# 2022
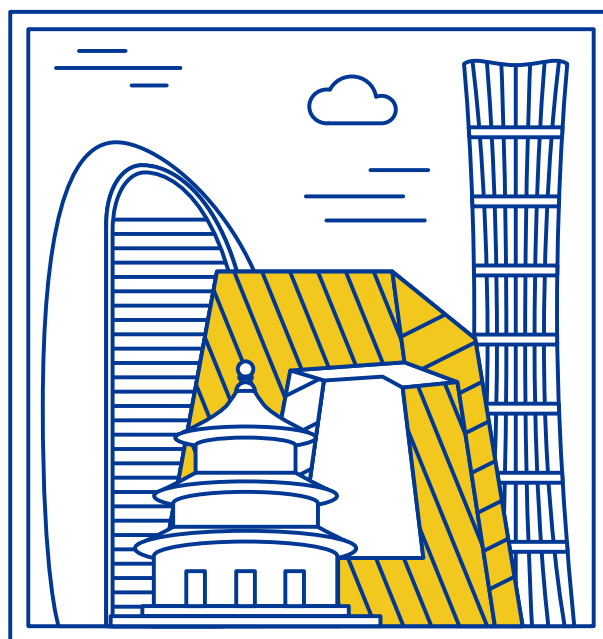
## QI-ANXIN GROUP

**QI-ANXIN Group Environmental, Social and Governance Report**

## MAKE THE CYBERSPACE SAFER AND MAKE THE WORLD A BETTER PLACE

**QI-ANXIN**
Leader in next-generation cybersecurity

Stock Code
688561



奇安信
新一代网络安全领军者

QI-ANXIN

Leader in next-generation cybersecurity

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# Message from the Chairman

In 2022, the global situation changed dramatically. Faced with the economic downturn, shrinking demands, intensified industrial competition as well as the digital technology revolution with the rise of digital economy, there is a growing national and social demand for cyber security. As a leading cyber security company in China, Qi An Xin has risen to the challenge and achieved three major victories in the complex market environment, including turning losses into profits, establishing a "Zero Incidence" record and implementing a successful corporate reform. We have thus reached a new level of high-quality development.

Our outstanding achievements are attributable to our sustainable development philosophy and actions such as clear vision of the industry, continuous pursuit of product value, strict adherence to safe operations as well as the protection of employee welfare. In 2022, we maintained close communication with our stakeholders to sort out and identify 22 ESG issues that need to be prioritized by Qi An Xin. Based on these issues, we have been working on identifying ESG risks and strengthening ESG management with information disclosure in each branch/subsidiary of the Group to effectively promote corporate sustainable development.

As a pioneer in cyber security industry, we have always believed that cyber security is not only necessary for the Company, but also for the country and the people. In 2022, under the direction of the national policy, we supported the digital economy of China and the world by continuously strengthening our innovative R&D capacity and improving our service standards. In 2022, we invested RMB 1.694 billion in R&D and acquired 164 invention patents, 14 design patents and 131 software copyrights. In addition, we achieved "Zero Incidence" in the Winter Olympics and hence have been included in the *Outstanding Case Studies: The 20th Anniversary of the National Standard for Cybersecurity.*

In order to further promote the development of the industry and cultivate high-quality talents, Qi An Xin has made continuous efforts to the training of cyber security talents, university-enterprise cooperation, industry competitions, and knowledge exchanges, so as to build the ecology of the cyber security industry chain together. We have established Tiger Tally base in Mianyang, Wuhan and Qingdao and etc., and have nurtured more than 3,600 cyber security talents in various key areas such as finance, transportation and energy. We cooperate with numerous universities to promote the integration of industry, academia and research. We have also held national competitions such as DataCon to encourage industry innovations and cooperation. Additionally, we developed a diverse certification system, providing a paradigm cyber security talent training. Last but not the least, we produced more than twenty industry open-source reports which represent years of Qi An Xin's industry insights.

We attach great importance to the rights and interests of our employees and their career development. Therefore, we have established a long-term mechanism for employee care, which promotes self-renewal and self-improvement while enhancing the sense of belonging and happiness of our employees. Adhering to the principle of equal employment, we built a fair and reasonable reward system along with the expansion of democratic communication and feedback channels to create a harmonious and stable working environment. At the same time, we have also set up dual channels for career development and optimized the "Sword Casting", "Flag Bearing" and "Setting Sail" Programs to build a diverse talent training system. We have carried out a series of activities to create a comfortable and pleasant working environment in order to work together with our staff for mutual growth and progress, thus creating a better blueprint.

The year 2022 also marks the first anniversary of the establishment of the Beijing Qi An Xin Charity Foundation. This year, we have adhered to the mission of "Making the world safer and living a better life" and been on the frontline of public welfare with the implementation of numerous initiatives. We have actively responded to the Health China Strategy, the Science and Education Strategy and the Rural Revitalization Strategy by focusing on healthcare, education, natural disaster relief and rural revitalization, and actively conducting charity donations and assistance. Through persistent efforts, we have helped 1,600 children with congenital heart disease and cataract patients recover, provided financial support to improve the education and employment situation of college students, given assistance to those affected by disasters, supported digital construction in rural areas, and helped to rebuild affected areas after disasters in order to contribute to a harmonious society.

We have a long way ahead but the journey will get take us far. In the future, we hope to work with all of you to drive sustainable social development and create long-term value with the use of digital inclusion and technology.

Chairman, Board of Directors

# About
# Qi An Xin

## About Qi An Xin

Founded in 2014, QI-ANXIN Technology Group Co., Ltd. (hereinafter referred to as Qi An Xin, stock code 688561) is a leading domestic provider of network security products and services based on big data, artificial intelligence, and security operation technology. With a focus on providing a new generation of comprehensive and effective network security solutions for governments and enterprises, Qi An Xin ranks first in the industry in terms of employment, revenue and market penetration.

As the official cyber security service and antivirus sponsor of the Beijing 2022 Winter Olympic and Paralympic Games, Qi An Xin has established a world record of "Zero Incidence" in cyber security for the Olympic Games and innovated a "Chinese Solution" for cyber security. With a "Chinese Model" "Chinese Architecture" "Chinese Products" and "Chinese Services", we have forged a strong cyber security defense line for the Winter Olympics, and further promoted the "Zero-Incidence" cyber security experience at the games across the industry to navigate digital development.

With its comprehensive leadership in attack and defense practices, platform innovation, planning and consulting, and other representative areas, Qi An Xin has grown into a 24/7, all-rounded security consultant for enterprise digital transformation and upgrading through seven years of experience. By the end of 2022, Qi An Xin has 62 branches, 9 R&D centers and 5 talent bases across China.

Since the "14th Five-Year Plan" kicked off, digital transformation is in full swing and driving a surge in demand for cyber security. As a leading company in the industry, Qi An Xin will continue to provide comprehensive and effective cyber security solutions to government and enterprise users in response to new business models, new services and new scenarios generated by new technologies. Qi An Xin will also continue to progress towards its vision of "Become the world's No. 1 cybersecurity company".

## Corporate Culture

### Mission

Make the cyberspace safer and make the world a better place.

### Vision

Become the world's No. 1 cybersecurity company.

**Customer First**

**Innovation First**

**Collaboration First**

**Integrity**

**Responsibility**

**Embracing Changes**

### Brand Logo

The Qi An Xin logo is a Digital Tiger Tally, symbolizing Qi An Xin's ardent desire for security and peace in cyberspace. The Digital Tiger Tally is based on the Tiger Tally of the Qin Dynasty and incorporates modern and technological design elements by replacing the original inscription with the binary code corresponding to Morse code, so as to deeply integrate ancient security wisdom with contemporary security ideologies. From the Tiger Tally of the Qin Dynasty more than 2,000 years ago to the Digital Tiger Tally, Qi An Xin strives to carry out its corporate mission of " Make the cyberspace safer and make the world a better place" as a "National cyber security team".

## Major Milestones

**2022**
- Accomplished the "Zero Incidence" for Olympics Winter Games' cyber security
- Launched the first national services short code 95015 for cyber security industry

**2021**
- Introduced "Operate safely and safely operates"
- Officially formed the Chinese team for cyber security
- Selected as one of the first "Invisible Champion" enterprises

**2019**
- Launched a new brand image
- Built four major network security R&D platforms
- Introduced "Endogenous Security" concept

**2020**
- Launched a new generation of cyber security framework
- Officially listed on the Science and Technology Innovation Board (SSE STAR Market)
- "Endogenous Security Framework" was awarded the "2020 World Internet Leading Technology Achievement"
- Upgraded and released Qi An Xin's joint logo for the Winter Olympics and Paralympics

**2018**
- Developed the third-generation cyber security technology

**2017**
- Proposed The "44333" safety concept

**2016**
- Safeguarded national cyber security

**2015**
- Proposed "Data Driven Security"

**2014**
- Qi An Xin was established

## Key CSR Awards in 2022

| Time | Awards | Awarders |
|---|---|---|
| January | 2021 Prominent Contributor to Vulnerability Information Reporting[1] | China National Vulnerability Database (CVND) |
| | 2021 Prominent Contributor to Collaboration in CNVD[2] | China National Vulnerability Database (CVND) |
| May | Organization with Outstanding Performance | Beijing Winter Olympics Cybersecurity Coordination Group (Office of the Central Cyberspace Affairs Commission) |
| September | 2022 Beijing Private Enterprise Social Responsibility Top 100 | Beijing Federation of Industry and Commerce |
| | Top 10 Excellent Cases in "Pooling Efforts to Public Welfare and Civic Enhancement"[3] | Capital Civic Enhancement Committee Office |
| November | 2022 Enterprise with Remarkable Contribution to Charity | 2022 Social Responsibility Conference |
| | 2022 Enterprise with Great Contribution to Charity | Caixin Global, China Social Enterprise and Impact Investing Forum |
| | 2021-2022 China Internet Industry Self-discipline Contribution and Public Welfare Award | Internet Society of China |
| | Cases of Driving the Digital Transformation of Economy and Society by Internet ("Digital Economy")[4] | Internet Society of China |
| December | Chinese Private Enterprise with Remarkable Performance in Social Responsibility (2022) | All-China Federation of Industry and Commerce |
| | Award for Contribution to Corporate Governance | Yicai.com |
| | Selected as a case study in *White Paper for Social Responsibility Enhancement in Beijing Software and Information Service Industry*[5] | Beijing Software and Information Service Industry Association |
| | 2022 Enterprise with the Best Practice in Social Responsibility | China.com.cn |

[1] QI-ANXIN SECWORLD (Butian Platform) was titled "2021 Prominent Contributor to Vulnerability Information Reporting".

[2] QI-ANXIN SECWORLD (Butian Platform) was titled "2021 Prominent Contributor to Collaboration in CNVD".

[3] The case selected is "Cloud Exhibition Hall of Revolutionary History" Organized by Qi An Xin

[4] The case selected is "Overall Solution Based on Intrinsic Security Situational Awareness"

[5] The case selected is "Cyber-security Volunteering Service Program"

# ESG Governance

**Qi An Xin continuously improves its sustainable development management by constantly facilitating its departments to integrate sustainable development topics into their daily operations.**

**Since its establishment, Qi An Xin has attached great importance to social value, corporate governance and environmental protection topics to create and maintain value for its customers, employees and shareholders while growing together with partners upstream and downstream the industry chain. Qi An Xin remains committed to fostering a sustainable business model through enhanced focus on and in-depth analysis of environmental and social issues. Qi An Xin safeguards cyber security by relying on technological and digital strengths to develop a safe digital ecology for society, which is one of unremitting and concerted efforts to pursue a better society.**

## Sustainable Development Governance Framework

Efficient governance is the foundation for an enterprise to promote sustainability. To facilitate uniform understanding and effective implementation of major environmental, social and governance issues, Qi An Xin has established a sustainable development governance structure Under this structure, the Company supervises and manages its important ESG issues and efforts, formulates ESG plans, objectives and regulations, and integrates ESG beliefs into its development strategy, routine management, and business operation. This helps to boost sound and sustainable development.

**Decision-making level**

The Board of Directors is responsible for supervising and managing the sustainable development of the Company. To be specific, the Board reviews the sustainable development plans, objectives and regulations worked out by the Company, advances and supervises the implementation of sustainable development actions, and monitors progress regularly.

**Executive level**

The executive level is specifically responsible for managing important environmental, social and governance issues and indicators as well as collaborating with the relevant functional departments, branches and relevant personnel of branches/subsidiaries, thereby forming coordination and synergy of work.

## Stakeholder Communication

Taking into account the influence coverage and long-term operation objectives of sustainable development fully, Qi An Xin has identified the key stakeholders and strives to create value for each one of them. The Company has established a robust communication mechanism and multiple communication channels. Through its official website, WeChat official account, Shanghai Stock Exchange Platform of the stock exchanges and mainstream media portals, the Company discloses its environmental, social and governance information and gains feedback from stakeholders. This allows us to respond to the opinions and needs of stakeholders regularly, so as to embrace opportunities and challenges together with stakeholders.

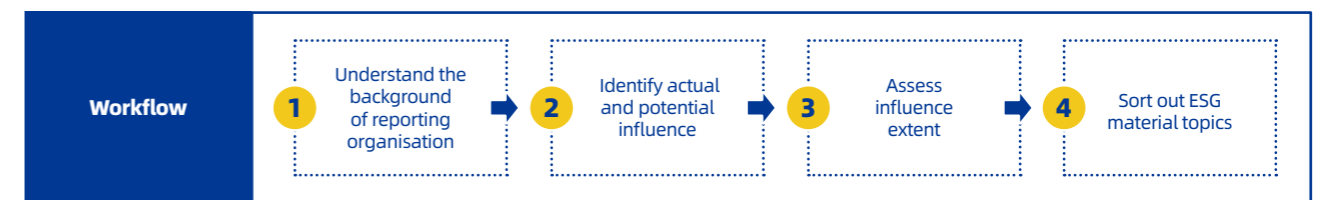| Major stakeholders | Topics of concern | Communication channels | Feedback and practices |
|---|---|---|---|
| Customers | • High-quality products service<br>• Information security | • 95015 hotline, online customer service, email and etc. | • Improvement of product innovation capacity and service quality<br>• Active participation in relevant industry exhibitions<br>• Establishment of the Data Security Governance Committee to implement the concept of endogenous security |
| Shareholders and investors | • Stable financial performance<br>• High returns on investment<br>• Information disclosure | • General meeting of shareholders<br>• Reception<br>• Phone calls, online messages, emails, etc. | • Regularly draft and disclose financial and non-financial information<br>• Timely reminders for shareholders to acknowledge sustainable development and company management information<br>• Establish an "Investor Service" window at official website |
| Employees | • Clear career development path<br>• Comfortable workplace<br>• All-rounded heath and safety protection | • Employee training and exchange<br>• Employee's representatives meeting<br>• Morning meetings, regular meetings<br>• Employee feedback mailbox | • Establish scientific human resource management and incentive mechanisms<br>• Listen to and collect suggestions from employees<br>• Step up occupational health and safety management<br>• Hold team-building or recreational and sports activities regularly |
| Governments and regulators | • Compliance operation<br>• Fair industry competition<br>• Industry cooperation and empowerment | • Government-related conference, websites and policy recommendation channels<br>• Government-enterprise training | • Always practice the code of business conduct<br>• Optimize internal control and management compliance<br>• Improve anti-fraud management and strengthen integrity and anti-corruption publicity |
| Suppliers and partners | • Stable supply<br>• Long-term fair cooperation | • Supplier networking meeting<br>• Routine supplier management<br>• Supplier training | • Enhance supplier management system<br>• Dynamic assessment of suppliers<br>• Accessible reporting channels |
| Communities | • Community services<br>• Ensure community cyber security | • Public welfare activities<br>• Visits to universities and communities | • Establish the Qi An Xin Charity Foundation and organize public welfare activities, volunteering services, assistance, and donations<br>• Support healthcare, rural development, disaster relief, educational assistance, etc.<br>• Allocate resources to support community development and safety knowledge dissemination |
| Non-governmental organizations | • Industry cooperation and empowerment<br>• Environmental protection | • Industry meetings, exchanges, competitions, etc.<br>• Environmental information disclosure and advocacy | • Enhance cooperation with non-governmental organizations, and provide assistance<br>• Organize various cyber security industry exchanges and competition activities<br>• Establish "Butian Platform", guarding cyber security<br>• Upgrade the workplace in a more energy-saving manner and engage in technology R&D to reduce energy consumption in server rooms. |

## ESG Materiality Analysis

To identify major environmental, social and governance topics scientifically and precisely, Qi An Xin has conducted a substantive analysis of material topics with reference to the guide of determining the material topic matrix as stated in *GRI Standards (Version 2021)*.

To analyze material topics better, Qi An Xin has followed domestic and international policies, referred to domestic and foreign disclosure standards and guides, learned from its peers, and sought advice from experts and stakeholders. Through questionnaire surveys and interviews, we have communicated with stakeholders about their expectations of our sustainable development.

Based on various feedback, the Company has figured out 22 material topics on environment, society and governance (5 governmental topics, 12 social topics and 5 governance topics), which are important references to ESG strategy planning, performance management and information disclosure of Qi An Xin.

| Workflow | 1 Understand the background of reporting organisation | 2 Identify actual and potential influence | 3 Assess influence extent | 4 Sort out ESG material topics |
|---|---|---|---|---|

**List of material topics in Qi An Xin**

| Environmental topics | Social topics | Governance topics |
|---|---|---|
| • Environment management system<br>• Climate change and greenhouse gas emissions<br>• Energy management<br>• Emission and waste management<br>• Usage and management of water resources | • Privacy and data security<br>• R&D, innovation and intellectual property protection<br>• Digital technology innovation and new infrastructure<br>• Protection of customers' rights and interests<br>• Supply chain management<br>• Driving industry development<br>• Social engagement and contribution<br>• Employment<br>• Protection of employees' rights and interests<br>• Employee training and development<br>• Occupational health and safety<br>• Diversity and equal opportunity | • Independence and diversity of the Board of Directors<br>• Compliance and risk management<br>• Anti-corruption and business ethics<br>• Corporate governance system<br>• Information security and efficient communication |

# Contributing to the achievement of UN Sustainable Development Goals (SDGs)

**The comprehensive achievement of the UN sustainable development goals (SDGs[6]) is the common pursuit of all human beings. At the G20 Summit in September 2016, China pledged to the world that it would implement the *UN 2030 Agenda for Sustainable Development* and promote inclusive development and subsequently the Chinese government launched *China's National Plan on Implementation of the 2030 Agenda for Sustainable Development*. Amid the new landscape of high-quality development and the Chinese path to modernization, Qi An Xin strives to make active contributions to achieving sustainable development goals by relying on its technological advantages and digital service competence, driven by the goals of carbon emission peaking and carbon neutrality as well as the strategy of common prosperity.**

## Qi An Xin SDGs Map

| UN sustainable development goals (SDGs) | Measures by Qi An Xin |
|---|---|
| **Goal 1 No poverty**<br>End poverty in all its forms everywhere | We have always been committed to providing financial support, emergency service, capacity building, and environmental improvement programs for financially disadvantaged groups. Through the "Medical Assistance Program", "Rural Development Program", and "Educational Assistance Program", we have reduced their risk of sliping back into poverty due to illness, labor weakening, education, etc. As of the end of 2022, the total amount of funds donated by Qi An Xin to poverty alleviation exceeded RMB 46.43 million. |
| **Goal 3 Good health and well-being**<br>Ensure healthy lives and promote well-being for all at all ages | Qi An Xin has always been focusing on the healthcare sector in less developed areas. Through efforts to foster the construction of cooperative bridges between key hospitals and primary hospitals, we are working to improve the capacity of primary medical institutions to provide treatment services for major diseases. This also helps to reduce the chances of struggling families returning to poverty due to poor health and diseases as well as improve the health and wellbeing of residents , contributing to Healthy China initiative. By the end of 2022, we have implemented various local healthcare improvement projects in Inner Mongolia and Tibet, benefiting more than 40,000 residents. |
| **Goal 4 Quality education**<br>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all | Qi An Xin attaches great importance to the development of the industry. In recent years, Qi An Xin has made continuous efforts in the nurturing of talents and industry exchanges, with multiple measures to build a "shared future of cyber security".<br><br>The Company also attaches great importance to the development and training of talented individuals, encouraging employees to pursue continuous learning, and to continuously upgrade their skills and improve themselves for long-term development.<br><br>On that basis, Qi An Xin also places emphasis on the growth of students from underdeveloped areas as well as low- and middle-income families. The Qi An Xin Foundation has launched the Educational Assistance Program, which provides emergency relief grants, social education support grants, and scholarships. This allows us to create a safe and secure environment to improve the conditions for their education and employment. |
| **Goal 5 Gender equality**<br>Achieve gender equality and empower all women and girls | We hold a strong stand against discrimination, harassment, coercion, threat and violence in the workplace. Thus, we have established a robust human resource management system with regulations to provide male and female employees with equal pay for equal work, with a view to developing a fair workplace. |

| UN sustainable development goals (SDGs) | Measures by Qi An Xin |
|---|---|
| **Goal 6 Clean water and sanitation**<br>Ensure availability and sustainable management of water and sanitation for all | Paying close attention to water resource management, Qi An Xin has taken a series of energy conservation measures to maximize water efficiency.<br><br>The water circulation system in the Company's server rooms for private use have adopted dilute ethylene glycol solution and water fluorine conversion to reduce water consumption. The 4,000 m² green area on the roof of Qi An Xin Security Center is furnished with a water-saving micro-irrigation system. In the office, we have installed and maintained water conservation facilities, and introduced the efficient wastewater and garbage sorting system to minimize pollution to water resouces. |
| **Goal 8 Decent work and economic growth**<br>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | Qi An Xin provides employees with equal, safe and decent jobs, supporting them with fair remuneration, a safe and comfortable workplace, better welfare protection and personal development prospects. In addition to offering more jobs, the Company drives the growth of enterprises upstream and downstream the industry chain and propels the sustainable development of the industry. |
| **Goal 9 Industry, innovation and infrastructure**<br>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | As a leader in cyber security products and services, Qi An Xin strives to develop a systematic top-level design, innovate systematic security products, and provide practical security services by increasing R&D investment, in order to spearhead the innovation of industry model, product business and services.<br><br>Furthermore, Qi An Xin focuses its efforts on digital management, intelligent platform, data security ecology and stable infrastructure to guarantee business stability and promote industry innovation and development in hardware and software. |
| **Goal 11 Sustainable cities and communities**<br>Make cities and human settlements inclusive, safe, resilient and sustainable | The Qi An Xin Charity Foundation pools funds, supporting materials and volunteers to carry out emergency rescue and relief efforts according to the situation and needs of communities suffering from major disasters. |
| **Goal 12 Responsible consumption and production**<br>Ensure sustainable consumption and production pattern | Following the principle of technology-based and customer-oriented service, Qi An Xin has established a robust service system that meets international practices as well as formulated strict standards and requirements to regulate its customer services, so as to protect the rights and interests of its customers accordingly.<br><br>Qi An Xin actively carries out responsible procurement. To this end, the Company has established a comprehensive and differentiated supplier access procedure and assessment methods to assess suppliers holistically in which the performance of environment, safety and social responsibility is an important assessment. In 2022, all suppliers of Qi An Xin signed the *Commitment to Integrity*. |
| **Goal 13 Climate action**<br>Take urgent action to combat climate change and its impacts | We have taken multiple actions, such as fostering green operation, building a green workplace, and implementing digital and green solutions in order to boost low-carbon development and green transformation. |
| **Goal 16 Peace, justice and strong institutions**<br>Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels | The Company strongly prohibits child labor and forced labor, and continues to promote the management of environmental, social and governance topics throughout the supply chain.<br><br>The Company insists on strict compliance with laws and regulations, and cracks down on corruption across all operations. |

[6] Sustainable development goals (SDGs) refer to 17 global development goals specified by the United Nations, as a guide for 2015-2030 global development after the expiration of 2000-2015 Millennium Development Goals (MDGs).

