprises. Genertec ESG objectives, management processes and systems. Acting as the executive bodies of ESG management, all functional departments and relevant enterprises have implemented ESG management concepts and carried out ESG management practices.



Promoting Exchanges and Mutual Learning

Genertec has taken the initiative to guide its listed companies to carry out ESG exchanges and mutual learning activities, and actively participated in and carried out social responsibility/ESG training and theoretical research. Through improving corporate governance, enhancing environmental protection, strengthening pollution prevention and control, and boosting community development, Genertec has intensified efforts to assume responsibilities.



Genertec Universal Medical ranked 62nd on the list of "Top 100 ESG Pioneers of Listed Companies in China"

Future Prospects

Today, as we reflect on our long history, we feel delighted and encouraged. Tomorrow, on the path to a bright future, we will forge ahead with confidence and fortitude.

The year 2023 marks the first year of fully implementing the guiding principles of the 20th CPC National Congress. It is also a crucial year for continuing the implementation of the 14th Five-Year Plan, representing an important phase for Genertec in promoting high-quality, substantive development. Following the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Genertec is committed to bearing in mind the country's most fundamental interests. Genertec will continue to strengthen the overall leadership of the Party, adhering to the general principle of pursuing progress while ensuring stability. Genertec will fully and faithfully apply the new development philosophy on all fronts, with a focus on advancing supply-side structural reform as the main task and enhancing core corporate competitiveness as the primary goal. Efforts will be intensified to boost innovation-driven development, enhance benchmarking results, deepen reform, prevent and solve major risks, strengthen the guidance of Party building, and improve capabilities in serving national strategies and fulfilling the people's aspirations for a better life. Adhering to the corporate mission of "Creating a better life with good technology and quality service," Genertec will accelerate efforts to transform the Group into a world-class enterprise, making due contributions to the Chinese modernization.



Appendix

Content Index

Contents	UN SDGs	CASS-CSR 4.0	Page(s)		
About this Report	-	P1.1-1.3	P02		
Message from the Chairman	-	P2.1-2.2	P04		
About Us	-	P4.1-P4.5	P06		
A Review of 2022	Goals 3,9,11,12,16,17	-	P08		
Feature Story I: Deepening of Reform Injects Fresh Impetus into High-quality Development	Goals 8,9,11,16	M1.1,S1.4	P10		
Feature Story II: Paving a "Road to Happiness" for Seniors with Business Presence of Whole Industry Chain	Goals 3,9	M2.1,M3.4,M3.6	P14		
Part 1	Responsibilities: Serving the Country's Most Fundamental Interests	Underpinning Force of a Manufacturing Power	Goals 8,9,12	M2.1,M2.4,M2.7, M3.4, M3.6	P20
		Dynamic Force of the Healthy China Initiative	Goals 3,11	M2.1,M2.4,M3.6	P24
		Main Force of the Belt and Road Initiative	Goals 9,12,17	M3.4, M3.6-3.7, S1.5	P30
	Empowerment: Starting the Engine of Development	Gaining the Upper Hand in Scientific and Technological Innovation	Goals 8,9	M2.1,M2.4-2.6,M3.6	P38
Providing Outstanding Experience with High-quality Services		Goals 9,12	M2.1-2.3	P44	
Building a New Force for Brand Culture		Goals 12	M2.1-2.2,M3.6	P46	
Striving to Facilitate Industry Development		Goals 12,17	M3.4,M3.6,M3.8-3.9,M3.12-3.13,M3.16	P50	
Part 2	People's Well-being: Building Harmony and Sustainability	Enhancing Green Development and Environmental Protection	Goals 7,13,14,15	E1.1,E1.3,E1.7-1.9,E2.3-2.4,E2.6,E3.1	P54
		Cultivating High-caliber Personnel	Goals 3,4,5,8	S2.1-2.4,S2.6-2.8,S2.10-2.18	P58
		Facilitating Rural Revitalization	Goals 1,2,3,4,6,10	P3.1-3.2,S1.5,S4.12-4.14,S4.5	P62
	Promoting Public Welfare Undertakings	Goals 11,16	S4.1,S4.6,S4.10-4.11	P70	
	Management: Laying a Solid Foundation for Responsibility Performance	Stabilizing Operation with Enhanced Corporate Governance	Goals 12,17	M1.1,M1.3,M3.1,S1.1,S1.3	P76
Laying a Solid Foundation for Work Safety		Goals 3,9	S3.1-3.3	P77	
Highlighting Responsibilities with Responsible Management		Goals 17	G2.1,G4.2,G6.1	P78	
Boosting Development with ESG Building		Goals 17	G6.3	P80	
Future Prospects		A1	P82		
Content Index	-	A5	P84		
Key Performance Indicators	-	A2	P85		
Appendix					
Report Preparation Process	-	-	P87		
Rating Report	-	A4	P88		
Suggestions and Feedback	-	A6	P89		

