

SUMEC



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FIRST ISSUE





SUMEC Ranks 111th in Fortune China 500

On July 20, Fortune China released the 2021 “Fortune China 500” list, assessing the performance and achievements of the world’s largest Chinese listed companies over the past year. SUMEC (stock code: 600710) ranks the 111th, moving up 10 places compared to 2020. Since its restructuring and going listed in 2016, SUMEC has been on the “Fortune China 500” list for five consecutive years, a testimony to SUMEC’s sustained growth and self-surpassing spirit.

As a core member of the “Fortune Global 500” business SINOMACH, SUMEC stayed adaptive and responded quickly to the complexities of the COVID-19 pandemic coupled

with rapid changes in global economy during 2020. Determined to explore and practice the dual-circulation development strategy, SUMEC gathered forces worldwide to open up the foreign market and expand the domestic one, achieving great success both in pandemic response and business development. In 2020, SUMEC achieved a steady growth in operation revenue, net profit attributable to shareholders, and foreign trade volume, amounting to RMB 98.59 billion, RMB 546 million, USD 8.819 billion, respectively. Against the global downward trend, SUMEC performed even better on all fronts.



排名	上年排名	公司名称 (中文)	营业收入 (百万元)	利润 (百万元)	关键数据
109		美盈佳集团股份有限公司	97,284.66	1,268.91	+
110		国瓷材料股份有限公司	97,074	22,472	+
111	121	苏美达股份有限公司	96,589.91	546.22	+
112		中国燃气 (集团) 控股有限公司	95,717.86	5,893.52	+
113		康拓医疗集团股份有限公司	95,283.24	65,877.23	+
114		三一重工股份有限公司	95,274.28	75,427.46	+
115		湖南有色金属集团股份有限公司	95,253.27	989.82	+

SUMEC-ITC Issued over USD 4.7 Billion Import Letters of Credit for Electromechanical Business

SUMEC International Technology Co., Ltd. (SUMEC-ITC) issued import letters of credit for electromechanical business worth a cumulative sum of over USD 4.7 billion by August 30, a record high exceeding the annual total of 2020, as well as a sign of the company's good momentum. As a leading service provider in electromechanical product import supply chain, SUMEC-ITC has adhered to the national development strategy, actively seized opportunities in emerging industries, and stepped up efforts to explore domestic and international markets in textiles, light industry, agriculture, animal husbandry,

new energy, healthcare, mechanical processing, and general machinery. The ILC amount breakthrough is a testimony to its contribution to the transformation and upgrading of China's manufacturing industry.

This year, SUMEC-ITC has been devoted to the "Skynet + Earthnet" project, upholding the idea of "building a platform and an ecosystem". For the Skynet, intensified efforts were made to develop SUMEC DATIANXIA, a one-stop, integrated global B2B procure-

ment service platform, and to construct a multichannel publicity matrix using WeChat official accounts, mini programs, Vlogs, and official websites for PC users. For the Earthnet, regional agent channels were proactively expanded to develop a dense sales network.



SUMEC-ITC

SUMEC-ITC Handled over 40 Million Tons of Bulk Commodities

The bulk commodities handled by SUMEC International Technology Co., Ltd. (SUMEC-ITC) totaled over 40 million tons by August 12, a new record high exceeding the annual amount of 2020.

In 2021, adapting to the new market environment whereby bulk commodities present a sharp rise in operational scale and high vol-

atility in price, SUMEC-ITC formulated the short-term scheme of "speeding down, preventing risks, improving quality, and adjusting structure". Capitalizing on the coordinated development of

foreign and domestic trade, efforts have been made to improve the company's operating capacities in the markets and resources both at home and abroad in order to develop long-term collaboration resources for major partners surrounding bulk commodities such as steel, coal, mineral, timber, and petrochemical. Sustained growth was achieved in scale and efficiency by optimizing client and business structures, improving the proficiency in operating business and implementing the futures-plus-cash-commodity approach, strengthening localized operations, promoting infrastructure delivery and green, low-carbon business, and exploring new models of bulk commodity supply chain operations.