## [Feature Story 1]    Shouldering the National Mission and Safeguarding the National Cyber Security

As a new leader in cyber security products and services, Qi An Xin has doubled its efforts to enhance its defensive abilities against cyber security attacks, threat identification, situational awareness and emergency response. Taking on the mission of "safeguarding national cyber security", Qi An Xin aspires to create a safe cyberspace and provide strong cyber security support for major national events.

In 2022, Qi An Xin achieved "Zero Incidence" throughout the Winter Olympic Games and ensured the stable operation of the 20th National Congress of the CPC, among many other achievements. On that basis, Qi An Xin has also undertaken many security tasks for important national events, including but not limited to ensuring the smooth running of major international conferences such as the "Belt and Road" International Cooperation Summit Forum, the World Expo and the Asian Civilization Dialogue Conference. The Company has also provided cyber security services for the 70th National Day and the deployment of cyber security equipment for the China Academic Conference on Digital Economy Development and Governance. With exceptional capabilities and practical actions, Qi An Xin safeguards national cybersecurity and duly fulfills the responsibilities of a cybersecurity guardian.

### ※   Safeguarding cyber security for Beijing Olympic and Paralympic Winter Games

As the official cyber security service and antivirus sponsor of the 2022 Beijing Winter Olympic and Paralympic Games, Qi An Xin has been upholding the concept of "making the Winter Olympics safer and the world a better place". With the purpose of serving the Winter Olympics and ensuring the infrastructure security of critical information, Qi An Xin honored its commitment to "complete, comprehensive, and end-to-end" responsibility of safeguarding cyber security in major events with its professional advantages.



Qi An Xin focused its efforts on personnel mobilization, organizational guarantee, on-site duty and routine inspection to guarantee cyber security for the Beijing Olympic and Paralympic Winter Games. After undertaking the national key R&D program of the Ministry of Science and Technology titled "Research and Application of Key Technology on Security Detection and Safeguarding of Network and Systems under Continuous Operation During the Winter Olympic and Paralympic Games", we developed third-generation cyber security technology, and achieved technical breakthroughs in key areas such as artificial intelligence security analysis engine, situational awareness, threat intelligence, supply chain security detection, and accurate attack analysis. Our efforts broke the monopoly of cyber security service by foreign cyber technology companies and settled all kinds of domestic and international network attacks effectively during the event.

In March 2022, Qi An Xin accomplished the cyber security safeguarding task for Beijing Olympic and Paralympic Winter Games successfully, with "Zero Incidence" following domestic regulations, and relying on domestic products, technologies, and services. It was an exemplary and a constructive experience for national critical information infrastructure and cyber security safeguarding of major events.

### ※   Safeguarding cyber security for the 20th National Congress of the CPC

To guarantee the stable and safe operation of network systems for over 300 institutions amid the 20th National Congress of the CPC , Qi An Xin implemented security tasks and safeguarding measures following the principles of "inspection, rectification, monitoring, analysis, response and verification". To this end, the Company allocated over 1,000 front-line experts and 500 back-end security analysis engineers, and more than 5,000 SkyEye, TianQing, NGSOC and other cyber security products. Moreover, Qi An Xin arranged emergency response teams in some key areas to safeguard cyber security for the success of the 20th National Congress of the CPC.

Qi An Xin put functions into service timely and kept systems running stably with no major faults amid the event through closed-loop business data, visual command, daily iterations and round-the-clock vigilance for the 20th National Congress of the CPC. The Company provided a combat-oriented and practical solution that can be replicated.

**[Feature Story 2]   Fostering a Healthy Ecology and Leading the Industry Development**

Facing the rapid development of global economy and the approaching digital era, cyber security is an important topic of extensive concern, and an increasing number of enterprises have higher requirements of cyber security. As a cyber security expert, Qi An Xin stays committed to delivering high-quality cyber security services and products to customers, cultivating cyber security talents, and facilitating industry exchanges for better industry development.

We firmly believe that cyber security depends on professionals in the future. Adhering to the principle of "close cooperation among enterprises, universities and research institutions", the Company has focused its efforts on teaching, scientific research, competition internship, employment, and certification in higher education institutions. Through university-enterprise cooperation, funding in innovation, practice courses, and various competitions, the Company actively supports the cyber security major development in universities and contributes to training cyber security talents meeting market needs. At present, Qi An Xin has built ties with over 200 universities. It has established 10 joint laboratories together with major national universities and set up 40 cyber security courses to support cyber security talent cultivation technically as a responsible enterprise.



A favorable environment for coordinated development in the industry will promote cooperation and mutual benefits among partners. For this purpose, Qi An Xin actively participated in industry networking, discussing industry hot topics with industry experts and company representatives and sharing corporate experiences and insights. Qi An Xin was invited to attend 12 industry networking events and the Company provided 20 hardware and software training activities for suppliers. Serving as white hat hackers and cyber security service providers for state-owned enterprises, Qi An Xin pools innovation and creation strengths in the industry chain to drive the healthy development of the industry. Paying close attention to the development situation of the industry, the Company stays updated on the latest information and development tendencies of the industry through profound surveys and analysis. In 2022, Qi An Xin published 26 industry insights as a practical reference for partners in the value chain to make cyber security decisions.



In addition, Qi An Xin is involved in the formulation of industrial standards to achieve constant breakthroughs in industry innovation and standard implementation, thus enabling high-quality industrial development. In 2022, Qi An Xin was involved in the preparation and revision of 30 industrial standards on information security. Furthermore, the Company was granted the Second Prize of 2022 China Standard Innovation Contribution Award for its contribution to industry standardization.

In the future, with the mission of "Make the cyberspace safer and make the world a better place", Qi An Xin will continue to design courses with more specific application scenarios, establish an education support system and improve its certification system to facilitate coordinated development in the industry while providing customers with better cyber security services.

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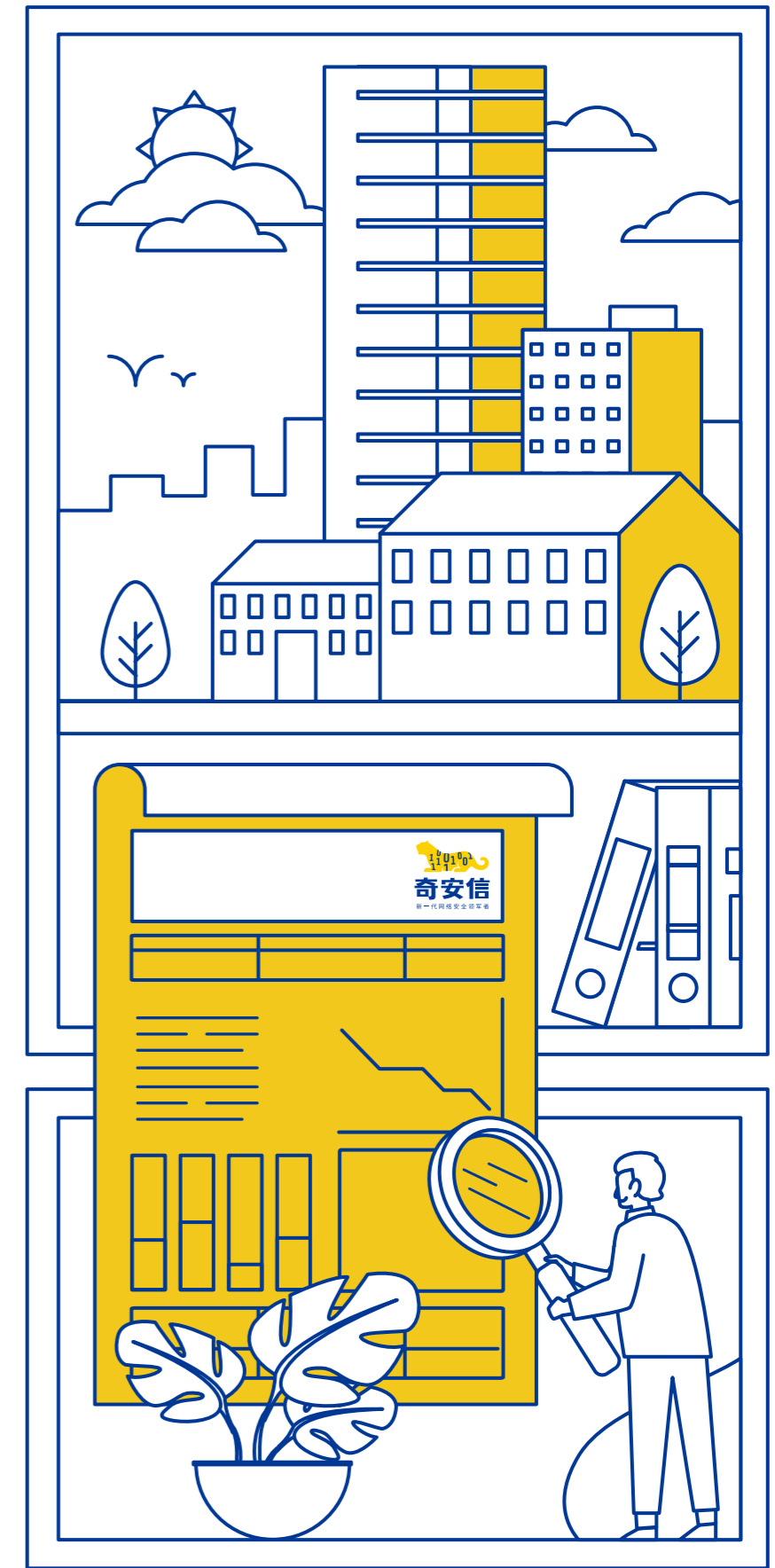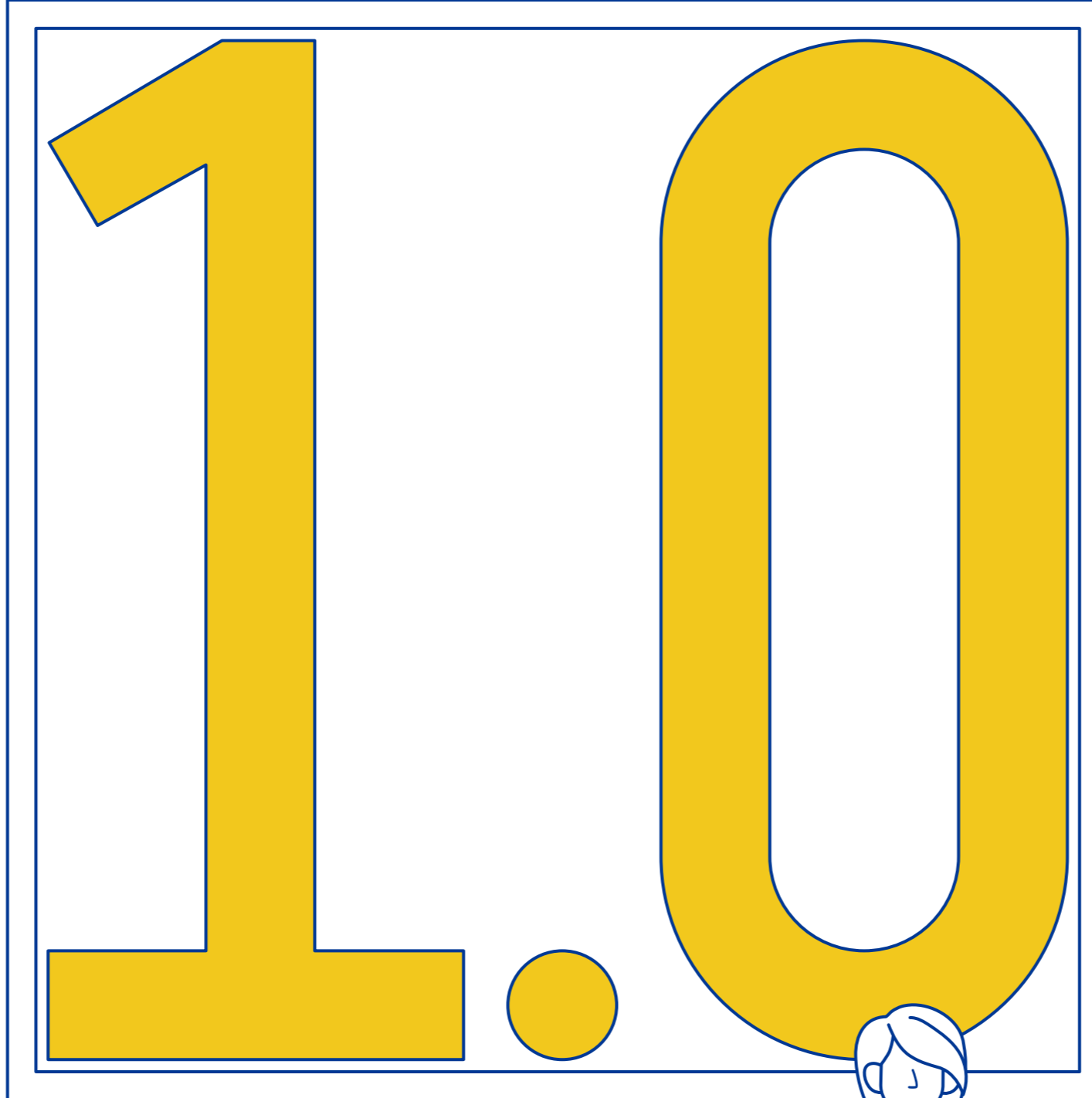
Governance:

## Achieving Excellent Governance for a Solid Growth Foundation

# Improving the Governance System and Operating in a Compliant and Stable Way

**Qi An Xin takes effective corporate governance as its development cornerstone. Guiding corporate governance through party building, the Company has established and improved its corporate governance framework and compliance regulations, reinforced efforts to internal risk control, anti-corruption and anti-unfair competition, and enhanced its competence in information security and privacy protection for the purpose of stable operation complying laws and regulations.**

**In addition, Qi An Xin duly performs its information disclosure obligation as a listed company and communicates with investors and other important stakeholders fully to advance its governance compliance.**

## Governance Mechanism

Qi An Xin has set up a robust corporate governance system enabling a transparent decision-making process and effective information disclosure, which enhances overall transparency and reliability, boosts investor confidence, and facilitates sustainable development in the long run.

In accordance with applicable laws and regulations, such as the *Company Law of the People's Republic of China*, the *Law of the People's Republic of China on Securities*, and the *Administrative Measures on Information Disclosure by Listed Companies*, the Company has set up the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors. The Board of Directors consists of three committees, namely, the Strategy Committee, the Audit Committee and the Nomination and Remuneration Committee, which work to propose suggestions and offer consultation to the Board of Directors in decision-making. The Board of Directors consists of 7 directors, including 3 independent directors, 3 supervisors, and 1 employee supervisor. The company's personnel structure is set up to effectively improve the internal governance framework and enhance the quality of internal governance.

The Company has also established internal governance regulations and rules covering all links of corporate governance, such as the Qi An Xin Articles of Association, the Rules of Procedure for the General Meeting of Shareholders, the Regulations on Independent Directors, the Management Measures for Related Party Transactions, and the Regulations on the Internal Reporting of Important Information, in order to ensure operation compliance for corporate governance and protect the legitimate rights and interests of stakeholders.

Qi An Xin places a strong emphasis on effective communication between the Board of Directors, the Board of Supervisors and senior executives to ensure sufficient discussion and review of decision-making and implementation. On the one hand, the Company has established multiple communication mechanisms, such as regular meetings, work reports, and information sharing, for better internal communication and cooperation in order to ensure the effective operation of the corporate governance mechanism. On the other hand, we have appointed an employee supervisor. It is a move to encourage employees to involve in corporate governance and management by giving extensive feedback and suggestions on sustainable development.

In 2022, the Board of Directors held 9 meetings, and the Board of Supervisors conducted 8 meetings.

**The Board of Directors consists of**

| Directors | Independent directors | Supervisors | Employee supervisor |
|---|---|---|---|
| 7 | 3 | 3 | 1 |
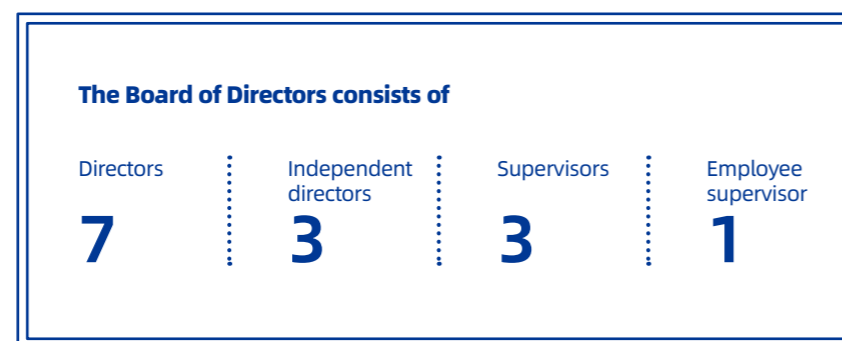
## Investor Rights

Attaching great importance to investor relation management and investors' rights and interests protection, Qi An Xin strives to disclose true, accurate and complete information timely and fairly in accordance with the applicable laws and regulations, as well as the rules and requirements of the Company. To this end, the Company has established investor relationship management and information disclosure regulations, such as the *Management Regulations on Investor Relations*, and the *Management Regulations on Information Disclosure*. In line with these regulations, we strengthen communication and interaction with investors, and reply to their concerns timely in order to protect the legal rights and interests of investors.

To give all investors equal access to corporate information, we disclose detailed information on performance, development strategy, and risk management via the designated website and other information disclosure media channels specified by the China Securities Regulatory Commission per regular and interim reporting procedures to give investors a full picture of our operational situation and future planning. Furthermore, the Company responds to issues raised by investors via such channels as the investor hotline and the investor interaction platform.

Qi An Xin communicates with its investors regularly through multiple channels. In 2022, the Company organized an online annual performance presentation to interact with investors. The Company also provides a regular briefing on its current operational situation for investors. In 2022, the Company organized 8 surveys among over 100 investors, and answered questions raised by investors at the E-interaction Platform of the Shanghai Stock Exchange for 97 times, thus, building close ties with investors.
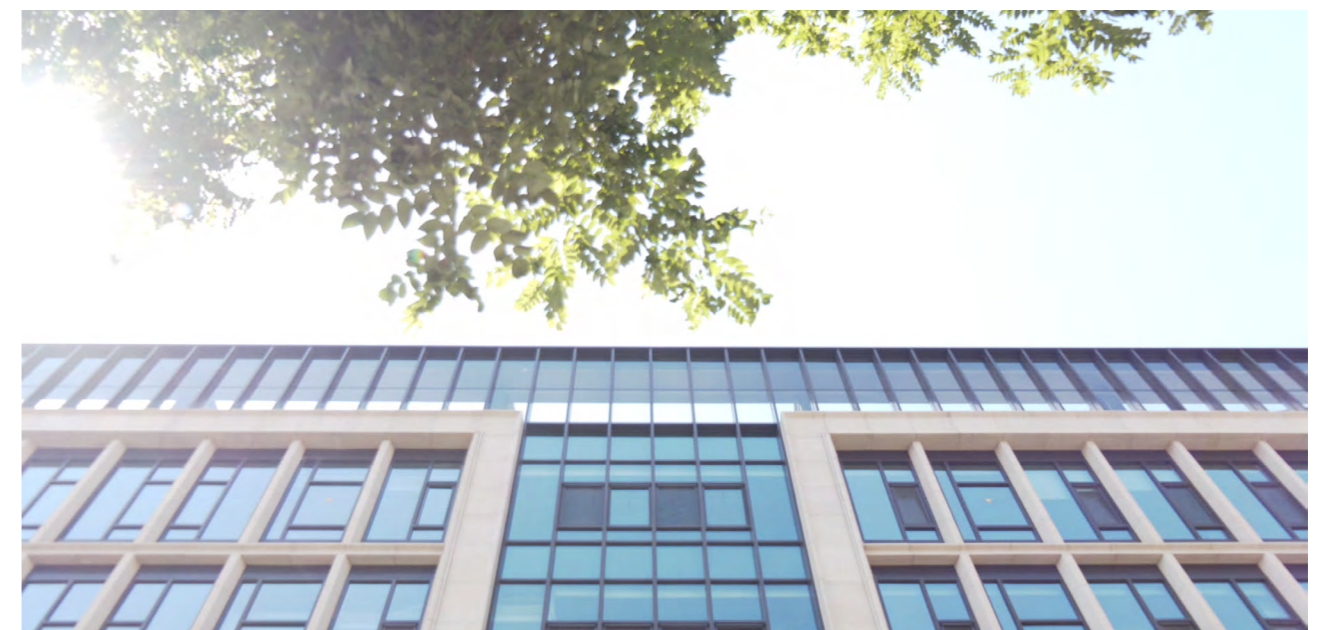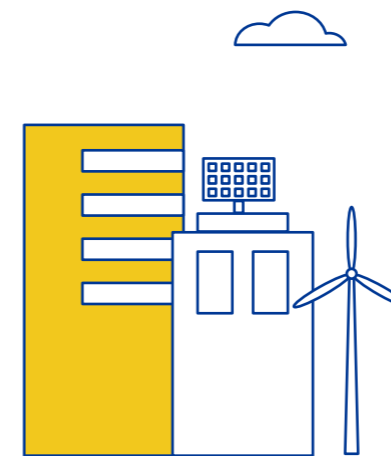
# Compliance with Laws and Regulations

It is a basic requirement for an enterprise to comply with laws and regulations. Doing so helps guard against risks and facilitate industry development. Qi An Xin abides by strict business ethics and corporate governance requirements and complies with provisions on corporate governance as specified in the *Rules Governing the Listing of Stocks on the Sci-tech Innovation Board* to ensure equal, fair and open decision-making. In line with these requirements and provisions, the Company continues to step up compliance risk management.

## Operation Compliance

Qi An Xin attaches great importance to operation compliance. In 2022, we established an operation and management compliance system focusing on multiple key areas for compliance and worked out operation compliance procedures and regulations accordingly in accordance with the *Three-year Plan of the Operation and Management Compliance System*. Furthermore, the Company continuously optimizes the organizational system, the institutional system, the operation mechanism and safeguard measures while giving full play to the "three defense lines" in order to foster better operation compliance.

| Defense line 1 | Defense line 2 | Defense line 3 |
| --- | --- | --- |
| Related Department | Department of Party Affairs<br>Internal Control Department<br>Financial risk management | Commission for Discipline Inspection<br>Audit Department |
| • Risk analysis<br>• Establishment of processes | • Provide technical support for business departments<br>• Special inspections of key business areas<br>• Annual risk review | • Special inspections<br>• Internal check/audit<br>• External audit |

Also, the Company has formulated internal control regulations and internal audit management regulations for business and functional departments. The audit department comprises financial, business auditors and IT auditors who are responsible for audits in accordance with audit requirements to supervise design and implementation effectiveness of key business areas and processes. As of December 2022, the Company audited 20 items per the audit plan and followed up on rectification. The rectification rate in 2022 achieved 92.28%.

## Risk Management

In order to enhance risk management competence, Qi An Xin organizes annual risk identification and assessment regularly in line with the *Regulations on Overall Risk Management*. According to annual operation plans, the Company mandates business and functional departments as well as subsidiaries to identify their own risks, work out response plans, and prepare the *Annual List of Major Risks*. At the same time, the Company has established a quarterly monitoring and reporting mechanism for major risks. To be specific, we follow up and assess the implementation of response plans for major risks quarterly through sampling, on-site inspection and data analysis, to ensure the effective implementation of the response plan for major risks and report the implementation of prevention and control of major risks to management.