Key Performance Indicators

Indicator	Unit	2020	2021	2022
Total assets	RMB100M	2,257.18	2,480.17	2,775.24
Total operating revenue	RMB100M	1,958.18	1,720.58	1,830.17
Total tax payment	RMB100M	68.52	68.54	72.81
Gross labor output value	RMB100M	204.78	230.16	317.77
Legal review rate (legal review of corporate rules and regulations, economic contracts and major decisions)	%	100	100	100
Number of legal compliance trainings	Time	8	9	9
Coverage of legal compliance trainings	%	100	100	100
Coverage of anti-corruption and integrity education	%	100	100	100
Total investment in R&D of science and technology	RMB100M	11.7	18.9	22.3
Number of newly added national scientific and technological awards	Nos.	—	2	—
Number of newly added scientific and technological awards at provincial/ministerial level	Nos.	33	42	22
Number of newly developed products	Nos.	150	96	83
Number of newly applied patents	Nos.	504	583	872
Number of newly authorized patents	Nos.	358	745	619
Number of software copyrights in various categories	Nos.	80	105	190
Number of scientific papers published	Piece	1,091	1,751	1,628
Number of standards formulated or revised under the auspices of Genertec	Nos.	103	109	109
Among which: Number of international standards released	Nos.	4	3	5

Environmental Performance	Indicator	Unit	2020	2021	2022
	Total investment in energy-saving and environmental protection	RMB10,000	24,133	17,156	20,951
	Compliance rate of discharged waste water	%	100	100	100
	Compliance rate for solid waste disposal	%	100	100	100
	Number of environmental emergencies of general or above	Time	0	0	0
	Coverage of environmental protection trainings	%	100	100	100

Social Performance	Indicator	Unit	2020	2021	2022
	Total number of employees	Person	56,458	64,985	83,625
	Among whom : Proportion of male employees	%	51.38	50.29	45.28
	Proportion of female employees	%	48.62	49.71	54.72
	Proportion of female employees in the management	%	25.76	23.98	32.54
	Number of employees from minority ethnic groups	Person	2,692	2,729	3,978
	Number of new employees	Person	3,798	8,725	6,659
	Signing rate of labor contracts	%	—	—	100
	Amount of gift money and assistance funds for retired officials	RMB10,000	423.92	449.22	360.74
	Amount of assistance funds invested	RMB10,000	2,820	3,402.5	2,880
	Amount of assistance funds introduced	RMB10,000	104.2	101.02	100
	Number of officials selected and designated to serve temporary positions	Person	3	3	3
	Number of primary-level officials trained	Person-time	664	410	300
	Number of leaders for rural revitalization trained	Person-time	386	660	274
	Number of professionals and technicians trained	Person-time	651	120	420
Amount of agricultural products purchase	RMB10,000	1,480	1,470.75	1,469.9	
Amount of assistance in selling agricultural products	RMB10,000	461	238	92	

Report Preparation Process



Establishment of organization

Set up a report preparation group; establish a work team and divide up the work; and, set goals.