SUMEC-CEEC Won the Bid for Shanghai Zhuyuan Sludge Treatment Plot Project

On August 19th, SUMEC Complete Equipment & Engineering Co. Ltd. (SUMEC-CEEC) won the bid of processing equipment procurement and supporting service provision (Bid Code: ZYSQ2.7) for the sludge treatment plot of the Phase IV Shanghai Zhuyuan Wastewater Treatment Plant Project, hitting a record high in SUMEC's municipal engineering projects in China with regard to contract amount.

Located in the middle of the project area, the sludge treatment plot receives and disposes sludge from the sewage treatment units of the eastern and western plots. The application of low-temperature vacuum dehydration and drying technology, intended for a 30% moisture content in the processed sludge, allows for a substantial cut in energy consumption and treatment cost compared with traditional thermal drying, thus ensuring lower carbon emission. In addition, efficient control of the odor generated during sludge treatment is achieved by collecting and transporting it to the terminal deodorization system for treatment, thus contributing to a greener development.

As of now, SUMEC-CEEC has won three tenders in the Phase IV Shanghai Zhuyuan Wastewater Treatment Plant Project, ranging from sewage, sludge, to odor treatment. The company's commitment to satisfying the diversified, refined client needs is a strong testimony to its achievements in implementing region-specific measures, specialized operations, and diversified development. This also lays a good foundation for further growth in sewage, sludge and solid waste treatment, soil remediation, etc.



SUMEC-CEEC

SUMEC-CEEC Won the Bid for Lu'an Sludge Drying Plant Project

On July 25th, SUMEC-CEEC won the bid for the Lu'an Sludge Drying Plant project in Anhui Province, and is going to procure the processing equipment needed, thereby facilitating the city's comprehensive improvement of water environment.

The Lu'an Sludge Drying Plant project is a part of the first-phase PPP project for integrated comprehensive improvement of water environment (including plants, pipe networks, and rivers) in the Lu'an urban area. With a total investment

of RMB 4.658 billion, this PPP project is co-chaired by the Yangtze Ecology and Environment Co., Ltd. and Yangtze Three Gorges Oasis Technology Development Co., Ltd. SUMEC-CEEC is actively engaged in Yangtze River protection and water environment improvement in Lu'an, successively undertaking projects for the sewage outfall improvement as well as for the Phase I and Phase II sewage plants in northern Lu'an. These projects were smoothly delivered and highly recognized by the clients.

SUMEC-CEEC Completed the Phase-I Wuhan Caidian New Water Plant Project

On September 1st, SUMEC-CEEC completed the Phase-I Wuhan Caidian New Water Plant Project, and the facilities were immediately put into operation, raising the water production capacity to 100,000 tons per day. This is the first municipal water purification project contracted by the company in Hubei Province.

This new water plant will further safeguard the water safety of the Caidian area, upgrade the quality of

local drinking water in all aspects, and benefit 320,000 residents. It is therefore of great significance to the integrated development of urban-rural water supply systems and the optimization of water-based business environment. SUMEC-CEEC will endeavor to maintain a high standard in the follow-up work, refine the water production process, and ensure good quality, safe and stable water supply for Caidian, Wuhan.



SUMEC Machinery & Electric Won the Bidding for Shanghai-miao Coal Power Project of Inner Mongolia Great Wall Power Generation Co., Ltd.

In August 15th, SUMEC Machinery & Electric Co., Ltd. won the bid for the Shanghai-miao coal power project of Inner Mongolia Great Wall Power Generation Co., Ltd., which is going to provide stable, reliable and sustainable diesel power for the construction.

This is one of the supporting power projects for the ± 800 kV HVDC power transmission from Shanghai-miao, Inner Mongolia, to Linyi, Shandong, one of the 12 key transmission channels devised in the Air Pollution Prevention and Control Action Plan by the State Council.



The transmission project has strict requirements on the start-up time of the standby power supply. Adhering to the client's requirements, SUMEC Machinery & Electric conducted several field visits in order to study the power demand, and the climate, topography, transportation, and installation conditions of the power plant. Dedicated to technical improvement and refinement, the team managed to design special sand-proof models which can operate at altitudes of 1000-plus meters and in desert climates. To meet the need of the power plant on synchronization, an efficient and reliable PLC control system was designed for automatic control of generator sets, a solution highly recognized by the client and the design institute involved.