## Anti-corruption and Business Ethics

Adhering to the principle of integrity, Qi An Xin makes constant efforts to foster a clean operation environment, and combat corruption in any form.

Qi An Xin has formulated a series of internal regulations to regulate anti-corruption, including the *Anti-fraud Management Rules*, the *Management Rules for Conflict of Interest*, the *Management Rules for Commercial Operations and Ethics*, and the *Employee Manual*. We have established anti-corruption and compliance supervision department under reform and development department to fulfill the duty of anti-corruption and compliance supervision while constructing an effective anti-corruption institutional system. In addition, Qi An Xin strengthens anti-fraud responsibility management among suppliers by formulating internal management regulations, such as the *Supplier Management Regulations, and the Management Rules for Commercial Operations and Ethics*.

### ※ Stepping up discipline supervision and building a clean management team

In order to establish an upright management team and create a non-corrupt workplace, Qi An Xin has formulated strict implementations of evaluation regulations, specifying integrity assessment for promotions and rewards. The competent departments team up to regulate discipline supervision and review procedures. In 2022, 452 employees had undergone evaluation for promotion or award.

### ※ Providing smooth corruption whistleblowing channels

Qi An Xin has provided employees with multiple whistleblowing channels and distributed the *Notice on Strengthening Whistle-blower Protection and Award*, clarifying whistleblowing rules. The Company has defined the whistle-blower definition, protection and award, as well as whistleblowing scope, channels and requirements clearly. To support anti-corruption, employees are allowed to report acts of corruption and other misconducts violating discipline and regulations via multiple reasonable communication channels, such as the Lanxin platform, phone calls, emails, WeChat account, letters, and visits upon appointment. Whistleblowers will receive protection, cash award or reward in other forms.

Qi An Xin accepts all corruption reports, launches corruption investigations, and releases investigation results for all cases. In the future, the Company will double its efforts to crack down on corruption to ensure the integrity of the Company's operations.

### ※ Introducing new anti-corruption education

Qi An Xin attaches importance to integrity education by introducing new anti-corruption education modes. On the one side, the Company has established the Lanxin static display platform to release documents and images of anti-corruption and integrity, encouraging clean practices. On the other side, the Company has pushed supervision notices to all employees via the Lanxin Wechat official account, and the supervision email, in order to warn employees against corruption. In 2022, Qi An Xin disseminated 2 "Supervision Notices" to all employees and 4 "Supervision Notices" to relevant departments via the email, the integrity official account and the "Complaint and Whistleblowing" segment of the Lanxin platform.

# Guiding Corporate Governance through Party Building

In 2022 when the 20th National Congress of the CPC was held while the "14th Five-year Plan" was in progress, the Qi An Xin Party Committee, under the guidance of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era, followed the general requirements for strengthening the Party, and the Party's organizational line in the new era, learned the guiding principles of the 19th National Congress of the CPC s, the 20th National Congress of the CPC. It also attended all plenary sessions of the 19th Party Central Committee and implemented the deployment requirements of boosting China's strength in aerospace as specified in the 20th National Congress of the CPC and the 13th Beijing CPC Congress. Guiding corporate governance through party building, the Party Committee of Qi An Xin has reinforced its efforts to conduct theoretical study, organizational building, party building brand establishment, inheriting of revolutionary traditions, and integrated development.

### Party Building Honors for the Party Committee of Qi An Xin in 2022

| Honors | Awarders |
|---|---|
| Party Building Demonstration Base of Beijing Cyberspace Administration | Beijing Party Committee of Internet Industry |
| Beijing Demonstration Non-public Economic Organization in Party Building | Beijing Federation of Industry and Commerce |
| Advanced Party Organization under the Party Committee of the Beijing Internet Association | CPC Committee of Beijing Internet Association |
| Excellent Brand of Party Building | CPC Committee of Beijing Internet Association |
| Excellent Secretary of Party Organization | CPC Committee of Beijing Internet Association |
| Beijing Brand Project for Strengthening Party Building and Promoting Development | Work Committee of Non-Public Economic and Social Organizations of the Beijing CPC Committee |

## Laying Solid Foundation for Organizational Building

The Party Committee of Qi An Xin effectively strengthens organizational building by strictly abiding by Party organization regulations. Its party branches actively participate in the "Three Meetings and One Lecture system" and other party organization activities, standardizes the management and development of party members. In line with applicable regulations, the Party Committee facilitates the collection, use, examination, approval and management of monthly party membership dues, which are collected in full. In 2022, all CPC members paid party membership dues in full amount. The Party Committee of Qi An Xin conducts overall arrangements of party membership dues for its specified purpose only, keeping income within expenses. The Party Committee continues to improve standard-based management of party branches so that party organizations give full play to their guiding role.

In 2022, the Party Committee of Qi An Xin comprised 513 CPC members, and organized 15 party building activities. The Party Committee admitted 4 new CPC members, including 1 senior executive and 3 key employees, while 26 probationary CPC members were converted to permanent.

In addition, the Party Committee actively engaged in 22 volunteering activities, including community services and technical support, with a total of 1,112 participants in these activities and a total of 5,404 hours of volunteer service. As such, CPC members played an exemplary and vanguard role, and primary-level party organizations played a key role.

### In 2022, Qi An Xin

| | | |
|---|---|---|
| Number of CPC members | Number of party building activities | Proportion of CPC members in total employees |
| **513** persons | **15** activities | **15** % |
| Number of volunteering activities organized | Number of CPC members who participated in volunteering services | Number of volunteer hours |
| **22** activities | **1,112** participants | **5,404** hours |
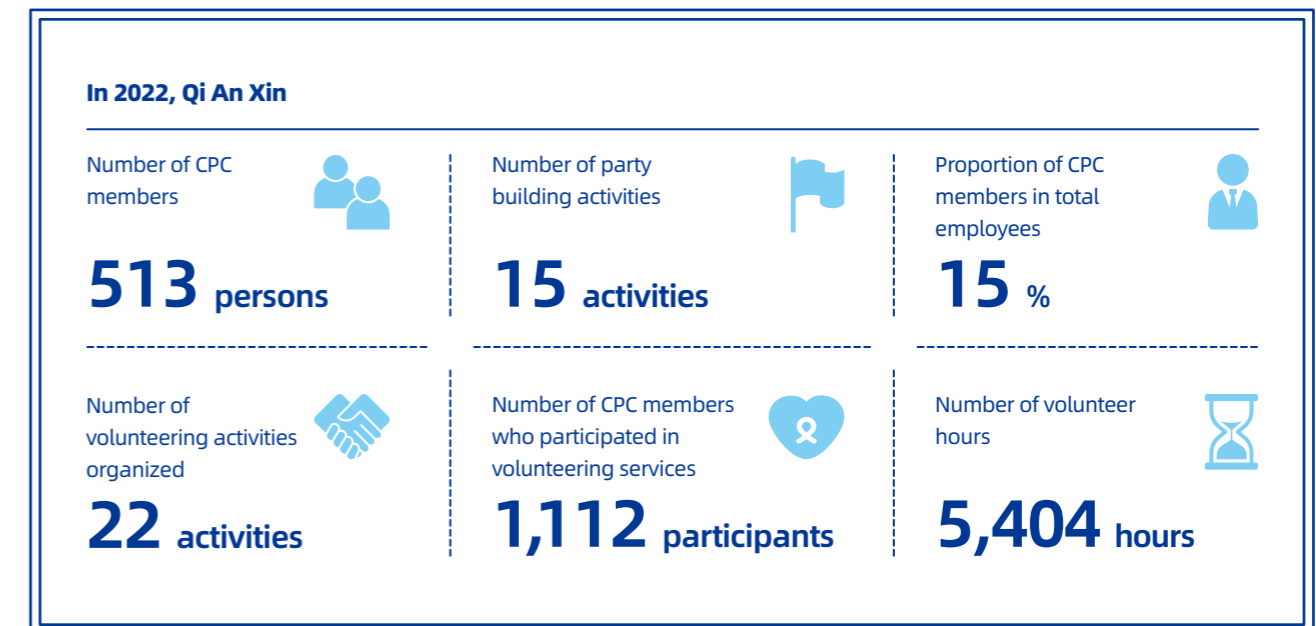
## Nurturing the Root and Soul with Ideals and Faith

The Party Committee of Qi An Xin adheres to political guidance, strengthens theoretical study, and enhances party consciousness. Under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the Party Committee leads all CPC member and senior executives to learn the guiding principles of the 19th National Congress of the CPC, the 20th National Congress of the CPC, all plenary sessions of the 19th Party Central Committee, and the 13th Beijing CPC Congress through multiple forms such as independent study, massed learning, and publicity reports. In 2022, the Party Committee of Qi An Xin invited experts and CPC members to deliver 8 keynote lectures in departments at all levels, and organized 10 party organization activities themed "Embracing the 20th National Congress of the CPC, and Forging Ahead on a New Journey". With these lectures and activities, the Party Committee intends to enhance the political and ideological quality of CPC members, and put theory into practice to internalize CPC guiding principles in the mind and externalize them into practice.

## Learning the guiding principles of the 20<sup>th</sup> National Congress of the CPC, and striving to write a brilliant chapter on the new journey

On October 16, 2022, the Party Committee of Qi An Xin organized the viewing of the opening ceremony of the 20<sup>th</sup> CPC National Congress for 8,000 people, including CPC members from party branches, board members and the public. They listened attentively, studied, and discussed the report delivered by General Secretary Xi Jinping to the 19<sup>th</sup> CPC Central Committee on behalf of all CPC members, which emphasizes that CPC members should steadfastly follow the Party and its guidance, and uphold the overall leadership of the Party.



## Forging ahead in the new era and embarking on a new journey

On October 20, 2022, a total of 20 CPC members, group members, and representatives of the public of Qi An Xin went to visit the Exhibition themed "Forging Ahead in the New Era" in Beijing Exhibition Center. With physical models, videos, images and diagrams showcased during the exhibition, they learned about the historic achievements and changes of the Party and the nation over the past ten years, and aspired to work hard during the Long March of the new era.



## Staying true to the mission, and moving ahead bravely

In August 2022, the Party Committee of Qi An Xin held a conference themed "Staying True to the Mission, and Moving Ahead Bravely". During the conference, Zhang Chongbin, a delegate to the 13<sup>th</sup> Beijing CPC Congress and Vice President of the Group, delivered a keynote speech. Over 100 CPC members from 17 party branches nationwide attended the conference in person or online. They have remained committed to staying true to the Party's original aspiration and the founding mission, and acting on the beliefs, so as to unify their knowledge, faith and action.



### Pooling Minds and Strengths through Party Building Brands

The Party Committee of Qi An Xin has spared no efforts to create the party-building brand of "Red Cloud Initiative", leading the integration of all work with party building. These party-building brands include the Red Cloud Exhibition Hall, Red Cloud Library, and the Online Volunteers at the online platform. Relying on what we have learned, we will strive to enhance the Party spirit, improve abilities, advance work, and promote development in order to better safeguard national cyber security.

In 2022, there were 237 Red Cloud Exhibitions Hall totally. Over 1,000 schools in Shandong Province organized students to visit these exhibitions. In July 2022, the Red Cloud Exhibition Hall was released in the Uygur language. In August 2022, the *Original Party's Aspiration and Party Spirit* was published officially. The reports over the Red Cloud Exhibition Hall were granted the Major Theme Report Prize in the 32<sup>nd</sup> China News Award.

The intelligent party-building system of Qi An Xin has multiple segments, such as party news, videos, learning materials, learning plans and knowledge contests. To be specific, the system covers 12 authoritative media websites, 980 party-building videos across 10 categories, with 10 issues updated per month, 23 episodes of the expert interview program, 2 sets of courses, with 4 issues updated per month, and 400 party history knowledge questions, including 89 topics concerning the the 20<sup>th</sup> National Congress of the CPC. The systems have received over 3,000 hits, which is a good platform for party organizations to play a basic and guiding role.

The "Qi An Xin Cloud Team" set up by the Party Committee of Qi An Xin has played a key role in safeguarding cyber security for major national events. At the Beijing Olympic and Paralympic Winter Games, the temporary party branch and the young cyber security guard team tasked their members with difficult jobs and tough technical tasks, honoring the commitment to zero cyber security incidents. During the 20<sup>th</sup> National Congress of the CPC , over 1,000 front-line teams with CPC members as the main force performed cyber security tasks with due diligence. In 2022, 120 CPC members were awarded the title of "Red Cloud Model" while 10 teams were awarded the title "Red Cloud Team".

# Information Security and Privacy Protection

As a leading cyber security company, Qi An Xin attaches great importance to information security and privacy protection within the enterprise. The Company strictly complies with applicable laws and regulations, such as the *Cyber Security Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*, to protect information and data security.

Qi An Xin has set up the Data Security Governance Committee, with the Chairman of the Board as the director, and the President of the Group as the deputy director. Under the guidance of the Committee, the Company has set the data security strategy goal of "protecting data in accordance with laws and regulations, implementing full governance to develop into a leader in data security, refining digital security products to serve customers better, and conducting good practices with social value". As members of the Data Security Governance Committee, the Group's vice presidents ensure the implementation of data security policies in all aspects. Through the Data Security Governance Committee, the company effectively standardizes the authorization process within the Group to ensure the appropriate implementation of the allocation, use and recovery of permissions, ensure the safe, orderly and stable operation of each application, and reduce the risk of data abuse, misuse and leakage.

At the same time, in line with applicable laws and regulations, Qi An Xin has established a comprehensive information security and privacy protection system that includes automated processes, full protection and effective monitoring measures. Integrating the system into business operation, the Company charts information and data security plans while planning business as a move to implement the endogenous security belief advocated by the Company.

| Categories | Incident prevention | Audit and warning during an incident | Tracing after an incident | Operation scenario |
|---|---|---|---|---|
| Measures | Banning USB flash disks and optical drives at office endpoints, enabling the use of watermarks.<br><br>Disabling of network disks and remote-control software at the Internet, denying access to external resource websites. | Warning alerts in case of outgoing file transmission, auditing of email and endpoint DLP content.<br><br>Warning based on sensitive keywords and data thresholds. | The operation team will analyze logs in case of a data security warning and communicate with the superior of the employee concerned to learn more about the incident. If the employee is found to be in violation of regulations, the incident verified will be submitted to the Data Security Incident Handling Committee for evaluation and review before being handled according to the severity of the incident. | Management of outgoing data transmission and data downloading by employees, and handling of work orders with limited access. |
| Examples | Endpoint protection<br>Internet protection | Copy by USB flash disks | Training, signing the violation sheet | Data security incident management<br>Work orders with limited access<br>Closed-loop incident training regulations |

**2022**

Data security and privacy protection related topics training coverage

## 10,970 participants

The number of participants in cyber security training on cyber security basics and daily work exceeded

## 6,000 persons

Qi An Xin has taken various measures to ensure information security and customer privacy. Based on legal regulations, usage scenarios and three major criteria of data confidentiality, importance and risk of leakage, the Company has made a detailed classification of data and managed the whole life cycle from six processes, namely, data collection, transmission, data storage, data use, data sharing and data recovery, to realize data security protection from the perspective of data processing security. The Company has also implemented data processing security measures such as appointing leaders responsible for data security, allocating personnel, organizing assessment, and responding to emergencies properly.

To guarantee safe operation, Qi An Xin has introduced a series of management measures covering incident prevention, audit during an incident, post-incident tracing, and actions specific to operational scenarios in order to regulate data security management. In 2022, the Company had no severe information leakage incidents.

We strengthen data security protection by enhancing the protection awareness of employees through training. In 2022, the data security and privacy protection training generated 10,970 participants. To be specific, the Company organized data security awareness training in terms of data security background, cases, prevention measures, and regulations, with the participation of a total of 4,577 employees. The Company has also implemented cyber security training in terms of basic knowledge and protection measures in routine work, and 6,000 employees received such trainings.

**Training over the Management Rules for Personal Information Security** ▣ ▣ ▣

On September 15, 2022, Qi An Xin carried out training related to the Management Rules for Personal Information Security. During the training, personal information security terms and their definitions were introduced in detail. Trainers also clarified the management responsibilities of employees and basic principles for specific topics, and defined the duties of personal information controllers in order to enhance the personal information security protection awareness of employees. After training, the Company arranged examinations to ensure the effectiveness of training.



个人信息安全管理细则
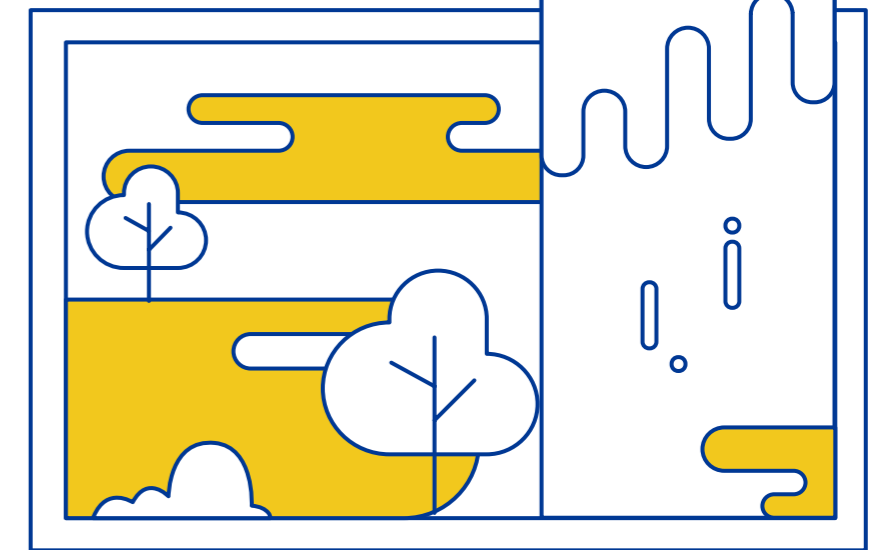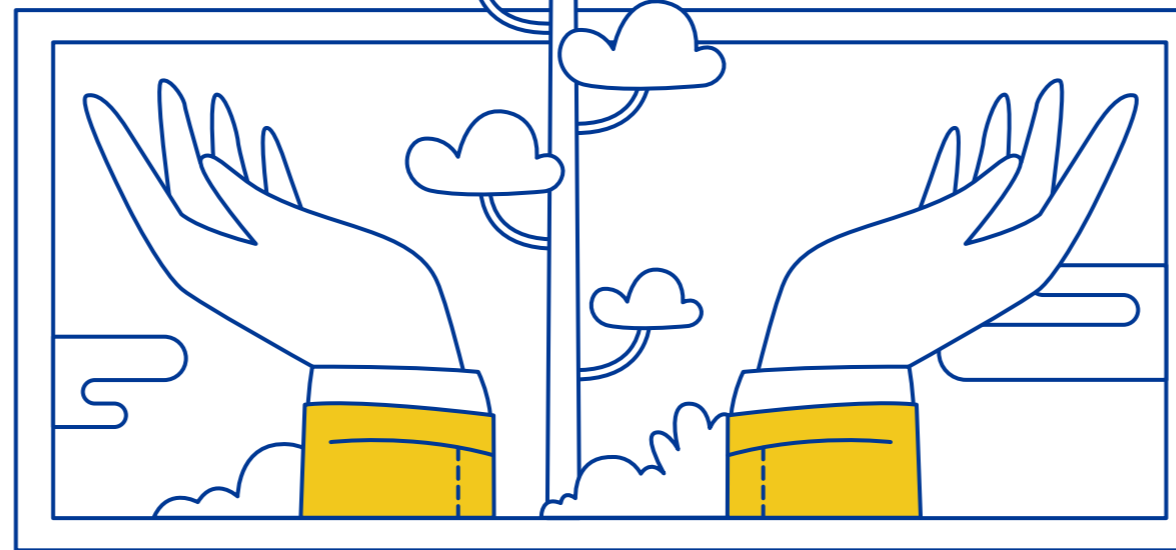
Social:
# Taking Responsibility to Improve Social Wellbeing

# Focusing on Cyber Security for the Digital Economy

With the aim of creating social value, Qi An Xin continues to enhance its R&D strength, and consolidates its technical advantages to deliver premium and diverse products and services. We remain committed to empowering the digital development and security transformation of society and contributing to the high-quality and sustainable development of the state by designing efficient tools and establishing a comprehensive service system depending on scientific and technological innovation.

## R&D and Innovation

As a leading supplier of cyber security products and services in China, Qi An Xin takes R&D and innovation strength as the foundation to survive and develop prosperously. In 2022, Qi An Xin doubled efforts to enhance R&D strength by increasing the investment in R&D professionals and funds, facilitating technological innovation and advancement through the R&D platform matrix, so as to maintain its leading competitive edge in the industry. At the same time, the Company attaches great importance to intellectual property protection to protect innovation from the root.

### R&D Strength

To boost the organization's R&D vitality, Qi An Xin adheres to the development path of strengthening R&D and the platform-based R&D strategy using "Lego-ization" thinking. The Company has currently developed eight platforms, namely, "Sai Peng", "Noah", "Lei Er", "Zion", "Trantor", "Da Yu", "Xuan Ji" and "Gan Xing", and has over 30 platforms under research and development. Based on the cyber security R&D platform as the basic and core aspect, and a small number of customized modules, the Company is able to develop cyber security products and solutions quickly catering to the customized requirements of customers. Besides, the Company has set up its R&D centers in nine cities such as Chengdu, Jinan and Nanjing, laying a solid foundation for innovative network construction.