Report preparation

Write the report; update data and other relevant materials; and, produce a first draft



Report diagnosis

Analyze the feedback from stakeholders; listen to the opinions of experts; and, form a framework outline



Revision and finalization of the report

Solicit opinions from departments; Solicit opinions from experts; revise the first draft; submit to leadership for approval; and, finalize the report



Environmental screening

Identify stakeholders; identify key stakeholders; identify social responsibility issues concerned by stakeholders; and, hold meetings with stakeholders



Design and publication

Focus on style design and text layout; and, typeset and proofread



Issue identification

Disclose social responsibility issues based on the alignment of interests with stakeholders; increase in strategic alignment constraints with Genertec; and, form material issues of social responsibility



Report release

Release the report; and, holds dialogues with stakeholders and handle their feedback



Data collection

Form material list; clarify targeted organizations; and, collect data

Rating Report



Rating Report of the 2022 Corporate Social Responsibility Report of China General Technology (Group) Holding Co., Ltd.

Upon the request of China General Technology (Group) Holding Co., Ltd., the Chinese Expert Committee on CSR Report Rating invited experts to form a rating panel to rate the 2022 Corporate Social Responsibility Report of China General Technology (Group) Holding Co., Ltd. (hereinafter referred to as "the Report").

I. Rating Criteria

Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0) by the Chinese Academy of Social Sciences, and *Rating Standards for Corporate Social Responsibility Reporting in China (2020)* by the Chinese Expert Committee on CSR Report Rating.

II. Rating Process

1. The rating panel reviews and confirms the Confirmation Letter on *Process Materials of Corporate Social Responsibility Reporting* and associated materials submitted by the preparation team of the Report;
2. The rating panel conducts rating on the preparation process and the contents disclosed by the Report, drafting rating report;
3. The vice chairman of Chinese Expert Committee on CSR Report Rating, the leader of the rating panel, and the expert of the rating panel jointly review and sign the rating report.

III. Rating Results Process (★★★★☆)

The General Office of Genertec takes the lead in setting up a report preparation working group to plan, deploy and coordinate the specific preparation work in an overall manner; the functional departments and subsidiaries of the Group submit basic materials and reviewed the contents; and, the principal leaders are responsible for the final review of the Report, which is positioned as an important vehicle to disclose social responsibility information, enhance social responsibility management, strengthen communication with stakeholders, and improve the brand value, showing a clear functional value positioning. The material issues are identified in accordance with, among others, national macro policies, international and domestic social responsibility standards, major corporate matters, and stakeholder surveys. Genertec plans to release the Report at its official website and will present the Report both in online and printed versions, achieving a leading performance in the aspect of process.

Materiality (★★★★☆)

The Report discloses key industrial issues such as product quality management, innovation in science and technology, occupational health management, work safety, R&D of environmentally-friendly technologies and equipment, energy and resource conservation, reduction of waste water, waste gas and solid waste, and environmental governance around the plant areas, achieving a leading performance in the aspect of materiality.

Completeness (★★★★☆)

The main contents of the Report disclose 81.15% of core indicators relating to the industry from the perspective of, among others, "Responsibilities: Serving the Country's Most Fundamental Interests," "Empowerment: Starting the Engine of Development," "People's Well-being: Building Harmony and Sustainability," and "Management: Laying a Solid Foundation for Responsibility Performance," achieving a leading performance in the aspect of completeness.

Balance (★★★★)

The Report discloses negative information including "major casualties or safety-related accidents," "number of environmental emergencies of general or above," and "environmental pollution events," achieving an excellent performance in the aspect of balance.

Comparability (★★★★☆)

The Report discloses 37 key indicators including "total tax payment," "total investment in R&D of science and technology," "proportion of female employees in the management," "investment in energy-saving and environmental protection," "investment in energy-saving and emission reduction" and "Coverage of environmental protection trainings" for three years in a row; and conducts horizontal comparison such as "ranked 105th in the ENR's Top 250 International Contractors in 2022," as well as

other rankings and lists both at home and abroad, achieving a leading performance in the aspect of comparability.