In recent years, centering on the Belt and Road Initiative, the New Infrastructure Initiative, and new energy development trends, SUMEC Machinery & Electric has been committed to improving the quality of

FIRMAN power generators and the supporting services. The company has undertaken numerous standby power supply projects for million-kilowatt-class power plants and completed more than 1,000 stand-by power supply projects both at home and abroad, ensuring reliable, stable and quality supply.

SUMEC Textile Pet Supplies Brought New Energy to Overseas Markets

In 2021, SUMEC Textile actively leveraged the strength of its global supply chain and industrial chain to stimulate the vitality of overseas platforms. NVM, its subordinate company in the United States, is focused on the global pet supplies industry. As of the end of July, with sustained improvement in its managerial quality, NVM achieved a 50% revenue increase as compared to the same period last year.

Founded in 2004 in Charlotte, North Carolina, the southeastern United States, NVM specializes in high-end branded pet supplies with its business covering manufacturing, branding, sales, and warehousing. With a factory area of 150,000 square feet and equipped with advanced facilities for automated production, NVM boasts long-term cooperative relationships with large North American retailers and e-commerce platforms, such as SAMS and WALMART. It owns exclusive franchises for brands like Serta and

Beautyrest, and is widely recognized in the mid-to-high-end markets in the United States. In 2020, in an effort to expand its global industrial chain, SUMEC Textile acquired NVM and then implemented localized management. Notwithstanding the impacts of the pandemic, it seized market opportunities and achieved a revenue of USD 24 million that year, up by 20% year-on-year – a seamless transition.

In 2021, SUMEC Textile further promoted the integration between the Chinese and American teams and defined the orientation and operational strategy of NVM. Targeting mid-to-high-end markets, the company has continuously been optimizing the current business model. On top of that, it has vigorously explored supermarket clients and good domestic projects, improved the core competitiveness of its products, and made full use of the existing production and warehousing resources to build up a US warehousing logistics



support platform, while ensuring smooth international information exchanges. By the end of July, a 50% year-on-year growth in revenue was achieved, enhancing SUMEC Textile's competitiveness in the global industrial chain.

In the future, SUMEC will further incorporate its overseas companies into its overall development course, promote a deep integration in terms of business management, cultural concepts, and development goals, stimulate the vitality of overseas platforms, strengthen the core competency of its international operation, enhance its value added products and services, and forge new business growth points. With unremitting efforts, a digitally driven international industrial and supply chains will be built in order to make SUMEC an exemplary contributor to the domestic-abroad dual circulation.

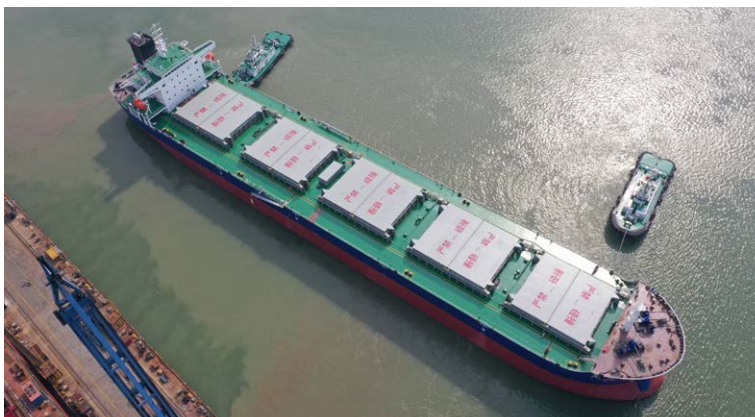
SUMEC MARINE Delivered a Ship

On September 8, SUMEC MARINE delivered a 59,990-dwt bulk carrier for domestic trade to

Taizhou Mingxing Shipping.