**In 2022, Qi An Xin**

R&D investment
RMB **1.69** billion

R&D professionals
**3,753** staffs

**At present, the Company owns**

Patents for invention
**823** patents

Major computer software copyrights
**1,224** copyrights

**2,899**
R&D professionals

**3,793**
R&D professionals

**3,753**
R&D professionals

**2020**

**2021**

**2022**

R&D investment (RMB)
1,228,089,157.57

R&D investment (RMB)
1,748,403,260.54

R&D investment (RMB)
1,694,220,633.27
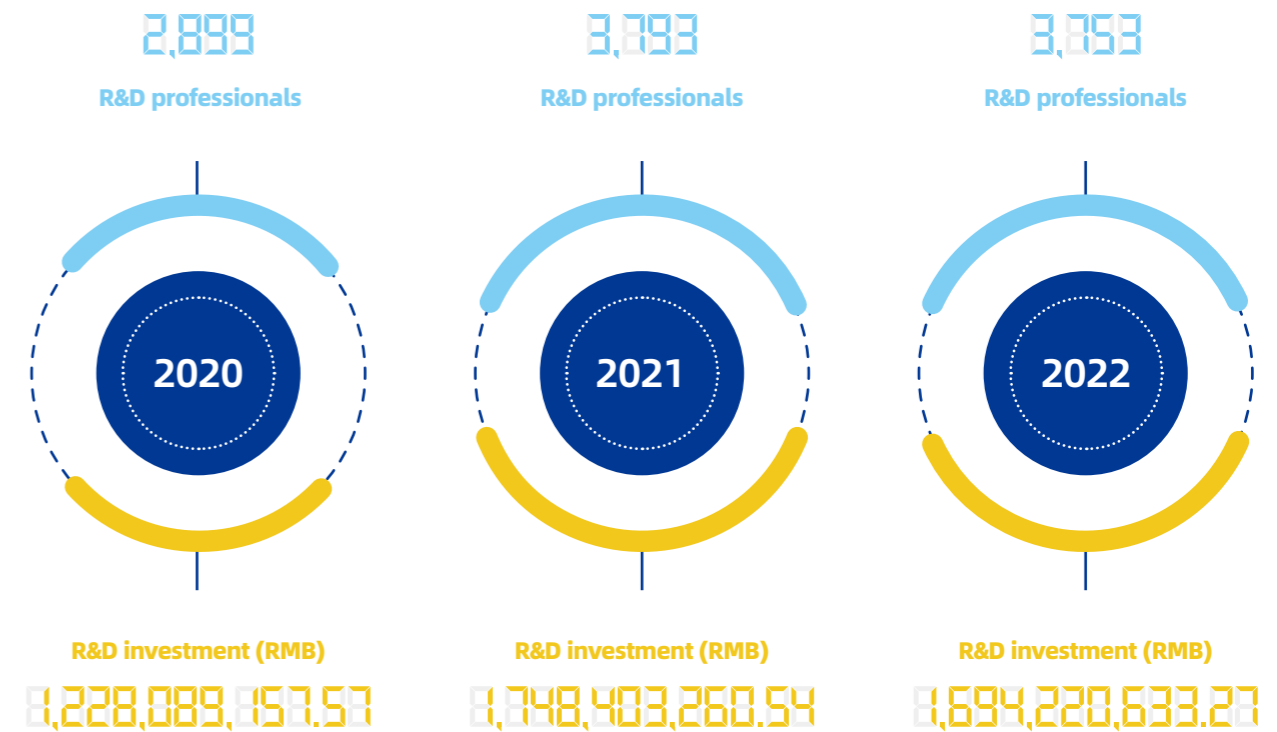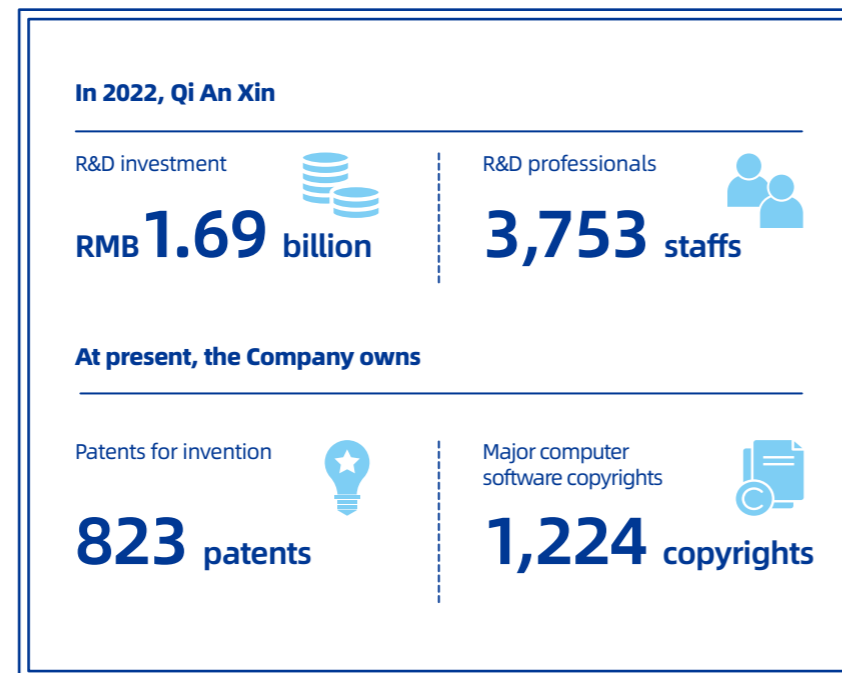
### Intellectual Property Protection

Qi An Xin encourages invention and creation, and emphasizes the importance of protecting intellectual property. In accordance with the applicable laws and regulations, such as the *Trademark Law of the People's Republic of China*, the Patent Law of the People's Republic of China, and the *Copyright Law of the People's Republic of China*, the Company has formulated management regulations including the *Establishment of the Intellectual Property Management System*, the Management Regulations on Intellectual Property, and the Management Regulations on Patents.

To protect intellectual property better, Qi An Xin optimized intellectual property management in a targeted manner in 2022. Adhering to the basic principles of "application management" and "process management", Qi An Xin integrates intellectual property protection into the full product R&D process by engaging the intellectual property management team and the legal department throughout the process to guarantee timely and orderly intellectual property applications.

With "quality first" and "protection foremost" as supplementary principles, the Company erects intellectual property protection barriers and figures out more high-value patents through strict agency management, active mining and case grading. In addition, the Company identifies patents in the non-product systems (such as R&D system) regularly to protect intellectual property in underlying technology.

### ※ Protecting the Company's Own Intellectual Property

Qi An Xin has registered computer software copyrights for all its software products. To protect the products requiring independent branding, the Company conducted assessment and planning before eventually applying for trademarks and copyrights. For underlying technology or UI design, the Company will identify patentable technologies in R&D projects.

### ※ Protecting the Intellectual Property of Third Parties

Qi An Xin is engaged in joint R&D with third parties. For products and technologies under joint R&D, the Company makes efforts to protect intellectual property concerned pursuant to agreements, safeguard the signature rights of researchers, and clarify intellectual property application, ownership, exercise of rights, and earning distribution in cooperation contracts.

"

In 2022, one of Qi An Xin's Patents was honored as the 23rd China Patent Award

"

| | Number of new patents/ copyrights from January 1 to December 31, 2022 | | Total number of patents/ copyrights as of December 31, 2022 | |
| --- | --- | --- | --- | --- |
| | Applications | Granted patents | Applications[7] | Granted patents |
| Patents for invention | 302[8] | 164 | 949 | 823 |
| Utility model patents | 0 | 0 | 0 | 7 |
| Design patents | 23 | 14 | 9 | 65 |
| Software copyrights | 137[9] | 131 | 6 | 1,224 |

[7] As of December 31, 2022, the number of patent applications for inventions was the total number of cumulative applications while the number of utility model patents, design patents, and software copyright applications was the total number of pending applications.

[8] Among new patents for invention in 2022, 12 patents applied for and granted in the same year.

[9] Among new software copyrights in 2022, 131 have been granted, and 6 are still under application.

国家知识产权局
NATIONAL INTELLECTUAL PROPERTY
ADMINISTRATION, PRC

中国专利优秀奖

名　称　文件恢复的方法、装置及系统
专利号　ZL201410778812.9
发明人　李宇
专利权人　奇安信科技集团股份有限公司

中之南

国家知识产权局局长

2022 年 7 月

## Product Value

Cyber security is of great importance to national security, social stability and economic development. A well-established cyber security system helps maintain social security and economic order as well as promote the sustainable development of society.

As a responsible business, Qi An Xin has always empowered social development with its technical advantages. We aspire to provide customers with suitable cyber security solutions and services and integrate our diverse product lines into the digital systems of customers in key fields. Furthermore, we offer customized solutions catering to the cyber security needs of customers against the digital background in order to promote digital transformation and security capability development in all industries.

### Systematic Top-notch Design

With consideration of the trend of digital transformation among enterprises, the "new infrastructure" construction requirements and the common cyber security needs of large-scale institutions, such as governments, state-owned enterprises, financial institutions and operators, Qi An Xin has proposed the cyber security planning framework covering five tasks and ten major projects during the "14th Five-year Plan". Drawing on the best cyber security practices of domestic and foreign large-scale institutions as well as cyber security framework research findings, the Company strives to provide governments and enterprises with cyber security top-level planning and system design ideas and suggestions.

## Endogenous Security Framework

The "endogenous security framework" is an approach to implement the endogenous security philosophy of Qi An Xin. With system engineering ideologies, the Company standardized its cyber security capabilities and implements them in phases to form a complete security protection system.

This framework presents a full picture of cyber security for governments and enterprises from the perspectives of parties in demand, information-based development, and top-notch cyber security, covering a project bank (major projects and tasks) during the "14th Five-year Plan". With capability classification through superposition and evolution, the Company has established a cyber security capability system specific to all information-based fields for governments and enterprises, so as to meet their customized cyber security needs.
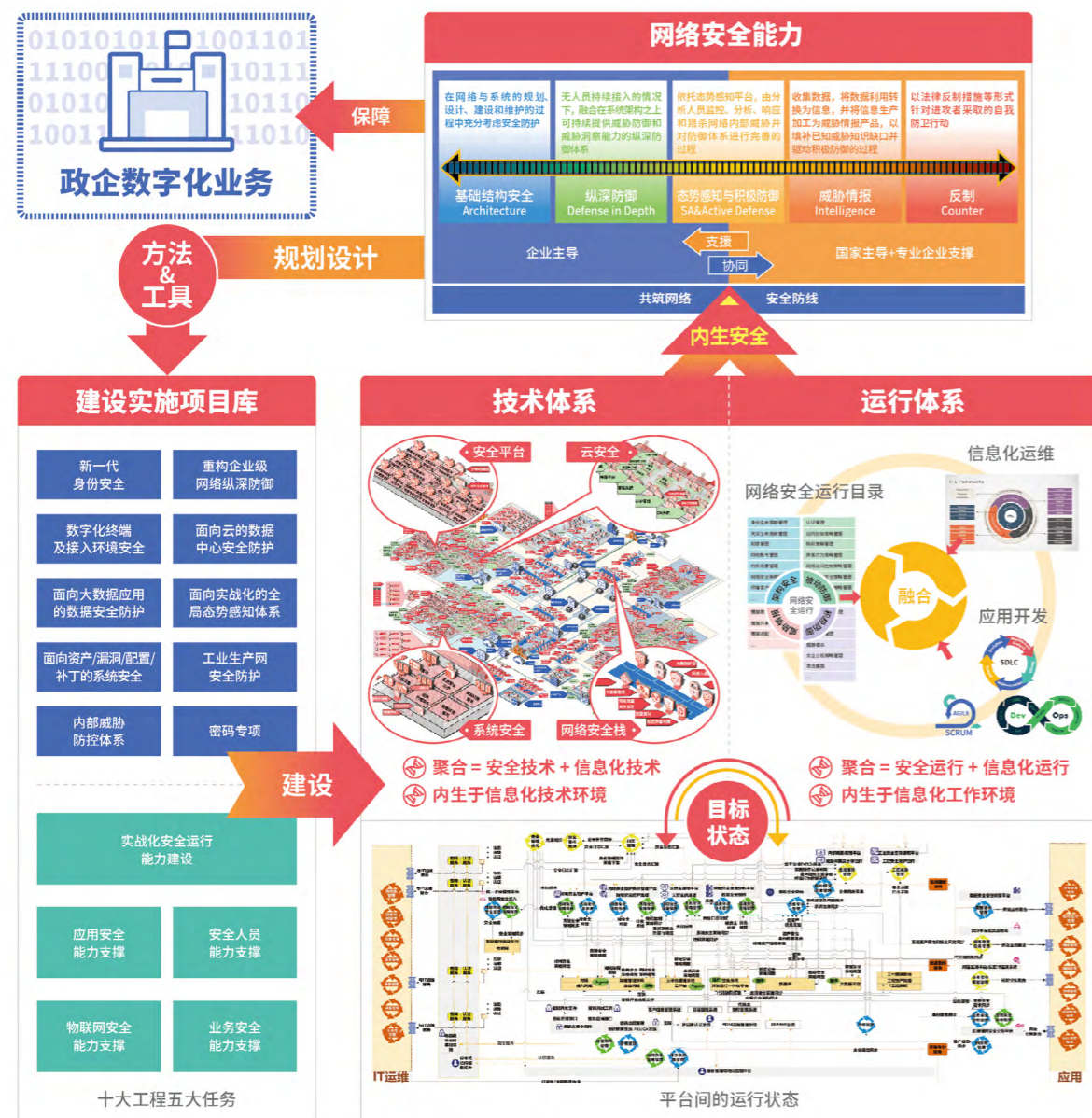


A new generation of enterprise cyber security framework (Endogenous Security Framework)

## Systematic Security Products

Adhering to the endogenous security philosophy, Qi An Xin has established a new generation of cyber security product portfolio focusing on "systematic defense and digital operation" by leveraging its technical advantages in big data, artificial intelligence, cyber attach and defense, and platform-based design, rich experience and full understanding of customer needs. Therefore, the Company is able to provide all-rounded cyber security protection solutions for customers.



Security Product Framework

**Industrial Internet security**

- Industrial security operation management
  - Industrial security situational awareness and management platform
- Industrial security protection
  - Industrial Internet edge trusted protection system
  - Industrial firewall; Industrial gatekeeper
  - Industrial host security protection system
- Industrial security detection and audit
  - Industrial intrusion detection system
  - Industrial security vulnerability scanning system
  - Industrial security audit system
  - Industrial security monitoring and auditing system
  - Industrial log audit collection and analysis system
  - Industrial security inspection toolbox
  - Industrial operation and maintenance audit system
- Industrial security lab
  - Industrial control security lab

**Situational awareness**

Supervision, judgment and command
- Cyberspace security situational awareness and coordinated command system
- Smart city safety supervision and operation response platform
- Regulatory situational awareness standalone version
- Regulatory situational awareness industry version
- Situational awareness research and judgment system

Operation, orchestration and management
- Next Generation Security Operation Center (NGSOC)
- Security orchestration automation and response system (SOAR)
- Security asset management system
- Industrial security situational awareness and management platform

Attack and defense, detection and drill
- Next Generation Threat Sensitive System (SkyEye)
- Attack trapping system
- Practical defense command platform
- DNS threat detection and log analysis system
- HUNTER platform
- Automated penetration testing system
- Practical attack and defense platform
- Email threat detection system
- Internet security cloud monitoring system
- Butian full-stack SRC service
- Butian public test

Intelligence, analysis and support
- Threat intelligence platform
- ALPHA threat analysis platform
- Log collection and analysis system
- Big data intelligent modeling platform

**Data security**

Identity security and access control
- Zero trust network access system (ZTNA)
- Zero trust AP proxy (TIP)
- Smart trusted identity system (IAM)
- Zero trust intelligent identity analytics (IDA)
- Privileged account management (PAM)
- Bastionhost
- Database operation and maintenance security system

Application security protection
- Application security gateway (WAAP)
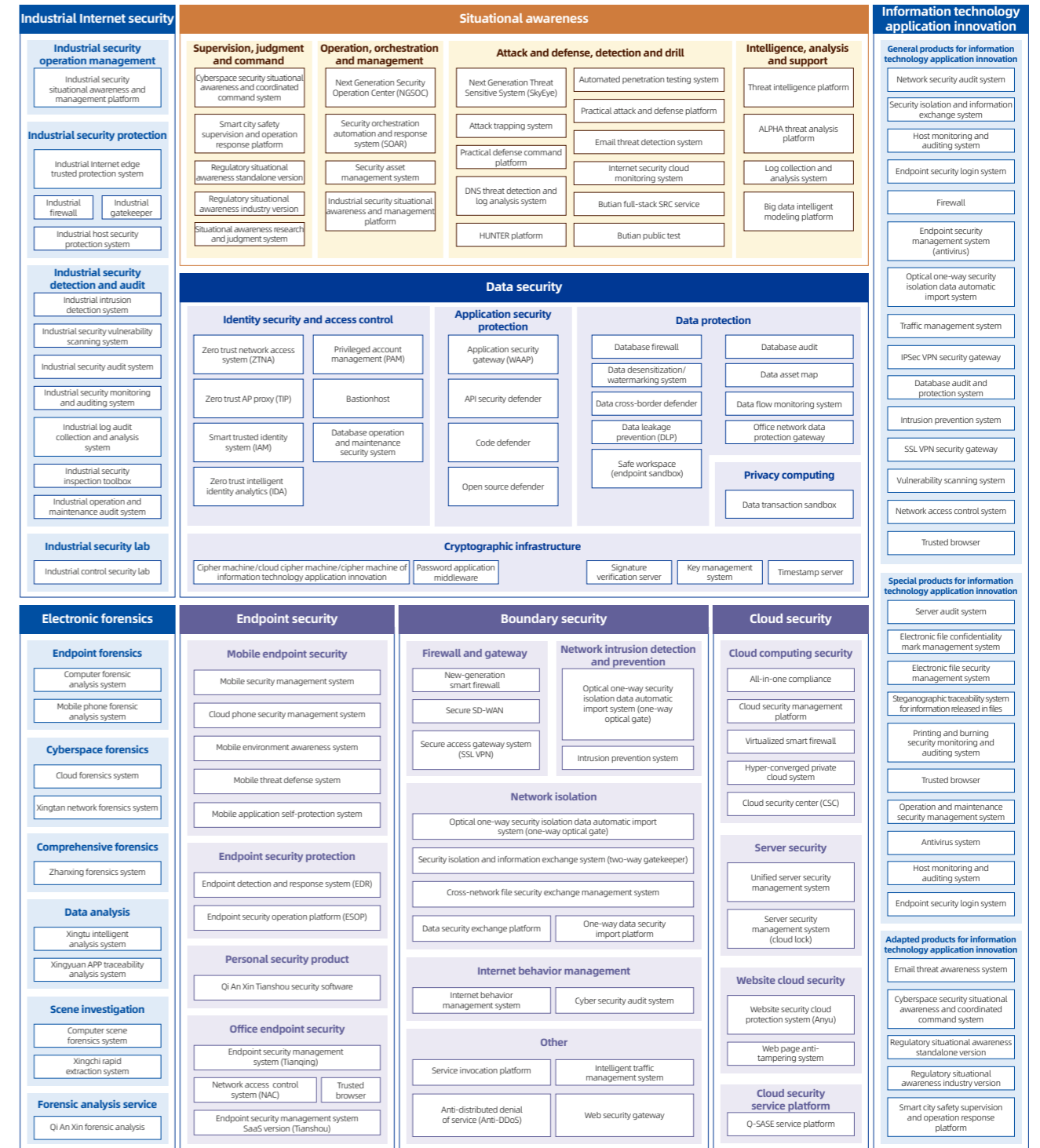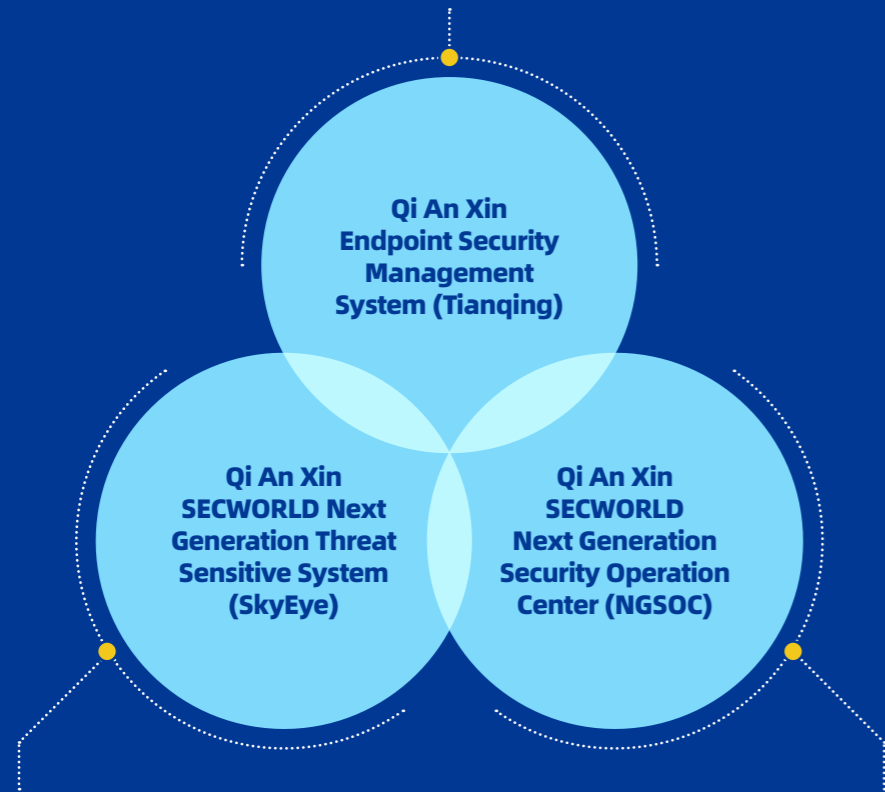- API security defender
- Code defender
- Open source defender

Data protection
- Database firewall
- Data desensitization/watermarking system
- Data cross-border defender
- Data leakage prevention (DLP)
- Safe workspace (endpoint sandbox)
- Database audit
- Data asset map
- Data flow monitoring system
- Office network data protection gateway

Privacy computing
- Data transaction sandbox

Cryptographic infrastructure
- Cipher machine/cloud cipher machine/cipher machine of information technology application innovation
- Password application middleware
- Signature verification server
- Key management system
- Timestamp server

**Information technology application innovation**

General products for information technology application innovation
- Network security audit system
- Security isolation and information exchange system
- Host monitoring and auditing system
- Endpoint security login system
- Firewall
- Endpoint security management system (antivirus)
- Optical one-way security isolation data automatic import system
- Traffic management system
- IPSec VPN security gateway
- Database audit and protection system
- Intrusion prevention system
- SSL VPN security gateway
- Vulnerability scanning system
- Network access control system
- Trusted browser

Special products for information technology application innovation
- Server audit system
- Electronic file confidentiality mark management system
- Electronic file security management system
- Steganographic traceability system for information released in files
- Printing and burning security monitoring and auditing system
- Trusted browser
- Operation and maintenance security management system
- Antivirus system
- Host monitoring and auditing system
- Endpoint security login system

Adapted products for information technology application innovation
- Email threat awareness system
- Cyberspace security situational awareness and coordinated command system
- Regulatory situational awareness standalone version
- Regulatory situational awareness industry version
- Smart city safety supervision and operation response platform

**Electronic forensics**

Endpoint forensics
- Computer forensic analysis system
- Mobile phone forensic analysis system

Cyberspace forensics
- Cloud forensics system
- Xingtan network forensics system

Comprehensive forensics
- Zhanxing forensics system

Data analysis
- Xingtu intelligent analysis system
- Xingyuan APP traceability analysis system

Scene investigation
- Computer scene forensics system
- Xingchi rapid extraction system

Forensic analysis service
- Qi An Xin forensic analysis

**Endpoint security**

Mobile endpoint security
- Mobile security management system
- Cloud phone security management system
- Mobile environment awareness system
- Mobile threat defense system
- Mobile application self-protection system

Endpoint security protection
- Endpoint detection and response system (EDR)
- Endpoint security operation platform (ESOP)

Personal security product
- Qi An Xin Tianshou security software

Office endpoint security
- Endpoint security management system (Tianqing)
- Network access control system (NAC); Trusted browser
- Endpoint security management system SaaS version (Tianshou)

**Boundary security**

Firewall and gateway
- New-generation smart firewall
- Secure SD-WAN
- Secure access gateway system (SSL VPN)

Network intrusion detection and prevention
- Optical one-way security isolation import system data automatic (one-way optical gate)
- Intrusion prevention system

Network isolation
- Optical one-way security isolation data automatic import system (one-way optical gate)
- Security isolation and information exchange system (two-way gatekeeper)
- Cross-network file security exchange management system
- Data security exchange platform
- One-way data security import platform

Internet behavior management
- Internet behavior management system
- Cyber security audit system

Other
- Service invocation platform
- Intelligent traffic management system
- Anti-distributed denial of service (Anti-DDoS)
- Web security gateway

**Cloud security**

Cloud computing security
- All-in-one compliance
- Cloud security management platform
- Virtualized smart firewall
- Hyper-converged private cloud system
- Cloud security center (CSC)

Server security
- Unified server security management system
- Server security management system (cloud lock)

Website cloud security
- Website security cloud protection system (Anyu)
- Web page anti-tampering system

Cloud security service platform
- Q-SASE service platform

Qi An Xin Tianqing Endpoint Security Management System, an integrated endpoint solution, is built based on the new generation of "Trantor" Endpoint Security Platform. With systematic defense and digital operation, the System helps governments and enterprises accurately identify, protect and monitor endpoints while enabling secure and reliable access to data and business at endpoints. The System is equipped with high-performance virus killing and vulnerability defense mechanisms as well as active defense engine, with the adoption of innovative technologies such as threat intelligence, big data analysis and security visualization. Thanks to these models and technologies, the System has multiple functions including compliance and reinforcement, threat defense and detection, operation and maintenance control and audit, endpoint data leakage prevention, and unified management and operation, which allow governments and enterprises to develop endpoint security capabilities that remain effective.