Readability (★★★★★)

The Report adopts an issue-oriented framework structure and is organized in four major sections, systematically demonstrating Genertec's philosophy, practices and effectiveness in fulfilling its responsibilities under key issues. With a clear framework structure and highlighted key issues, the Report comprehensively responds to the expectations and demands of stakeholders. The cover design is extended with the corporate logo and incorporates main business elements such as "advanced manufacturing and technical services," "medical and healthcare," and "trade and engineering services," highlighting the characteristics of the industry and enhancing the recognition of the Report. The QR codes are embedded in the Report for visual extension, which expand the reporting contents and enhance the readability. The Report showcases the public Genertec's social responsibility fulfillment results with rich cases, which strengthens the dissemination and communication. In all, it achieved an outstanding performance in the aspect of readability.

Innovation (★★★★★)

The Report is opened with the feature stories of "Deepening of Reform Injects Fresh Impetus into High-quality Development," and "Paving a 'Road to Happiness' for Seniors with Business Presence of Whole Industry Chain," which focus on the practices and achievements of the Group in the aspects of enhancing Party building, deepening SOE reform, and responding to the aging population, highlighting the responsibilities and duties of a central SOE. Genertec promotes its affiliated enterprises including Genertec Shenyang Machine Tool, Genertec Universal Medical, Genertec Meheco, and Genertec CNTIC to independently prepare CSR report to construct a multi-level reporting system. The Group participates in report rating for the first time, which enhances the standardization of social responsibility information disclosure and promotes the improvement of the report management level. In all, it achieved an outstanding performance in the aspect of Innovation.

Overall Rating (★★★★☆)

According to the evaluation of the rating panel, the rating of the 2022 Corporate Social Responsibility Report of China General Technology (Group) Holding Co., Ltd. is four-and-a-half-star. It is recognized as a leading CSR report.

IV: Improvement Suggestions

1. The disclosure of core indicators relating to the industry shall be enhanced to improve the completeness of the Report;
2. The disclosure of negative data and deficiencies of social responsibility performance shall be strengthened to improve the balance of the Report.

Vice Chairman of the Chinese Expert Committee on CSR Report Rating

Leader of the Rating Panel

Expert of the Rating Panel



Scan the QR code to learn more about corporate rating reports

Issued on August 16, 2023

Suggestions and Feedback

Dear readers,

Thank you for reading this report, which is the sixth corporate social responsibility report released by China General Technology (Group) Holding Co., Ltd. In order to improve the quality and level of CSR reporting, we are looking forward to your valuable comments and suggestions on this report and protect your feedback from being accessed by any third parties.

Closed-ended Questions:

1. What is your overall assessment of this report?

Very good Good Fair Poor Very poor

2. Do you think this report reflects Genertec's significant economic, social and environmental impacts?

Y N

3. What do you think about the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

Very good Good Fair Poor Very poor

4. What do you think of the structural arrangement of this report?

Rational Relatively rational Fair Poor Very poor

5. Do you think the content layout and presentation design of this report are easy to read?

Very good Good Fair Poor Very poor

Open-ended Questions:

1. What aspects of this report do you find most satisfying?

2. What additional information do you think needs to be disclosed in this report that you would like to know more about?

3. What are your opinions and suggestions on Genertec's social responsibility efforts?

If convenient, please fill in the following information:

Name: _____ Title: _____ Company/Organization: _____
Address: _____ Postal Code: _____ Email: _____
Tel.: _____ Fax: _____

Contact Us:

General Office, China General Technology (Group) Holding Co., Ltd.
Address: Genertec Plaza, No. 1, Xiying Street, Fengtai District, Beijing
Postal Code: 100073 Email: genertec@gt.cn





Address: Genertec Plaza, No. 1, Xiying Street,
Fengtai District, Beijing

Postal Code: 100073

Fax: 010-81168118

Email: genertec@gt.cn