The ship had already been completed in early August, but due to the Covid-19 issue in Yangzhou, the signing of the delivery documents was deferred. Once the local outbreak was curbed, SUMEC MARINE reached out to the shipowner and the financier and completed the handover procedure by signing the protocol via mail.

SUMEC MARINE is doing well after resuming production and will, within this year, deliver the other ordered vessels as planned.



The “Self-Improvement & Gratitude” Event 2021 was held by SUMEC

Aspiration for self-improvement is our impetus to forge ahead. Gratitude makes our lives brimful of sunshine. In order to encourage students to perpetuate the traditional virtues of the Chinese nation, especially in the aspect of self-improvement and gratitude, SUMEC held the 7th “Self-Improvement & Gratitude” event on August 23rd, offering a memorable commencement ceremony for over 170 students from SUMEC staff families who had taken the 2021 national college entrance examination.

Hong Zhanhui, honored with the 2005 “Touching China” award, as well as the titles of “National Ethical Role Models” and “China’s Top Ten Exemplars of Filial Piety”, attended the event as a guest speaker to share his story about growth with the SUMEC students and employees, offering a telling example of self-improvement and gratitude.

Video recordings of interview were elaborately prepared and presented, revealing to the parents the gratitude their shy children had bottled up, thus allowing a deep heart-to-heart connection. Also, in the video, the parents expressed their love and sincere wishes for their children, who will soon leave them and start a new college life.

Bidding farewell to their children,



parents surely have a lot to say. Parent representatives from the audit department and SUMEC-ITC shared the stories about their children’s growth, conveying their profound affection and ardent expectation. The children were no less unwilling to part, and student representatives from SUMEC Marine and SUMEC Textile & Light shared unforgettable stories about their learning experiences.

There was a special session – “Where has time gone”, which showed the inseparable parent-child ties. Parents work hard to provide for the family every day. Do you really know them? Do you often observe them? Do you often give them a hug? Seeing parents with old-age makeup, the children embraced them with moistening eyes.

Yang Yongqing, Party Secretary and Chairman of SUMEC, addressed the students with great passion, putting forward good wishes in four aspects.

Firstly, love your motherland and

aspire to serve the country. There is no home if there is no country. Home is the smallest unit of a country, and thousands of them form the country. It calls for every one of us to endeavor towards a powerful country. I hope that no matter where you are, the attachment to your home and country never fades. Work hard, with high spirits and resolute determination, in line with the needs of the country and its people, try to repay the country and keep up with the new era.

Secondly, embrace the new era and develop excellent skills accordingly. The college period is the prime of your life, during which your energy, vigor, and creativity are at their zenith. I hope you can concentrate yourselves, not only on acquiring professional knowledge, but also on broadening your horizons and closely following the key issues of the times. Besides acquiring knowledge, you should also cultivate good habits and learn





Scan the QR code
to watch the video

to think and solve.

Thirdly, learn self-improvement and strive unceasingly. As celestial bodies maintain vigor through movement, an exemplary person should pursue constant self-improvement. In your future study and growth, it is normal and inevitable to come across good days as well as adversities, difficulties and challenges. But there would be no rainbow if not for the rain. I hope you can always pursue self-improvement, face up to difficulties, embrace challenges, and create your own glory. God helps those who help themselves.

Finally, learn to be grateful and be

a person of integrity. Never forget to be grateful, always remember and repay all those who have helped you. Learn to share the burdens of your family, talk to your parents more, show more understanding, ease their worries, and avert conflicts as much as possible. Use love to create a happy and warm haven for your family.

Youth is transient; how can anyone remain youthful? My wish for you, is to continuously progress. I wish you both talent and integrity. Be a whole person through learning, show gratitude to your parents through action, repay your motherland with your ca-

pabilities, compose a song of youth in the new era through your strenuous efforts! I also wish you good health and happiness!

SUMEC has held the "Self-improvement and Gratitude" event for seven consecutive years, carrying forward the corporate culture of "learning to self-improve and be grateful". May SUMEC staff and their children continuously practice this ethos in their work as well as during their studies, stay committed, deepen communication, enrich the meaning of life, and co-create a better future.