**Qi An Xin Endpoint Security Management System (Tianqing)**

**Qi An Xin SECWORLD Next Generation Threat Sensitive System (SkyEye)**

**Qi An Xin SECWORLD Next Generation Security Operation Center (NGSOC)**

Specialized in attack and defense penetration and data analysis, Qi An Xin SECWORLD Next Generation Threat Sensitive System (SkyEye) provides customers with cyber security services and products focused on threat detection and response. Based on network traffic and endpoint EDR logs, SkyEye leverages threat intelligence, rule engine, file virtual execution, machine learning and other technologies to accurately detect the intrusion behaviors against hosts and servers in the network. Besides, the system enables storage and search of traffic logs and endpoints logs depending on the local big data platform. With threat intelligence and attack chain analysis, SkyEye works to analyze, investigate, backtrack events. Relying on boundary NDR, endpoint EDR, and automated orchestration, this product can block threats timely.

Building on the big data platform, and leveraging correlation analysis, machine learning and threat intelligence, Qi An Xin SECWORLD Next Generation Security Operation Center (NGSOC) helps governments and enterprises continuously monitor the security situation by collecting multiple and heterogeneous massive logs. Through upgrading from "passive defense" to "active defense", the System provides security administrators with decision-making support for risk assessment and emergency response, and also provides security operators with tools for threat detection, investigation, analysis and response. Currently, the platform has been put into practice for network protection by thousands of large governmental institutions and enterprises.

**Honors for Products**

According to the authoritative reports by third-party agencies such as the International Data Corporation (IDC) and CCID, Qi An Xin has been ranked No. 1 in China in the key areas of endpoint security, security analysis and intelligence (Next Generation Security Operation Center/SOC and other products), data security, cyber threat detection and response, and cloud security.

Share in the endpoint security software market in China **19.7%**

Share in the security analysis and intelligence market in China **8.4%**

Share in China's data security market **6.3%**

Share in China network detection and response market share **23.5%**

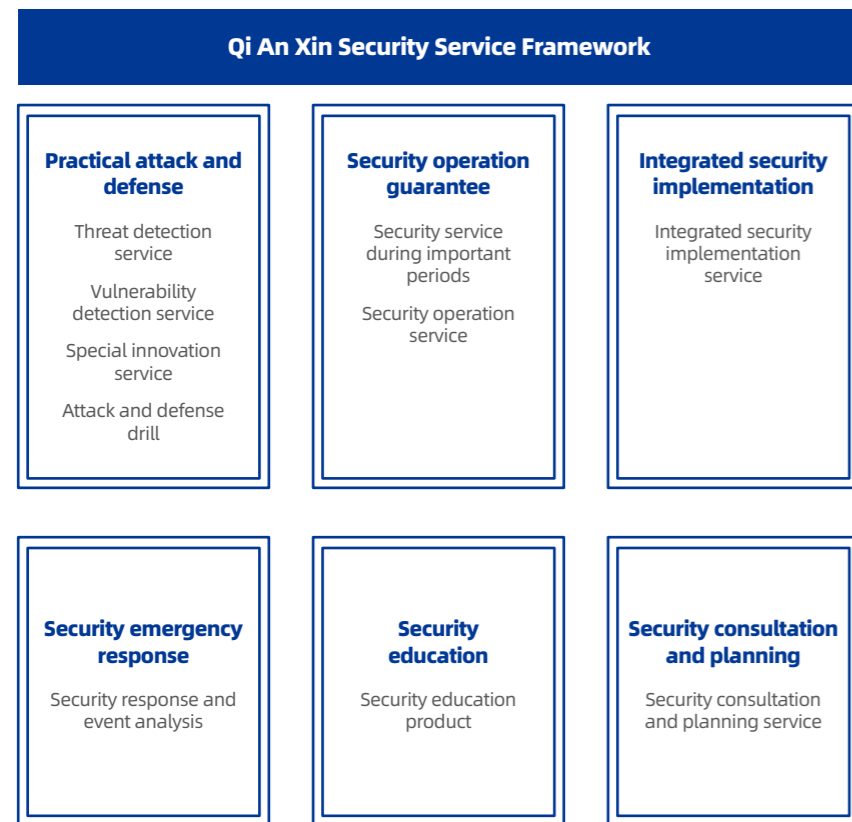Share in China cloud workload security market **17.2%**

## Practical Security Services

Upholding the core philosophy of "endogenous security", Qi An Xin has established the cyber security service system featuring practical attack and defense, which covers expert services and cloud-local coordination mechanism. It has also formed an all-rounded, round-the-clock, and full-cycle cyber security community with shared future. Our operation security products and services enable secure operation, preventing network attacks and information leakage that may impact or damage society.

Building on the IPDMCR capability model (IPDMCR: identify, protect, detect, monitor, confront and respond), Qi An Xin security service system covers security services such as security consultation and planning, practical attack and defense, integrated security implementation, secure operation guarantee, security emergency response, and security education and training to provide customers with 24/7 full lifecycle security safeguarding.
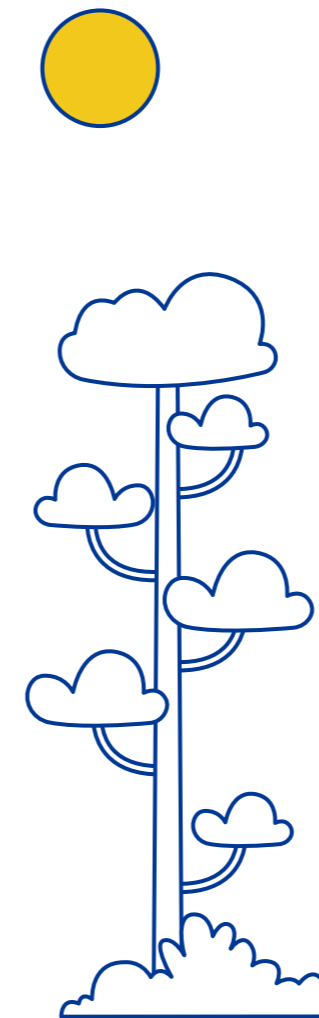
| Qi An Xin Security Service Framework | | |
| --- | --- | --- |
| **Practical attack and defense**<br><br>Threat detection service<br><br>Vulnerability detection service<br><br>Special innovation service<br><br>Attack and defense drill | **Security operation guarantee**<br><br>Security service during important periods<br><br>Security operation service | **Integrated security implementation**<br><br>Integrated security implementation service |
| **Security emergency response**<br><br>Security response and event analysis | **Security education**<br><br>Security education product | **Security consultation and planning**<br><br>Security consultation and planning service |

### ※ Cyber security Safeguarding Service during Important Periods

Qi An Xin strives to provide governments and enterprises with all-rounded cyber security safeguarding services during important periods, with an aim to control risks and remove potential hazards before important periods, and strengthen monitoring for "Zero Incidence" purpose during these periods. With 24/7 security monitoring, incident analysis and handling, and emergency response guarantee, Qi An Xin helps customers identify potential hazards fully, reinforce and rectify cyber security measures, and optimize cyber security strategies timely in order to enhance the cyber security safeguarding capabilities of important system operators during important periods.

In 2022, Qi An Xin undertook cyber security safeguarding tasks for major national events, such as the 20th National Congress of the CPC as well as the Beijing Winter Olympic and Paralympic Games, with its solid professional competence.

### ※ Emergency Response Service

To respond to customer needs, Qi An Xin has set up an offline cyber security emergency response service team that is one of its kind in the world. The team consists of over 2,000 engineers who possess emergency response competence, including 100 senior security experts and 300 experienced penetration testing engineers nationwide. Boasting capabilities in tractability and forensics, threat intelligence, sample analysis, and cloud monitoring, the team is able to provide round-the-clock cyber security emergency response services for customers from 200 cities across 31 provinces, municipalities and autonomous regions as well as 2 special administrative regions (Hong Kong and Macao).

## Secure Operations

As a leading information security service supplier in China, Qi An Xin doubles down on its efforts to boost the digital transformation of its own management services and information security in addition to delivering cyber security services to customers. Guided by corporate value, Qi An Xin stays committed to its overall digital construction focusing on digital intelligence to lay a stable and reliable foundation for business operation. Making full use of cloud computing, big data and other emerging technologies, the Company strives to enhance its digital infrastructure abilities, and establish a digital platform based on management and application services to facilitate its digital transformation featuring swift, integrated and self-propelled.

### Taking the Lead in Digital Transformation, and Establishing the Digital Management Platform

The digital construction of an enterprise will surely promote the digital transformation of society. Embracing the digital trend, Qi An Xin has set the strategic goal of "Digital Qi An Xin", defining the future direction of digital transformation.
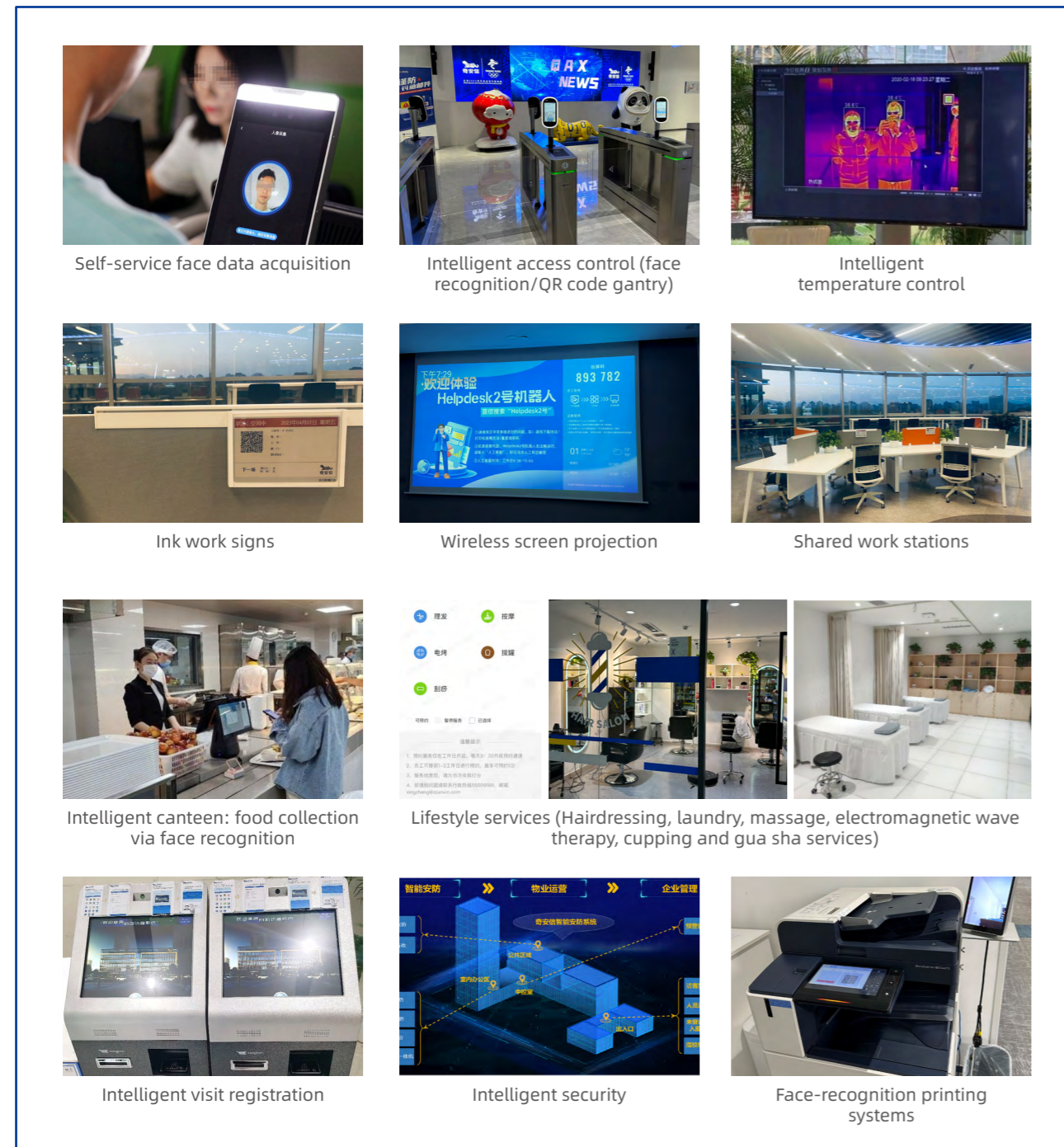
### ※ Digital Management Tools

Responding to the digital trend of internal management services, Qi An Xin has established core digital management applications covering management in projects, finance, contracts, and intellectual property. Applying digital capabilities in decision making and management applications, the Company has enabled simple cross-level data sharing, which effectively enhances management service intensity and efficiency.

In 2022, the financial reimbursement system uploaded over

# 410 thousand invoices

| Intelligent Financial System:<br>Enhancing Financial Management Efficiency |
| --- |
| Relying on OCR and other technologies, Qi An Xin enables easy structured invoice information storage as well as real-time false and duplicate check after voice information acquisition. At the same time, it implements online management of all reimbursement business data to avoid tax risks. To meet the needs of the Company's rapid development, Qi An Xin has established an automated electronic signature system, allowing for accurate and standard-based business management. |

## ※ Intelligent Building and Workplace Environment

Qi An Xin has now completed the preliminary construction of multi-dimensional "Intelligent+" digital scenarios for office, daily life and security. The unified security authentication is carried out through the QR code/face recognition function of Lanxin platform, a modular "Intelligent+" cloud platform. By relying on artificial intelligence, big data and cloud computing, it covers all business scenarios and breaks down barriers between devices and systems with intelligent capabilities.



Self-service face data acquisition

Intelligent access control (face recognition/QR code gantry)

Intelligent temperature control

Ink work signs

Wireless screen projection

Shared work stations

Intelligent canteen: food collection via face recognition

Lifestyle services (Hairdressing, laundry, massage, electromagnetic wave therapy, cupping and gua sha services)

Intelligent visit registration

Intelligent security

Face-recognition printing systems

## ※ Ensuring Safety in the Workplace

The "Intelligent+" cloud platform established by Qi An Xin ensures operational security and the safety of employees, data and property in the core areas in a reliable manner. Qi An Xin Security Center is equipped with an intelligent building security platform, which provides intelligent security through the combination of the intelligent security system and the regular monitoring system. Thanks to AI and big data, the intelligent building control system is able to carry out identity recognition and behavior control. These intelligent security facilities enable surveillance and early warning prior to incidents as well as investigations and forensics during incident and analysis and judgment after incidents, so as to safeguard environmental security.

The intelligent building control system functions to track visitors with abnormal behaviors, and analyze employees entering areas to which they have no access. In case of visitors with abnormal behaviors, the system will automatically identify potential targets with dangerous behaviors, target them according to faces and physical characteristics and analyze their space-time traces to remove external potential threats in the workplace. In case of employees entering the areas to which they have no access, the system will identify the identities of these employees by invocation of internal data, judge their behaviors with reference to preset security threat guidelines, give alarm through pop-up windows, voice warnings, map highlights, emails, and the app to inform persons in charge. This forums a quick and automated forensic process.

### Establishing the Intelligent Data Platform with Intelligent Technology

The intelligent data platform covers general big data product capacity, digital operation management, and data security protection, providing a unified support platform for building internal efficient mechanisms and the digital development of business. The integration of security into operation meets the basic security needs in the industry, with the design of security products catering to the needs of society.

## General Big Data Product Capacity

Qi An Xin continues to establish intelligent platforms to keep mining data value. In 2022, Qi An Xin connected its Xinghai platform to 62 core business systems such as CRM and ERP, enabling real-time data updating and computing. Through the Xuanji platform, the Company has established IPD, LTC, OTD and other business processes, and set up 210 data asset inventories and data sets in fields like human resource and finance, covering over 1,000 business indicators in all dimensions. The platform is also equipped with uniform indicators, technical metadata, and data exception alarms.

With industry-leading big data modular product capacity, Qi An Xin reduces technical difficulties and saves a large number of development resources when establishing intelligent data platforms.



Qi An Xin "Xinghai" Big Data Resource Management Platform functional interface
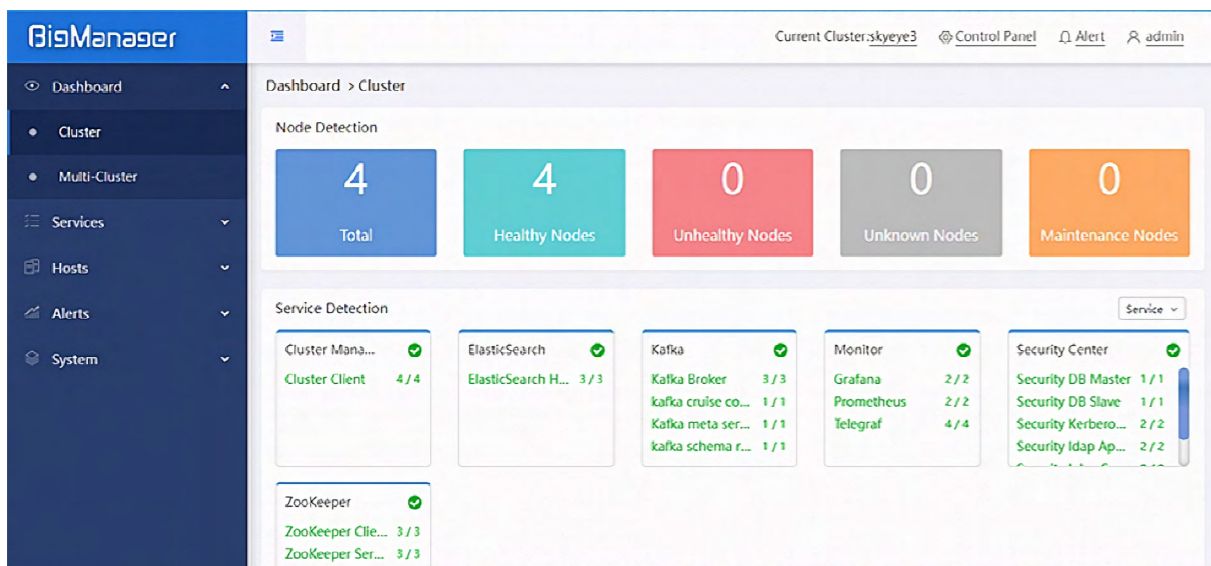


Qi An Xin "Xuanji" Big Data Operation Platform functional interface

## Digital Operation

In 2022, Qi An Xin analyzed management objectives, measures and outcome achievement throughout the business operation process, and assessed the overall effectiveness and direction of the Group's business decisions from multiple dimensions to enhance its digital management competence and level, thus improving business efficiency and increasing income.

The Company established the operation data index system and digital model, and set up visual boards for organization units to visualize core business indicators online, so as to better manage the operation process while enhancing the efficiency of management operation.

The Company designed the four-dimensional performance module at the mobile terminal, collecting core operation indicators for organization units, and establishing over 300 dynamic data indicators terms of comprehensive management, to provide data support for operation analysis and decision making.

The Company developed a digital customer service support system that allows users from various channels to report problems, record work orders, and facilitate problem resolution relying through digital indicators.



24/7 Operational Status Screen

## Data Security Protection

Qi An Xin has launched the internal data security lab project. In the project, it uses five industry-leading products, namely, bastion host, privileged account, API defender, database audit and situational awareness, to fully safeguard internal operation data, and reinforce the security of stock business. This project has identified the best practice of data security safeguarding in the industry.
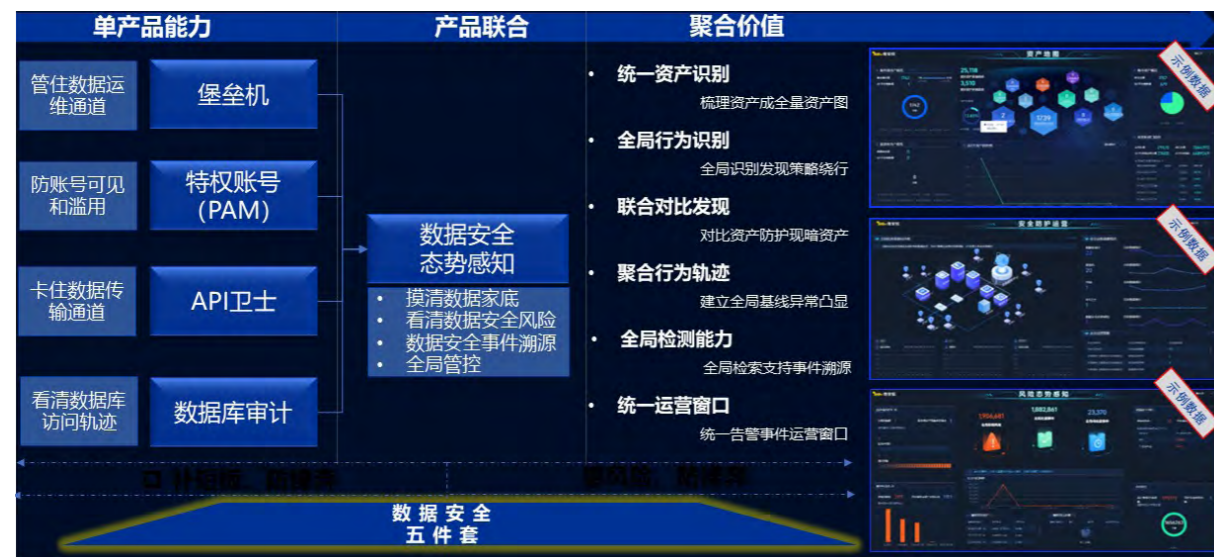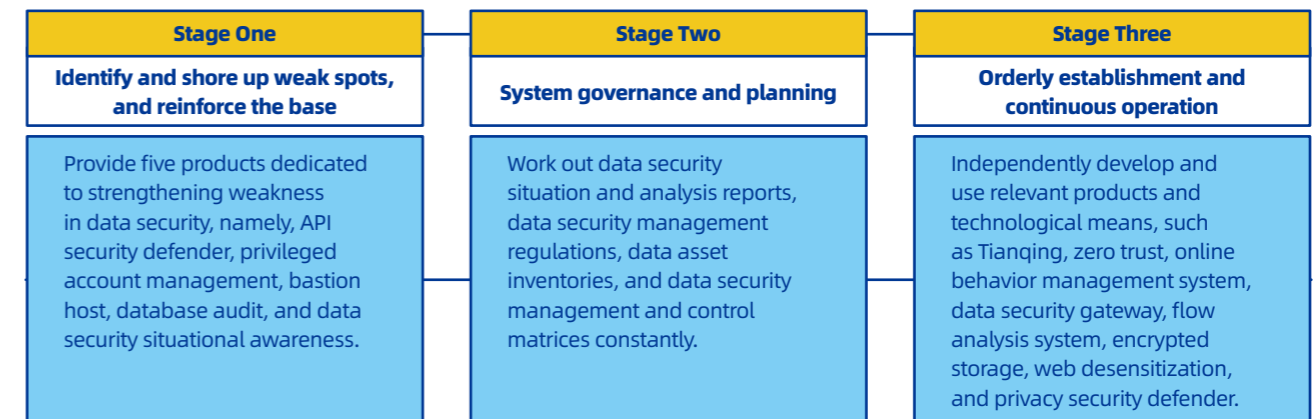


Five Data Security Products
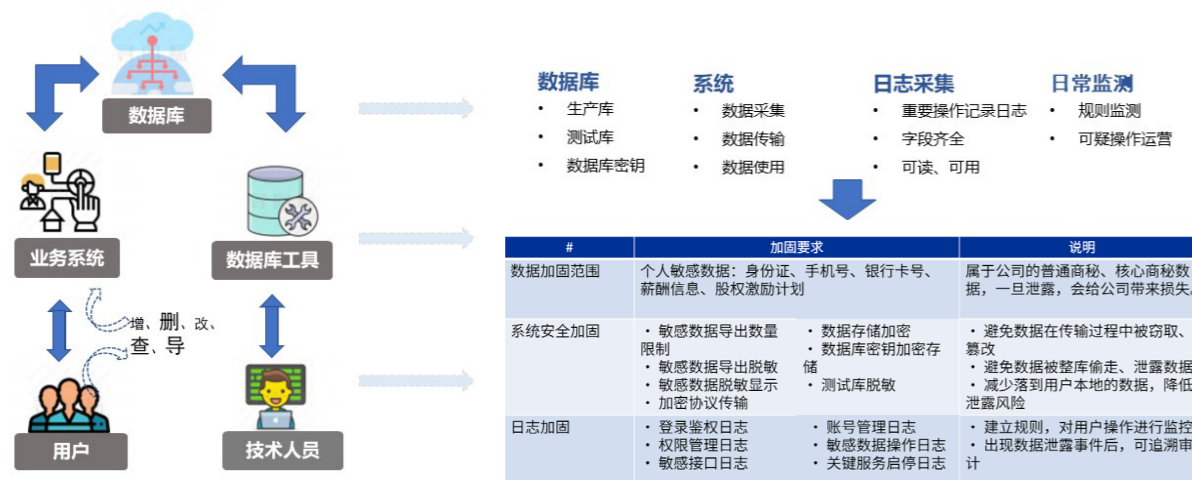


The Reinforcement Requirement of Operation System Data Security

## Fostering an Ecology to Safeguard Cyber Security Operation

Qi An Xin continues to contribute efforts in the field of cyber security ecology. The Company has established the cyber security ecological system centering on data security, product security and training in order to comprehensively ensure secure and stable operation. At the same time, it also enhances the Company's anti-risk capability and business.

In terms of data security, Qi An Xin has determined the staged data security safeguarding framework. At the first two stages, the Company strives to work on shortcomings and reinforce the base, and at the final stage, it strives for continuous operation.

Three Stages of Qi An Xin Data Security Safeguarding Framework

| Stage One | Stage Two | Stage Three |
|---|---|---|
| Identify and shore up weak spots, and reinforce the base | System governance and planning | Orderly establishment and continuous operation |
| Provide five products dedicated to strengthening weakness in data security, namely, API security defender, privileged account management, bastion host, database audit, and data security situational awareness. | Work out data security situation and analysis reports, data security management regulations, data asset inventories, and data security management and control matrices constantly. | Independently develop and use relevant products and technological means, such as Tianqing, zero trust, online behavior management system, data security gateway, flow analysis system, encrypted storage, web desensitization, and privacy security defender. |

Qi An Xin continuously invests in the product security development system, focusing on its own security during the software life-cycle. With reference to security development practices, such as the security development life cycle (SDL), software assurance maturity model (OpenSAMM), and integrated development security operation and maintenance (DevSecOps), the Company has established a full software security development system, covering aspects such as identification of security requirements, security design, security development, security testing as well as deployment, operation, and maintenance of security. Throughout the R&D life cycle, the Company has introduced security and privacy review and control measures, and adopted automated verification means to enable end-to-end security inspections in the whole process from business requirement identification to product delivery. These efforts aim to enhance product security protection capability and ensure software security.
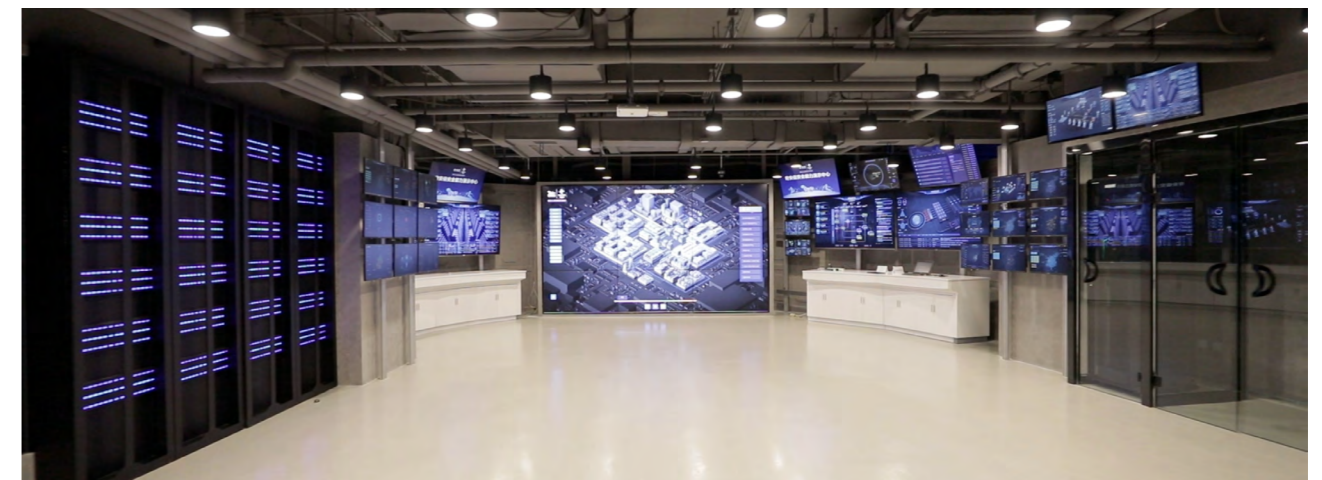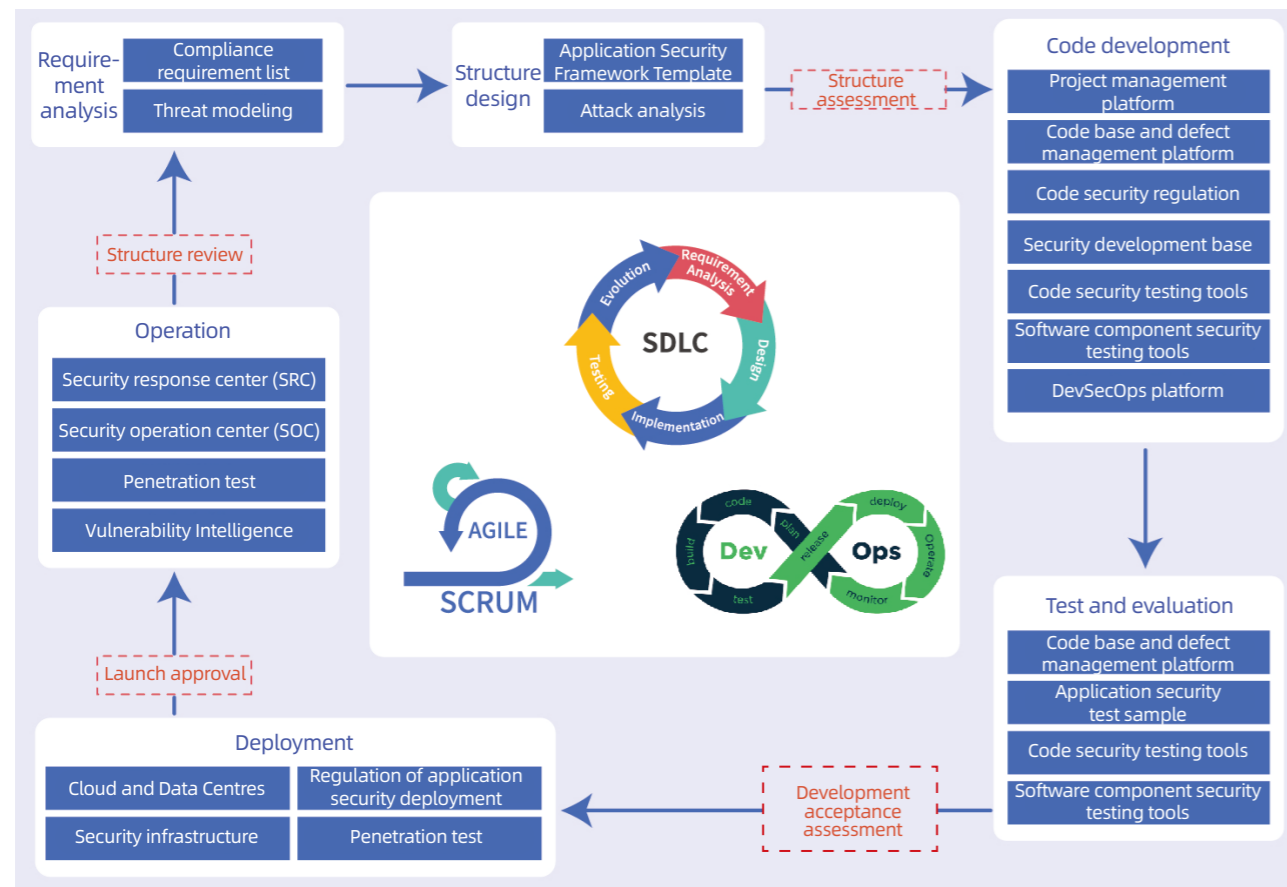
Qi An Xin SDL Flow Chart

In terms of training system, Qi An Xin has developed a special cyber security publicity system to improve the security awareness and competence of employees. In the hierarchical training system, Qi An Xin organizes induction training, regular reviews, training dedicated to specific posts, and training for susceptible employees so that every employee can build and maintain awareness on cyber security and privacy protection.
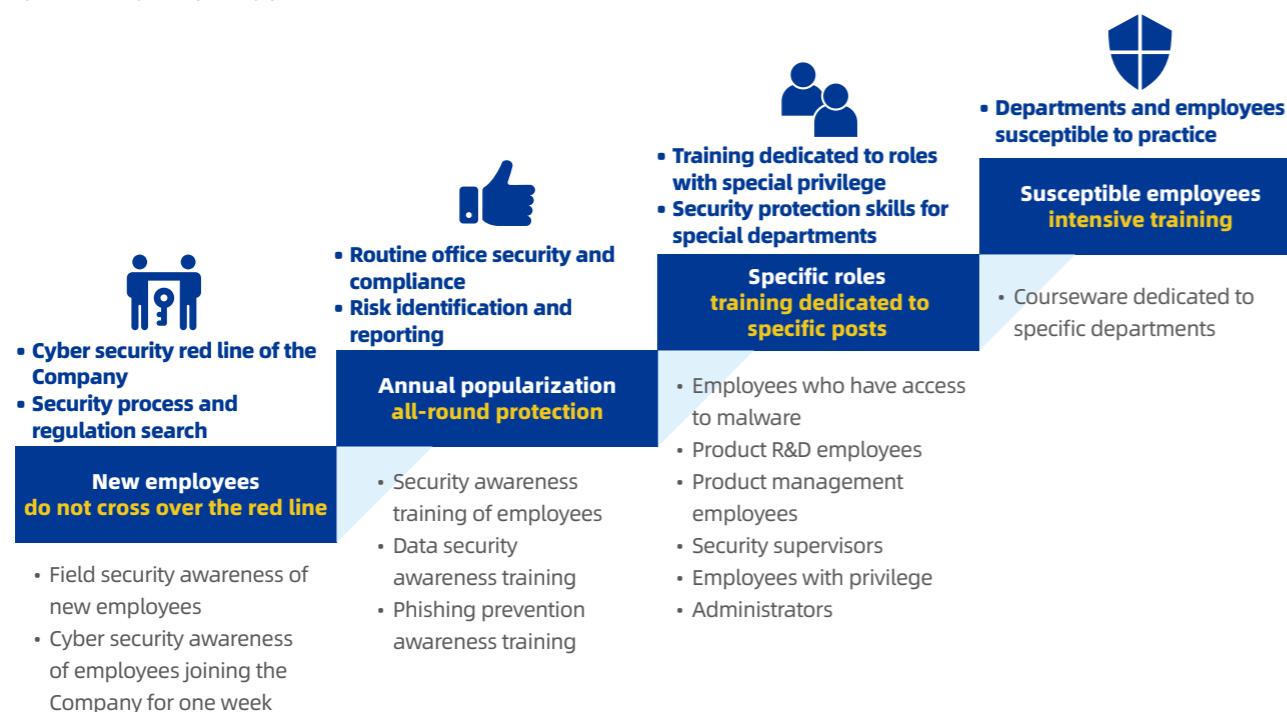


Qi An Xin hierarchical training system

## Solidifying the Foundation to Deliver High-quality Services without Accidents

Ensuring business stability is the core focus of cyber security operation and maintenance. Amid the continuous progress of digital development, the Company faces new challenges in its business and its system operation and maintenance. Focusing on the structure with dual server rooms, monitoring and warning, security reinforcement, security safeguarding during periods with skyrocketing needs, and emergency plans, Qi An Xin has pooled its security operation efforts to establish an effective joint mechanism and build an effective support system. Such efforts help to make digital systems more accessible, easier and safer. With the self-adapting endogenous security mechanism, the Company has enhanced the overall operation and maintenance efficiency, and business stability. Therefore, it is able to provide customers with high-quality services while staying free from any accidents.

### Dual Server Rooms

To ensure operation stability and improve disaster recovery capability, Qi An Xin furnished server rooms in Shanghai and Beijing with application and data disaster recovery services, and established the structure of dual server rooms enabling disaster recovery in 2022. As a result, the system availability rate reached up to 99.95%. On the one hand, this innovative move reduces losses caused by system faults while cutting routine operation and maintenance costs. On the other hand, it shortens shutdown time. These efforts contribute to the achievement of the goals of strategy approval, seamless switching, safety and stability, providing customers with more effective and better services, thus enhancing the image and value of the Company.

### Security Safeguarding during Periods with Skyrocketing Needs

To address surging pressure on digital system stability every three months or at the end of each year with skyrocketing needs, Qi An Xin has made proper arrangements to ensure the stability of 18 systems, together with several departments. At the same time, the Company has tasked personnel with specific jobs to ensure operation stability, and arranged round-the-clock shifts to inspect systems every day. These efforts help the Company to maintain normal business operation, and deliver projects to customers on time, and safeguard the cyber security of society.

### Security Reinforcement

Qi An Xin has formulated and implemented warning rules. With reinforcement in encrypted data storage, data masking, and data export restriction, the Company has established a differentiated and precise data protection mechanism, fostering prevention before incidents and post-incident audit and tracing. Thanks to the mechanism, personnel can use data but have no access to data path and data transfer. Hence, it is a great effort to ensure operation stability.

### Monitoring and Warning

In 2022, Qi An Xin doubled its efforts to strengthen application service monitoring and warning capability to address application service management problems. To this end, the Company established the full-process warning mechanism covering "warning triggering - real-time notification - recording", changing the pattern from "checking business status by personnel" to "warning personnel of business status automatically". This mechanism effectively reduces faults, shortens fault response time, improves business value, and enhances customer satisfaction.

### Emergency Plans

In addition to measures above, Qi An Xin has worked out emergency plans along with multiple actions to ensure stable, continuous and suitable services. The Company has improved disaster recovery plans and backed up data regularly to enable core data recovery in case of natural disasters, cyber-attacks, system faults, or other emergencies. Furthermore, the Company tests systems and running processes regularly to identify potential problems in time. At the same time, the Company also arranges for employees to receive training periodically to increase their service awareness and strengthen their emergency response capability.

## Customer Service

Qi An Xin focuses on the technology-based and customer-centered service principle throughout its technical support and service system. The Company has established a comprehensive service system complying with international practices, which includes a strict organizational system, high-quality talent teams and effective service procedures. We provide customers with standard-based services and top-class technical support meeting their needs in a timely manner, forming the cornerstone for us to survive and grow.

### Digital Marketing Management

Focusing on the digital integration of marketing resources, the digital marketing management platform remodels customer value, and helps companies reinforce, expand and re-define the customer value chain with the help of information and data analysis. The platform provides digital management and operation tools for the marketing system. With consideration To B business mode in the cyber security industry, we have established the digital marketing network by leveraging big data and artificial intelligence to meet the customer needs of real-time awareness, analysis and prediction, so as to build a benchmark for digital applications in the industry.

At the same time, the Company actively promotes digital price management. In addition to enhancing its own management efficiency, the Company provides excellent practice references for digital marketing management in the cyber security industry and greatly contributes to building the digital benchmark in the cyber security industry.

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**Intelligent Marketing Management Endpoint**

The intelligent marketing management endpoint, an uniform mobile portal for the marketing system (marketing portal), integrates common marketing resources, and works to improve data transparency during the marketing process, enhance business efficiency, and support the strategic development of the Company while helping marketing personnel achieve performance objectives.

In 2022, the Company launched service renewal leads and data visual boards, enabling easy online closed-loop management of service renewal leads, sales performance, and customer management analysis. As of the end of reporting period, this module imported 3,872 service renewal leads for online management, covering nearly 3,000 users. Besides, the Company has reconstructed the product matching quoter in its independently-developed products, enabling the self-help option selection of online products under e-commerce mode, which improves department coordination efficiency and reduces price data leakage risks.

Through digital integration of service channels, the Company has established the user service system featuring agile response to provide targeted and on-demand services throughout the process from order to delivery. This enhances the response capability in the full product life-cycle.

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### Improving Service Quality

To effectively protect the rights and interests of customers, Qi An Xin has established a comprehensive set of service criteria and service procedures. By far, the Company has been certified for its compliance with the ISO20000 IT Service Management System, ISO9001 Quality Management System, and GB/T27922-2011 Evaluation System for After-sales Service of Commodity (Five-star). We make unremitting efforts to improve the quality of service and protect the rights and interests of customers.

#### ※ Releasing the First Short-number Cyber Security Hotline in China 95015

In 2022, Qi An Xin released the first short-number cyber security hotline (95015) in China, replacing the previous emergency response hotline, the customer service hotline and the partner hotline, which marks an important upgrade in online cyber security service. The combination of this all-in-one hotline, the emergency command platform, the customer service center and the monitoring and dispatching center enhances efficiency sharply and delivers better security protection services to customers nationwide.

#### ※ Upgrading Service Quality Criteria

In 2022, Qi An Xin published the *Qi An Xin Management Measures for SLA Fault Grading Service Quality Criteria V3.0*. This document redefines and optimizes customer service response and solution timeliness, and specifies stricter service requirements and criteria to provide customers with faster, better and more effective services.

#### ※ Establishing the Intelligent Customer Problem Management System
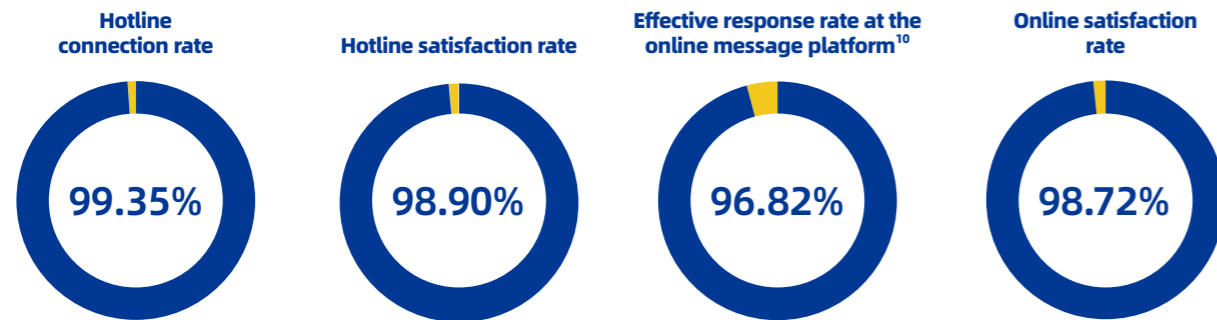
In 2022, Qi An Xin carried out comprehensive upgrades and transformations of its customer issues management system to enable full-cycle monitoring and tracking of customer issues in all dimensions from initiation to resolution. With the combination of the Company's proprietary BI, intelligent robots and other tools for comprehensive digital warning, analysis and management of customer issues, the Company has improved the efficiency of customer issue resolution and service quality.

#### ※ Giving a Listening Ear to Customers' Needs

Currently, Qi An Xin has multiple streamlined customer feedback channels and support platforms, such as 95015 hotline, online message platform, and email. The Company has established effective customer feedback management criteria and procedures. Our customer service personnel handle and trace customer feedback according to the SLA standard in order to ensure each piece of customer feedback is settled to customer's satisfaction.

## Customer service data in 2022

▣ ▣ ▣

Qi An Xin formulates solutions to meet customers' needs, follows up solution implementation, and informs customers of handling results via the customer service hotline 95015 timely to close the loop of issue raising, feedback and settlement.

**Hotline connection rate**

**99.35%**

**Hotline satisfaction rate**

**98.90%**

**Effective response rate at the online message platform[10]**

**96.82%**

**Online satisfaction rate**

**98.72%**

[10]Effective reply rate at the online message platform: Number of interactive messages between customers and customer service personnel/total number of messages. Some customers do not send any message after entering the message platform, which invalidates communication.

## Customer Service Training

In order to systematically propagate the customer service philosophy, improve the service awareness of employees, and enhance service technical competence, Qi An Xin has organized training for customer service personnel more frequently. In 2022, the Company organized 60 product training activities for service engineers, and issued over 15,000 product skill certificates of all product lines for these engineers.



> ❝
>
> **Customer Service Honor Highlights in 2022**
>
> The Company was granted the five-star[11] certificate of after-sales service of goods due to its compliance with the *Evaluation System for After-sales Service of Commodity* (GB/T27922-2011)
>
> The Company received over 100 letters of recommendation from customers.
>
> ❞

[11]"Five-star" is the highest qualification level recognized by China National Accreditation Service for Conformity Assessment (CNAS).

## Customer Privacy Protection

Improving customer privacy protection is an important part of the further development of intelligence and information technology. To strengthen the protection of user and customer privacy security, Qi An Xin has formulated a series of documents including the *Qi An Xin Management Rules for Personal Information Security*, the *Qi An Xin Operating Procedures for Data Masking,* the *Work Safety Management Requirements*, and the *Management Measures for the Conducts of After-sales Services*. Based on these documents, we make efforts to control the privacy management during the service, protect customers' right to knowledge, and organized more privacy protection awareness training sessions for employees in order to protect the personal privacy data of customers and continuously enhance their experience.

### ※ Protecting Customers' rights and interests

Customers are entitled to the ownership and control of their personal information and the right to be informed of how the Company handles customer information and data. All Qi An Xin products are equipped with a user privacy policy, which clearly states in detail how data is collected and how it is used, as well as how their privacy is protected. This ensures that the security of customer privacy and the transparency of the use of customer data are continuously improved, thereby protecting customers' right to information.