My Foreign Friends and I

*If you have a friend afar who knows your heart,
distance cannot keep you apart.*

Through work,

SUMEC staff has developed strong ties with friends overseas.

*Although the pandemic physically keeps friends away from each other,
their hearts are always together.*

Let's enjoy their stories.



Pan Da, SUMEC Machinery & Electric

Product service is the key to enabling our products to take root in the market for sustained long-standing development. Jeff works in the after-sales service team with the North American Branch of SUMEC

link involved in product manufacturing, delved into generator failure solutions, and practiced the key skills for a better service.

Jeff is very grateful for their help: "After this training session, I do feel

Machinery & Electric. During his training in the factory in China, Pan Da, a member of the Department of Power Machinery and North American Business, together with his team,

that SUMEC is committed to client needs and voices and is proactive to strengthen communication with clients. That exactly coincides with the ideas of the team overseas.

Jeff loves Nanjing cuisine and culture. During the training session, Pan Da would, when off duty, take Jeff on a city tour to taste the food and feel the culture, thus fostering a profound trans-border friendship. However, the two old friends can no longer meet due to the pandemic. In a telephone call for holiday greetings, Jeff said that he missed the duck blood and bean-starchy vermicelli soup and the osmanthus-scented lotus root, and that he would definitely visit Nanjing again.

Wang Tao, SUMEC Machinery & Electric

During his business trip to Africa, Wang Tao, a member of the No.1 Nigerian Division, Department of Power Machinery, SUMEC Machinery & Electric, met Justine, a front-line engineer from the Nigerian subsidiary. They would conduct after-sales work reaching deep into the local communities, discuss and tackle intractable generator-related challenges, and

share their understanding of the SUMEC concept of "sticking to differentiated services". Cherishing common enthusiasm for work and obsession with technology, they have forged a profound friendship.



Shi Chuang, SUMEC Textile & Light



The SUMEC Manchester Office operates under SUMEC Textile & Light. It deals with comprehensive affairs, such as design, sales, and customer service in the UK. Shi Chuang works with the office, being responsible for connecting with British colleagues from China.

At work, she often shares SUMEC's corporate culture with colleagues, highlighting the love and beauty. In

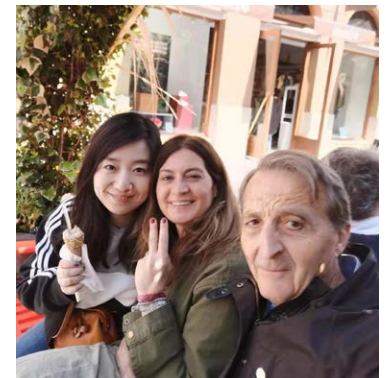
her spare time, she often chats as well as travels with her colleagues, feeling the cultural differences. Due to the pandemic, however, last year, Shi Chuang had to work from Nanjing and was unable to get together with her international colleagues for Christmas, so she sent gifts with Chinese characteristics as a token of her best wishes.

Zhou Lujia, SUMEC-ITC

In Zhou Lujia's viewpoint, clients are not only partners, but also friends who can help each other and with whom deep connection can be formed.

When Zhou Lujia negotiated business with her client in Spain, the lat-

ter offered to guide her around the city, giving her a glimpse of the local folklore and exotic culture. They captured this unforgettable moment with their cameras and developed a good foundation for subsequent exchanges.



Li Xin, SUMEC Textile & Light



Beata is both a client and friend to Li Xin from the No.8 Business Unit of SUMEC Textile & Light.

They never miss the opportunity to exchange blessings for each festival and talk about their aspirations. When Li was visiting Poland for business, Beata invited him home; when Beata came to China, Li invited her to a paint lesson together. Even though they still bargain for products, their

friendship is not affected at all. What moved him most was that Beata sent specific drugs by mail all the way from Poland when he mentioned his grandma had some pain in her waist and legs! Beata regards Li Xin as a good partner and calls him "Golden Boy". "I wish a long-standing friendship between China and Poland, and also between us!"

We make friends worldwide through our projects.

We are one in the pursuit of our dreams.

We press ahead hand in hand.