#### Qi An Xin's Future Plans for Customer Privacy Protection

| | |
|---|---|
| Unified Privacy Protection Policy | To achieve effective protection at the infrastructure level with the Company's "Five Elements of Data Security", we restrict the use of data to the intended location and within the permitted personnel in order to achieve the goal of making data usable yet non-spreadable, with all retention of data prohibited. |
| Variability in Implementation | Adopting the strategy of "available but not viewable" to ensure data security of business systems, we formulated customized implementation plans with the characteristics of business systems. Examples include product iteration for self-developed systems to achieve desensitization of sensitive personal information, as well as data security gateways to achieve desensitization of sensitive personal information in business systems with limited product iteration. |

### ※ Implementation of Privacy and Security Management

To protect customer privacy and reduce business risks, Qi An Xin mandate all its employees in terms of safety awareness, behaviors and confidentiality based on the *Work Safety Management Requirements*, in order to effectively protect the privacy and security of customer.

| | Safety Awareness | Safe Operation | Safe Conduct | Security and Confidentiality |
|---|---|---|---|---|
| Requirements | Increased awareness of cybersecurity throughout the employee body | Implementation of requirements for security deliverables by all employees | All employees are to ensure proper behavior | All employees are to comply with security and confidentiality requirements |
| Rules (Examples) | • Prohibition of setting of weak passwords<br>• Prohibition of storage of sensitive information on the server | • Ensure site security and compliance with customer management regulations<br>• Focus on customer documentation and software management regulations | • Prohibition of unauthorized system penetration testing<br>• Avoid mixing personal computers and office computers | • Dedicated networks and websites as well as specific uses for specialized computers<br>• Undergo official confidentiality training and enhance confidentiality awareness |

### ※ Organizing More Privacy Awareness Training

Qi An Xin firmly enforces the privacy awareness promotion system and regularly organizes reviews of safety production cases for employees to continuously increase their awareness on privacy protection. In addition, the Company requires all employees to complete the study and assessment of the content of the Company's Production Safety and Privacy Protection Requirements by means of on-site training or online videos followed by online assessments. Newly recruited employees are required to complete the production safety assessment within 7 days.

# Promoting Integration and Co-construction to Empower the Sustainable Development of the Value Chain

In addition to promoting technological advancement and meeting customer needs for digital transformation and cyber security protection, Qi An Xin undertakes its social responsibility by utilizing its technological advantages to boost industry development and create shared value for the industry. The Company has established a full-process supply chain management system to grow together with partners in the value chain. Being the pioneer in the industry, the Company remains committed to promoting partner development and industry talent cultivation with our rich experience. It also proactively participates in industry exchanges and standards formulation to empower the industry and pursue win-win cooperation.

Signing rate Commitment to Integrity of Qi An Xin's suppliers

**100** %

## Supply Chain Management

As consistent good performance of suppliers is the basis to ensure stable operation of an enterprise, Qi An Xin has established a supplier management system with reference to best industry practices. The Company has formulated internal management regulations including the *Qi An Xin Measurement Measures for Procurement in the Supply Chain*, the *Qi An Xin Measurement Measures for Suppliers in the Supply Chain*, the *Qi An Xin Management Procedures for Certification of Raw Material Suppliers*. These documents clarify the allocation of management responsibilities, supplier relationship management, access criteria, performance assessment and training activities. In 2022, Qi An Xin cooperated with 125 raw material suppliers.

| Total number of raw material suppliers | umber of raw material suppliers in mainland China | Number of raw material suppliers in other countries and regions |
|---|---|---|
| **125** | **122** | **3** |

For standardization and efficient management of supplier evaluation and strict control of supplier quality, Qi An Xin has established comprehensive differentiated supplier evaluation procedures and assessment methods. In terms of supplier application, the Company requires potential suppliers to fill in the Supplier Survey Form, and present true and valid basic qualifications and credentials. In terms of supplier assessment, Qi An Xin organizes a supplier assessment committee to assess potential suppliers with reference to the TQRDCESR matrix and the Supplier Scoring Form, with priority given to suppliers with the highest scores. Our suppliers are required to sign the Commitment to Integrity and comply with our procurement ethics and regulations on anti-fraud.

Technology — Cost — Environment — Safe — RoHS[12] — Delivery — Response — Quality

**TQRDCESR System for Supplier Screening**
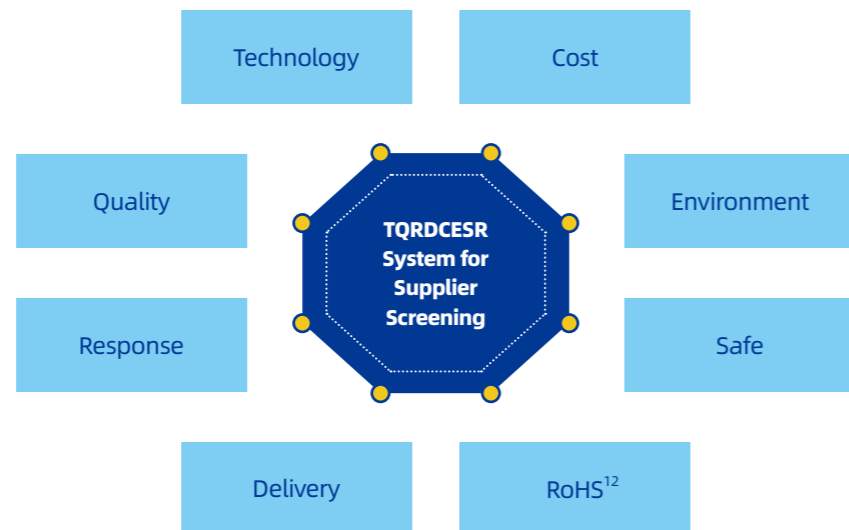
[12]Restriction of Hazardous Substances

### ※ Supplier Management

In routine management, Qi An Xin highlights the development of supplier capability through auditing. The Company has set up a supplier assessment team comprising members from the Procurement Department of the Business and Supply Chain Center, the Product Business Department, the Quality Control Department, and the Customer Service Expert Department. The committee will assess supplier performance regularly according to the categories of suppliers.

Apart from routine annual audits, Qi An Xin has established an interim audit mechanism that allows supplier quality engineers (SQE) from the Business and Supply Chain Center to conduct issue audits as needed. According to performance evaluation results, suppliers are classified into three categories, namely excellent, qualified and unqualified.

To give play to the feedback and incentive function of performance assessment, Qi An Xin incorporates supplier performance into business performance assessment, and apply the mechanism to suppliers in the phases off selection, bidding and portfolio management. Under the same conditions, suppliers with excellent performance will be given priority in supply share or granted more business cooperation opportunities. Meanwhile, suppliers with unsatisfactory performance will be required to make rectification within limited time and be entitled to less supply share and limited business cooperation opportunities. Suppliers failing to pass assessment twice will be removed from the shortlist.

Supplier Assessment Methods

| Assessment methods | Assessment contents |
|---|---|
| Access assessment | Assess new potential suppliers and prepare the *List of Qualified Suppliers*. |
| Annual audit | Audit all qualified suppliers annually. |
| Interim audit | The decision of supplier quality audit is made according to the following three circumstances and audit is carried out by SQE as needed:<br>1. Major changes in some functions of suppliers, such as organizational structure changes or procedure revisions;<br>2. Adjustments within suppliers (including changes in production processes, premises, key process parameters, tooling, major raw and auxiliary materials, or secondary suppliers);<br>3. Major quality problems of suppliers' products or services sold to the Company, or recurring issues, batch quality problems or major failure problems within the Company. |

### ※ Improving Supplier Capacity

Qi An Xin also attaches importance to the improvement of supplier capacity. To this end, the Company organizes training and tutoring for suppliers according to the categories they are classified into, so as to help them enhance operation efficiency and supply capacity. Hence, this will reduce procurement risks, and form a supply chain with mutual benefits upon cooperation.

## Software and Hardware Supplier Training ▣ ▣ ▣

With a strong focus on building supplier capacity, Qi An Xin has organized several online training activities centered on topics like quality standards, quality objectives and quality management methods for hardware suppliers in 2022. Meanwhile, the OEM software supplier quality management team provided important control software suppliers with online training activities specific to the *Qi An Xin Management Regulations on OEM Software Quality*, the *Project Management,* the *Root Cause Analysis*, and the *Test Management*.

**In 2022, Qi An Xin organized**

Hardware suppliers training activities

**10** sessions

Software suppliers training activities

**11** sessions

### ※ Developing Practical Courses

Relying on its solid cyber security capability and discipline teaching standards, Qi An Xin has established a full cyber security course system, which covers basic cyber security knowledge, cryptography knowledge, cyber security expertise, system security knowledge, and content security knowledge. Balancing theoretical knowledge and practical skills, the system aims to cultivate the all-rounded cyber security capabilities of trainees.

**In 2022, Qi An Xin**

Designed

**40** courses

Contents mounted to

**2,296** training hours

Trained over

**12,000** students

Covered over

**200** universities
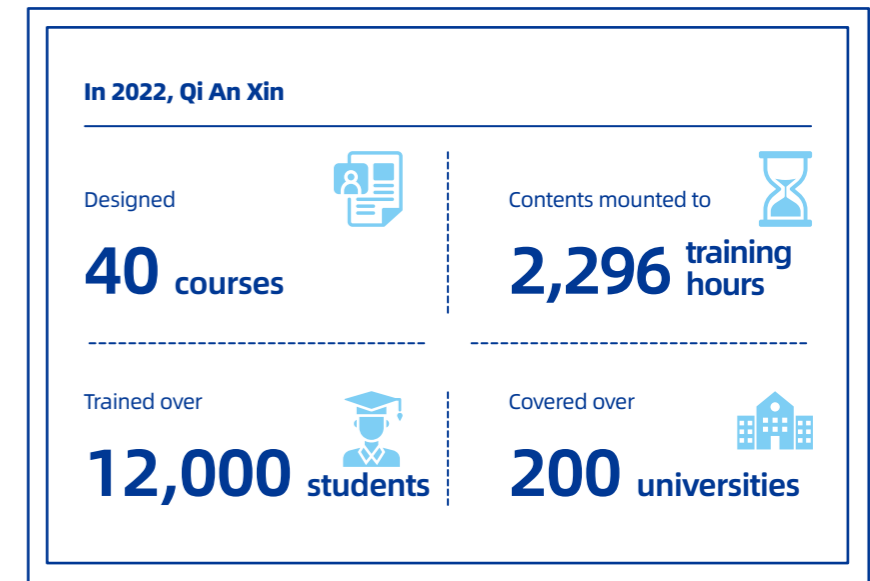
## Driving the Industry Development

As network technologies develop rapidly along with increasingly prominent cyber security issues, the shortage of cyber security talents and the limitation of industry technologies have been two major factors restricting the information-based development and cyber security improvement in China. As the largest cyber security company in China, Qi An Xin is committed to fostering a healthy ecosystem and leading the development of the industry. Therefore, Qi An Xin has taken combined measures in talent cultivation and industry exchange over years, and called for joint efforts to share a future with safe cyberspace.

### Cultivating Cyber Security Talents

The cultivation of cyber security talents is a national strategy and an integral part of the industrial ecology. Thus, Qi An Xin remains focused on the cultivation of cyber security talents in the long run. Adhering to the principle of "systematic, hierarchical, and professional talent training for the long term", the Company has incorporated cyber security education and training into its important development strategy amid cyber security evolution, in order to facilitate the comprehensive improvement of cyber security capacity nationwide while boosting the growth of cyber security talents.

*Textbooks Published by Qi An Xin*

※ **Implementing Practical Teaching**

Based on its rich cyber security real-word case library, Qi An Xin continues to formulate and introduce new teaching methods. Meanwhile, the Company focuses on practical teaching and case studies, by organizing capstones on simulated network attacks, risk assessment, security policy formulation, and security design realization to effectively improve the practical skills of trainees. In addition, the Company studies cyber security cases such as information system integration, security product integration, application security protection, security operation and maintenance, security operation, classified protection evaluation, and penetration testing to improve the capability of trainees.

In 2022, Qi An Xin developed more than

**25** practical training text books



*Practical Training Textbooks*

**Consolidating the Practical Skills of In-service Employees**

With the rapid development of information technology, improving the skills of onboard cybersecurity employees and the cyber security awareness of administrators is critical to cyber security in the new era. To this end, Qi An Xin has set up courses that integrate cutting-edge technology and business, such as the *Enterprise Network Penetration Test*, the *Enterprise Network Security Evaluation*, the *Enterprise Network Security Operation*, the *Enterprise Network Security Operation and Maintenance*, the *Development of Enterprise Network and its Services*, the *Enterprise Network Application Security Protection*, and the *Enterprise Network Security Product Integration*, with the aim to improve the practical cyber security skills of in-service employees systematically. In 2022, the Company designed 24 practical courses amounting to 992 teaching hours.

※ **Tiger Tally Base**

The Qi An Xin Tiger Tally Base focuses efforts on the training of cyber security talents engaging in cyber security operation and services at all levels for enterprise and public institutions. As of the end of 2022, the Qi An Xin Tiger Tally Base has offered 62 classes in total, and trained 3,756 cyber security talents, including 1,339 engineers assigned to Qi An Xin. Our customers include institutions and companies in the financial, educational, transport, communication, energy, and government sectors in more than 100 cities such as Beijing, Shanghai, Guangzhou and Shenzhen. In 2022, the Base was included into the first batch of the Data Security Talent Training Bases in the Telecom and Internet Industry Talent Strengthening Program.



**As of the end of 2022, the Qi An Xin Tiger Tally Base**

| Has offered | Trained cyber security talents | Number of engineers assigned to Qi An Xin |
| --- | --- | --- |
| **62** classes | **3,756** persons | **1,339** |

On the basis of the Tiger Tally Base course development, Qi An Xin has established a multi-level cyber security talent competency and quality profile model to enhance the actual operational capabilities of talents while creating a multi-dimensional talent selection and evaluation system. The innovative evaluation system provides an optimized iteration of the training system and selection mechanism, enabling further filtering and identification of cyber security talents who are "technically qualified, provide standardized services, provide rapid response, and maintain confidentiality and reliability". This contributes to the development of industry talents. In 2022, the Qi An Xin Tiger Tally Base was named the "Supporting Organization for Evaluation of Talent Competency in Key Fields of Industry and Information Technology".

### ※ Tiger Tally Cyber Security Training Camp

Qi An Xin is committed to discovering and cultivating top security talents. Focusing on the sharing of advanced practical cyber security technologies, the Tiger Tally Cyber Security Training Camp sets up practical courses to effectively improve the practical attack and defense skills of trainees and provide the cyber security industry with middle- and top-tier cyber security talents. Since 2014, the Tiger Tally Cyber Security Training Camp has been successfully held for 9 sessions. As a top professional training institution in cyber security, Qi An Xin has developed more than 80 high-end training courses and trained more than 2,500 trainees.

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#### "Zero-incident Master Class" and "Security Elite Class"   ▣ ▣ ▣

In 2022, the Tiger Tally Cyber Security Training Camp launched the "Zero-incident Master Class" and the "Security Elite Class". These two classes consisted of 19 courses, with a total enrolment of 649 trainees.

**Zero-incident Master Class：** Combining the zero-incident cyber security requirements of the Beijing Winter Olympics and the Company's rich cyber security experience, Qi An Xin has set up this class dedicated to the front-line attack and defense technicians. This class studies real zero-incident cases, and teaches courses in practical attack and defense, and threat monitoring, among others.

**Security Elite Class：** Dedicated to university students and prospective security industry practitioners, this class covers the teaching of systematic basic skills and the training of advanced cyber security capability improvement to provide high-quality talents for the cyber security industry.



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### Facilitating Close Cooperation among Enterprises, Universities and Research Institutions

A diversified university-enterprise cooperation mechanism can help promote the sharing of educational resources and complementary advantages among the parties concerned while enhancing effective and targeted education. Attaching great importance to university-enterprise cooperation, Qi An Xin has organized various cooperation activities, from joint training to practice bases. With platform advantages and continuous industry experience sharing, Qi An Xin has facilitated close cooperation among enterprises, universities and research institutions.

### ※ Practice Base upon Enterprise-University-Research Institution Cooperation

Since 2019, Qi An Xin has been cooperating with universities to build a security talent training system and establish professional practice training bases dedicated to undergraduates or above. At present, the Company has signed agreements on joint training and practice bases for postgraduates with universities such as Tsinghua University, Shanghai Jiao Tong University, Southeast University, Ocean University of China, and Beijing University of Technology, to train Master's and doctoral students in engineering. As of the end of 2022, more than 80 Master's students and 20 doctoral students have enrolled on the practice training bases.

To improve the practical skills of students, the senior researchers from Qi An Xin Technology Institute serve as external supervisors who guide students in thesis writing. In 2022, over 10 postgraduates completed theses and their defenses under the supervision of these senior researchers. The Technology Institute also provides internship opportunities for undergraduates, and master and doctoral students, which last half a year, one year or two years. The internship programs aim to cultivate the students' ability to solve practical problems in real development, and train high-end technical, innovative and inter-disciplinary talents in cyber security jointly with universities. In 2022, more than 30 master and doctoral students worked as interns in the Technology Institute.

**As of the end of 2022, Qi An Xin has**

formed cooperation with
**200** universities

established
**10** joint labs

co-published more than
**30** research papers

Accumulated recruitment
**100** Master and Doctoral students

### ※ Training Reform Program for Master's and Doctoral Students in Engineering

In 2022, Qi An Xin actively engaged in the training of top-tier cyber security talents. Responding to the "Training Reform Program for Masters and Doctors in Engineering" jointly initiated by nine ministries and commissions, and the "University-enterprise Joint Training Program for High-level Cyber Security Talents Urgently Needed by the State" launched by the Office of the Central Cyberspace Affairs Commission, the Company admitted 22 and 14 Master's and doctoral students in engineering who enrolled in 2022 and will enroll in 2023 respectively, and set up the Excellent Engineer Base. For the base, the Company assigned 10 Master's and doctoral supervisors in scientific and technological innovation and over 30 key technical employees and researchers to constitute the supervisor panel.

### ※ University-enterprise Joint Laboratory

As the industry development depends on fundamental research, Qi An Xin is well aware of the importance of research in universities. In 2022, Qi An Xin established joint laboratories in basic and applied research, cooperating with universities and scientific research institutes such as Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, the Institute of Software, Chinese Academy of Sciences (ISCAS), and Shandong University. These joint labs focus on researches on internet infrastructure, protocol security, detection analysis, data-driven security, malware analysis and vulnerability mining, Internet of Things/Internet of Vehicles, 5G and other emerging cyber security technologies. In 2022, these joint labs published 12 papers in the top four international security summits (such as CCS and USENIX), and important international conferences.
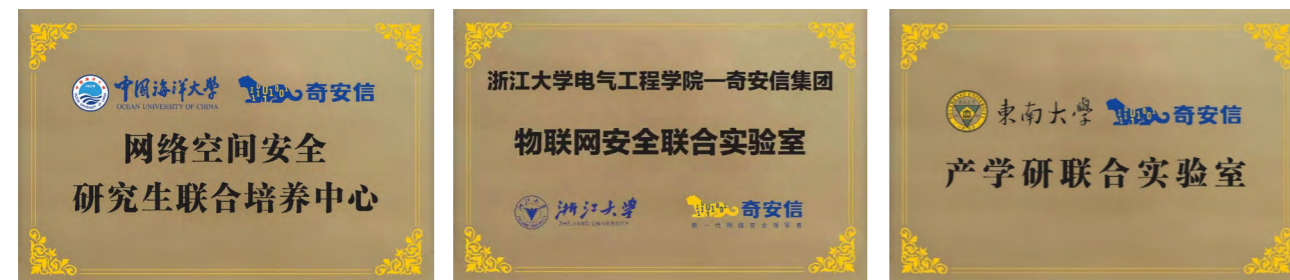
### ※ Teaching and Research Platform

The teaching and scientific research platform not only provides students with more development space, but also plays as an important innovation-driven force. In 2022, Qi An Xin teamed up with Tsinghua University, Shandong University, Sun Yat-sen University, Nankai University, and Nanjing University of Information Science and Technology to develop XX excellent teaching courses in data security, cryptography, and software security, which injects inexhaustible impetus and vitality into cyber security talent cultivation.

### ※ Innovation Funding Program

Under the guidance of the Office of the Central Cyberspace Affairs Commission, Qi An Xin, together with multiple partners including 10 first-class colleges specializing in cyber security, Cyber Security Association of China, and China Internet Development Foundation, launched the Innovation Funding Program for Cyber Security College Students to encourage students to forge ahead and achieve breakthroughs in cyber security innovation.

In 2022, Qi An Xin screened and released 60 excellent subjects out of 166 innovation subjects collected upon evaluation by experts. These topics covered five major aspects, namely security detection, identification analysis, data governance, emerging technologies, and intelligence response. After evaluating 218 applications from universities, Qi An Xin signed funding agreements with 60 university students and earmarked up to RMB 3 million.

Qi An Xin signed funding agreements with

**60** students

The Innovation Funding Program donated
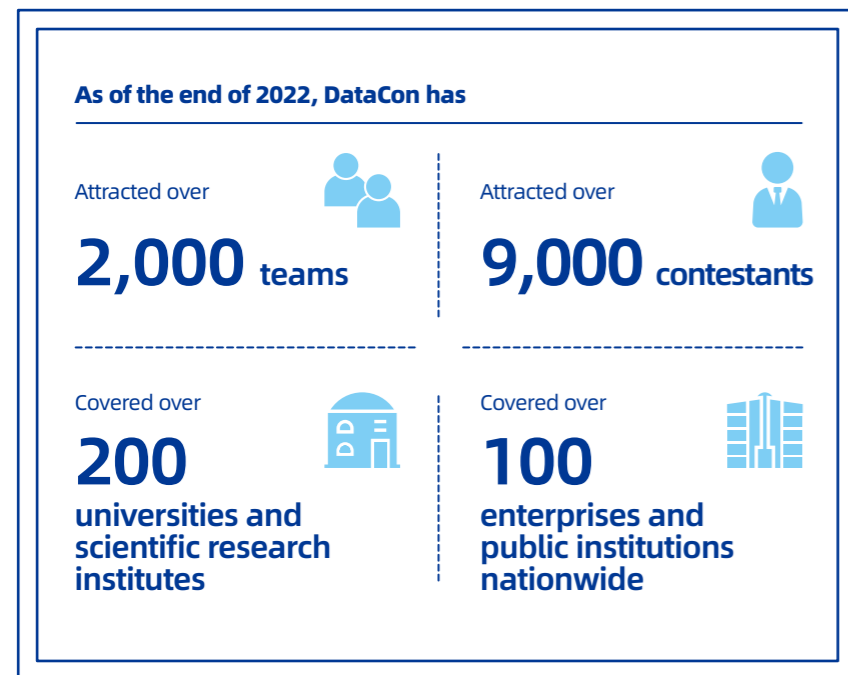
RMB **3** million
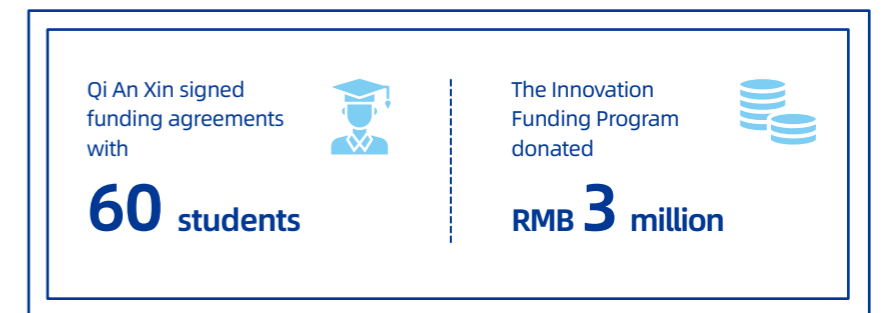
## Encouraging Innovation and Cooperation through Competitions

Competitions are the best platform for putting theoretical knowledge into practice, and an important way to promote industry development. Essentially, cyber security involves attack-defense confrontation. Competitions are a necessary means and basis to build and improve attack-defense capability in real-world scenarios, so as to foster practical cyber security capability. Emphasizing the importance of practical attack-defense drills, Qi An Xin actively organizes or participates in various cyber security and data security competitions. Advocating cooperation and innovation, the Company has set up several national benchmark competitions, and attracted talents from various industries nationwide.

### ※ DataCon2022 Big Data Security Analysis Competition

In 2022, Qi An Xin hosted the DataCon Big Data Security Analysis Competition, the first practical competition in inter-disciplines of security, data and artificial intelligence in China. The event was held in collaboration with Institute for Network Sciences and Cyberspace of Tsinghua University, Ant Group, Tencent Security Big Data Lab, Coremail. This event attracted 1,580 competitors from 662 teams from more than 370 universities, scientific research institutes, enterprises and public institutions all over the state. With real network data, the competition simulates the real-world cyberspace. As an innovative move, the competition shared scientific research data sets with teachers and students in universities for scientific research and teaching experiment.

**As of the end of 2022, DataCon has**

Attracted over
**2,000** teams

Attracted over
**9,000** contestants

Covered over
**200** universities and scientific research institutes

Covered over
**100** enterprises and public institutions nationwide

### A Summer Camp Jointly hosted by DataCon and InForSec at Southeast University

In early August 2022, the InForSec "Cyberspace Security" Summer Camp for University Students and the First DataCon Special Training Camp were successfully held at Southeast University, which attracted more than 100 guests and students attending the event online and in person. The Summer Camp offered courses focusing on attack-defense confrontation and cyber security competitions. The DataCon Special Training Camp had one cyber security class and one system security class to help students understand and master competition skills and relevant expertise.

Besides, the camps provided training and tutoring specific to data security analysis capabilities in terms of network traffic analysis, domain name system security, software security, and Internet of Things vulnerability mining, in order to improve the comprehensive abilities of trainees to solve practical problems from the perspective of big data. In this Summer Camp, trainees ranged from sophomore-year students to second-year doctoral students, all of whom were from 61 universities including Tsinghua University, Beihang University, Beijing University of Posts and Telecommunications, and Shandong University.

※ **"Lanmao Cup" Cyber Security Skills Competition of University Students**

Qi An Xin has hosted the "Lanmao Cup" Cyber Security Skills Competition for University Students 6 times, which is the first network security skills competition that deeply integrates offensive and defensive confrontation and electronic forensics business scenarios. The Company takes the full-process training mode covering talent selection, cultivation and employment to provide practical cyber security professionals for the major national institutions and organs. In 2022, the Competition admitted 3,232 competitors from 1,230 teams.



**As of the end of 2022, "Lanmao Cup" has attracted**

| The participation of | The participation of | The participation of |
|---|---|---|
| **814** universities | **2,638** teams | **6,926** contestants |



※ **Tiger Tally Cyber Security Competition**

Embracing the industry development trend that strikes a balance between security and development, the Tiger Tally Cyber Security Competition has been consistently introducing new competition systems and attack-defense drills over years to train talent teams from various industries. In 2022, focusing on data security scenarios, the Competition launched the online double competition systems covering AWD Plus attack and defense, and PKS system contest for the first time, attracting 3,072 competitors from 800 teams.

**As of the end of 2022, the Tiger Tally Cyber Security Competition has attracted**

more than

**2,600** teams

more than

**7,100** contestants



※ **Provincial-level Competitions**

Apart from national-level competitions, the Company actively cooperates with local authorities to set up provincial-level cyber security benchmark competitions, such as provincial-level joint competitions of universities, and provincial-level industry security competitions. In 2022, Qi An Xin hosted 4 provincial-level competitions. These competitions attracted the participation of over 2,700 university students from 698 teams.
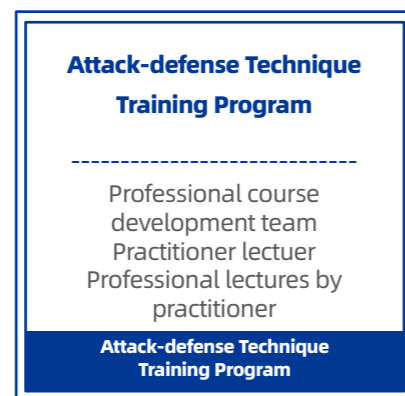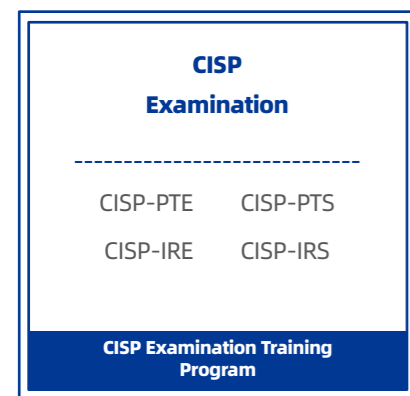
## Certification System to Close the Training Loop

Cyber security talent training requires the integration of multiple resources in the aspects of teaching, scientific research, internship, competition, employment, and certification to formulate the growth loop of students from campus to employment in the cyber security industry. Giving full play to its platform advantages, Qi An Xin has provided systematic industry certification training for students and professionals in various industries, and built an independently-developed certification system to help cyber security talents obtain certificates for jobs, and deliver high-quality cyber security professionals to society.

### ※ Industry Certification Training

With cutting-edge technology advantage and great influence in the cyber security industry, Qi An Xin is now one of the top cyber security service providers with high reputation and strong technical strength in China. As a CISP training institution authorized by the China Information Technology Security Evaluation Center, Qi An Xin engages several cyber security experts to provide enterprises and individuals with high-quality CISP registration as well as training for examination and attack-defense technique. Its certification training efforts will cultivate excellent cyber security talents for customers, reserve more high-end cyber security talents, and help customers establish hierarchical cyber security talent training systems to meet their own cyber security requirements.

| **CISP Examination** |
| --- |
| CISP-PTE    CISP-PTS |
| CISP-IRE    CISP-IRS |
| **CISP Examination Training Program** |

| **Attack-defense Technique Training Program** |
| --- |
| Professional course development team Practitioner lectuer Professional lectures by practitioner |
| **Attack-defense Technique Training Program** |

| **Red Team Scenario-based Practical Training Program** |
| --- |
| |
| **Red Team Scenario-based Practical Training Program** |

| **Full-flow Threat Analysis Training Program** |
| --- |
| |
| **Full-flow Threat Analysis Training Program** |

### ※ Qi An Xin Certification System

Relying on its cyber security talent training experience and extensive knowledge of industry development, Qi An Xin has designed and built a cyber security talent training, registration and assessment system covering all technical fields of cyberspace security. The system, Qi An Xin Cyberspace Security Engineer Certification System, contributes to the national cyberspace security strategy while meeting need for cyber security talents of enterprises. The system aims to serve as a guide for the education and training of all-rounded practical cyber security talents. In recent years, the Company has been optimizing its Security Certification System, and is expected to upgrade the system in 2023.
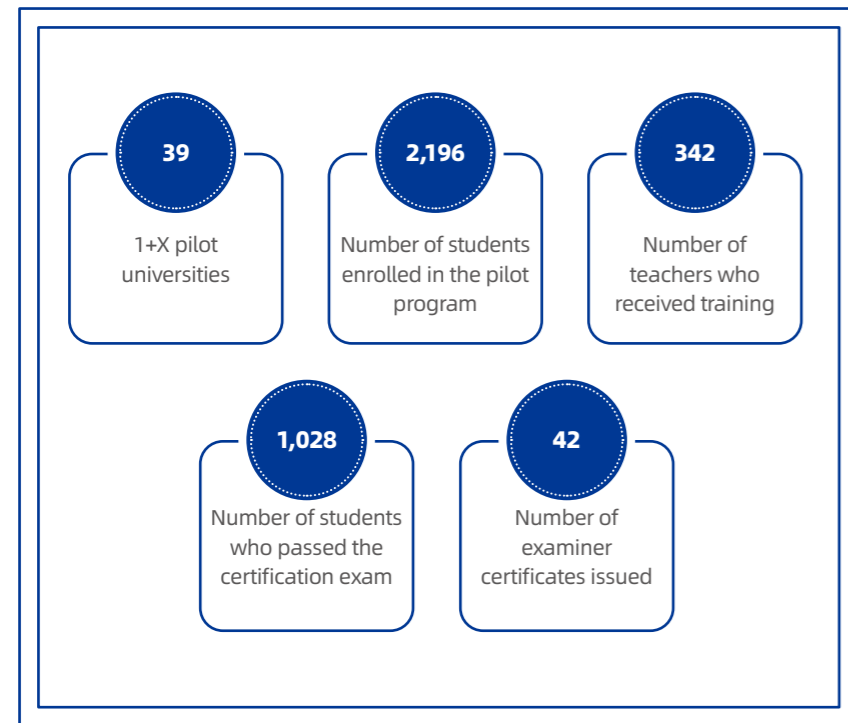


Qi An Xin Security Certification System



Qi An Xin Certification Learning Roadmap
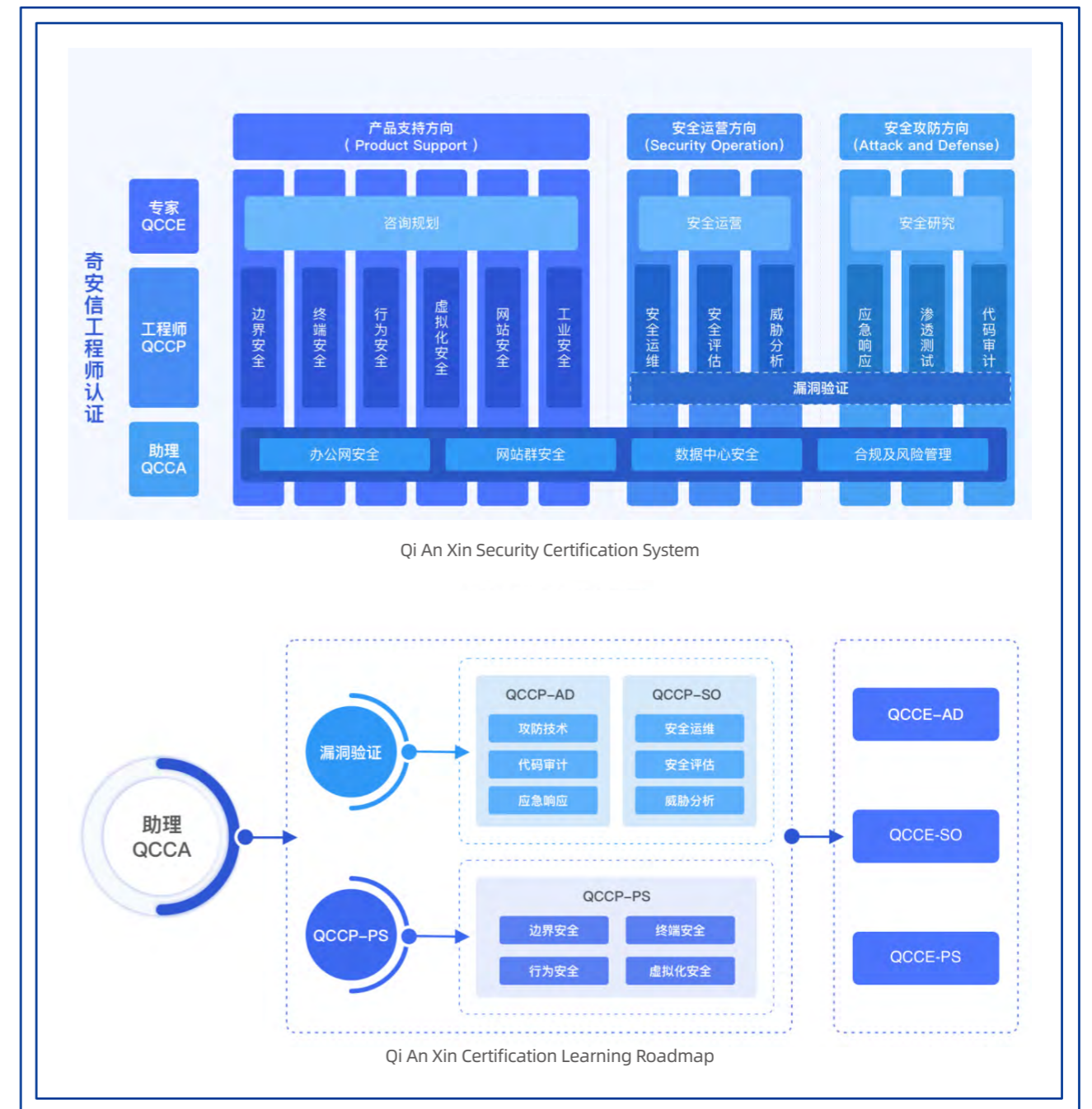
## ※ 1+X Certification System

To implement the *2019 Implementation Plan for the Reform of the National Polytechnic Education*, the *2020 Education Information-based Reform and Work Focuses of Cyber Security*, the *Plan for Pilot Program of Academic Certificates + Several Vocational Skill Level Certificates in Universities*, the *Guiding Opinions on Promoting Pilot Program of 1+X Certificates, and the Notice on Organizing the Training of Teachers in Universities for the Pilot Program of 1+X Certificates*, Qi An Xin has sponsored and designed the 1+X Vocational Skill Level Certificates of Cyber Security Emergency Response, as a supplement to academic certificates, thus facilitating the integration of industrial development and education.

In 2022, Qi An Xin issued 1,028 "1+X" certificates of various types, including 827 Vocational Skill Level Certificates of Cyber Security Emergency Response and 201 Vocational Skill Level Certificates of Cloud Security Operation Services.

In 2022, the number of "1+X" certificates issued by Qi An Xin

**1,028** certificates

**39**
1+X pilot universities

**2,196**
Number of students enrolled in the pilot program

**342**
Number of teachers who received training

**1,028**
Number of students who passed the certification exam

**42**
Number of examiner certificates issued

## Cooperating with Peers to Promote Exchanges and Establish Standards

Industry exchanges are an important way to promote communication and cooperation among enterprises and enhance industrial competitiveness. With a positive and open mindset, Qi An Xin joins hands with partners to promote the coordinated development of the industry chain. We regularly hold and participate in industry seminars, symposiums, cooperative research, and discussions about multi-party business cooperation models to drive innovation and progress in various fields. In 2022, Qi An Xin held and attended more than 20 industry exchange meetings.

### 2022 MOSEC Mobile Security Technology Summit

In November 2022, Pangu Lab co-hosted the 2022 MOSEC Mobile Security Technology Summit with the POC of the Republic of Korea. Focusing on high-quality security technology, cutting-edge technical issues and development trends in mobile security were discussed during the summit. At the summit, hundreds of top white-hat hackers and industry experts in the field of mobile security engaged in extensive discussion of several topics, such as vulnerability mining and utilization, and security protection of mobile software and hardware products including iOS, Android, in-vehicle infotainment systems, and SoC chips.



### InForSec International Cyber Security Forum

In 2022, Qi An Xin held 8 medium-sized academic seminars in collaboration with InForSec International Cyber Security Forum. More than 50 top cyber security experts from China and abroad were invited for academic exchange and sharing. Over 9,600 security research experts from domestic and foreign universities, scientific research institutes and enterprises also attended these seminars online.

## 2022 Seminar on Security Services for State-owned Enterprises during Important Periods and Security Operation ▫ ▫ ▫

In September 2022, Qi An Xin was invited to host the 2022 Seminar on Security Services for State-owned Enterprises during Important Periods and Security Operation. During the Seminar, attendees exchanged ideas and shared on topics such as new security system practices amid digital transformation of enterprises, the "Zero Incidence" security protection experience of Beijing Winter Olympics, the core strategy of security tasks for the 20th National Congress of CPC, and cyber security developments.



In addition, Qi An Xin has actively participated in the establishment of industrial standards. In 2022, several national standards of information security that the Company involved in drafting were published, including the *Information Security Technology–Security Technical Requirements and Testing Assessment Approaches for Network Vulnerability Scanners,* the *Information Security Technology–Guidelines of Cyber Security Protection for Important Industrial Control Systems,* the *Management Requirements for Cyber Security of Industrial Control Systems in Nuclear Power Plant,* the *Technical Requirements for Cyber-physical Fusion Anomaly Detection Specification of Industrial Control System*, and the *Information Security Technology–Information Security Service–Classification and Code*. In addition, Qi An Xin was a drafting participant of the *Information Security Technology-Zero Trust Reference Architecture*, and the *Specification for Human Resources and Social Security Network Security Monitoring and Emergency Disposal*, an industrial standard.

### Gathering Experience to Simulate the Industry Vitality

To promote industry development, Qi An Xin continues to accumulate industry experience and has built the Butian Vulnerability Response Platform alongside the release of several industrial reports. From talents to expertise, we make extensive efforts to fully empower industry development and stimulate industry vitality.

### ※ Butian Vulnerability Response Platform

**As of the end of 2022, Butian Platform**

Has gathered white-hat hacker volunteers over

**102** thousand people

Has provided services to over

**330** thousand enterprises

Has reported more than

**1.1** million vulnerabilities

Faced with issues like severe shortage of cyber security talents and insufficient security capabilities of governments and enterprises, Qi An Xin has established the Butian Vulnerability Response Platform ("Butian Platform"), which focuses on vulnerability response. As a pilot program for Qi An Xin to strike a balance between economic value and social value, the Butian Platform provides accurate and detailed vulnerability intelligence for society by pooling online security forces to help organizations discover vulnerabilities in time and respond to them quickly. Besides, the Butian Platform mobilizes and guides white-hat hackers to safeguard the cyber security of China firmly and reliably as volunteers through the creation of a practical learning environment while building a tutoring mechanism of supervisors and developing a knowledge and skill system.

The Butian Platform is a constructive attempt at new model exploration by Qi An Xin in the field of social governance. Over the past ten years since its establishment, Butian Platform has become the largest Chinese vulnerability platform and one of the top three vulnerability platforms in the world. It is also one of the most active communication platforms for cyber security professionals. At Butian Platform, the Company has organized various activities such as the Attack-defense Community, the HACK for Security event, the "Butian Cup" Cracking Competition, the Butian Salon, and the Butian Campus Tour. As a result, the Platform has grown into a platform for industry exchange, which attracts numerous domestic and foreign cyber security experts, industry masters, security vendors, and research institutes, thus promoting a better technological ecosystem for cyber security.

## 2022 Annual Analysis Report on the Butian Vulnerability Response Platform

The 2022 Annual Analysis Report on the Butian Vulnerability Response Platform sets out collection and disposal of vulnerabilities in terms of their number and types at the Platform in 2022.

**In 2022, the Butian Vulnerability Response Platform**

collected security vulnerabilities at various websites over

**168** thousand vulnerabilities

year-on-year growth rate was around

**15.0** %

Vulnerabilities were discovered at about

**90** thousand websites

The vulnerability fixing rate reached

**69.8** %

Facing increasing practical needs, the Butian Platform has also become a resource pool for practical cyber security talents. The Platform provides a realistic training environment for volunteers and on-the-job cyber security talents, with practical toolboxes and resources as well as customized courses available. It also invites top hackers for technical education, thus delivering sufficient talents to the industry and helping the industry cope with cyber security challenges in the new era.

## "Butian Cup" Cracking Competition

The "Butian Cup" Cracking Competition attracts enterprises, universities, non-governmental white-hat   hackers, and industry security experts nationwide. The event aims to identify the security problems of existing smart devices and software products in the market and promote product upgrading.

In 2022, Qi An Xin formulated and released 26 industrial reports on data security, cyber security, personal information, and industry trends with the aim to share its industry experience and information on future development tendencies as well as industrial standards.

| | | | |
|---|---|---|---|
| 2022 Analysis Report on Industrial Data Ransomware Situation in China | 2022 Analysis Report on Digital City Security Operation Situation in China | Orange Paper on Data Security Situational Awareness and Operation Center Construction | Analysis Report on Data Security Risks of Governments and Enterprises in China |
| 2021 Report on Website Security in China | Orange Paper on Privileged Account Security Capacity Building | 2022 Research Report on Capabilities of White-hat Talents and Development Situation in China | Analysis Report on Risks of Collecting Personal Information Against Regulations by Apps |
| Orange Paper on Zero Trust Data Dynamic Authorization | 2022 White Paper on Practical Capabilities of White-hat Talents in China | 2021 Analysis Report on Industrial Internet Security Development and Practices | Orange Paper on API Security Capability Building |
| 2022 Interim Report on Global Advanced Persistent Threats (APT) | VajraEleph from South Asia | Orange Paper on Compliance Development of Personal Information Protection | 2022 Q2 Detection Report on Collection of Personal Information by Apps |
| 2021 Annual Report on Global Advanced Persistent Threats (APT) | 2021 Analysis Report on Cyber Security Emergency Response | 2021 Research Report on Enterprise Email Security in China | The Second Battlefield of the State Game: Analysis and Enlightenment of Russia-Ukraine Cyber Warfare |
| 2022 Analysis Report on Software Supply Chain Security in China | 2022 Research Report on Cyber Security Talent Market | 2021 Vulnerability Situation Observation Report | |
| "Belt and Road" Cyberspace Security Governance Research Report (2022) | 2022 Analysis Report on Cyber Security of the Healthcare Industry | 2022 H1 Analysis Report on Cyber Security Emergency Response | |

Professional Industrial Reports

## "Belt and Road" Cyberspace Security Governance Research Report (2022)

Covering 147 countries along the Belt and Road for the first time and based on the original five-dimensional three-layer model, the Research Report analyzes and assesses cyber security system, regulators, data governance, compliance and access, and international cooperation on three levels, namely national, continental and global. It thereby provides constructive reference to enterprises, institutions, and organizations wishing to access the status and trends of overseas cyber security policies and data governance.



## 2022 Research Report on Cyber Security Talent Market

The Qi An Xin Industry Security Research Center, together with Zhaopin, Integritytech, the Cyberspace Security Talent Education Alliance of China, and Guangzhou University, prepared the report on the all-rounded and intensive research of the current cyber security talent market situation in terms of changes in demand, the supply and demand structure as well as employer and talent characteristics.



## Data Security Risk Analysis Report for Chinese Government and Enterprise Organizations

The Qi An Xin Industry Security Research Center conducted a comprehensive study on data security risks for governments and businesses in collaboration with Tianji Partners, Butian Vulnerability Response Platform, Qi An Xin Security Service Team, Qi An Xin Security Monitoring and Response Center, and Qi An Xin Data Security subsidiary, in order to better understand data security risks and status for governments and enterprises. An in-depth analysis of data security (including data leakage, data tampering, and data destruction) is provided in this study. From several perspectives, this study examines public incidents, emergency incidents, website vulnerabilities, dark web risks, and digital brand threats in China's government and enterprise organizations.



# Adhering to People-oriented Principle and Growing Together with Employees

**Adhering to the people-oriented principle, Qi An Xin attracts and retains talents with an open, equal and inclusive mindset with due respect and protection of the lawful rights and interests of employees. The Company provides a professional platform for stable and holistic development of employees, while fostering a fair, respectful, caring, healthy, safe and harmonious workplace.**

**As of the end of 2022, Qi An Xin has employed nearly 10,000 security talents, boasting of the largest professional team in cyber security. Together with our employees, we work towards shared progress.**

## Rights and Interests of Employees

The employee body of an enterprise is its most valuable asset and the cornerstone for its sustainable development. To protect the rights and interests of all employees, Qi An Xin has established an employment mechanism that is in compliance with the laws and regulations. At the same time, the Company also persistently advocates an equal, respectful and diversified workplace to enhance the employees' sense of belonging while continuously upgrading the remuneration and benefits granted to employees, so as to build a harmonious and stable labor relationship.

### Equal Employment

In line with the *Labor Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China*, the *Universal Declaration of Human Rights, and International Labor Conventions*, Qi An Xin has formulated management regulations such as the *Qi An Xin Group Employee Handbook* and the *Qi An Xin Employee Discipline Regulations*. Furthermore, the Company signs labor contracts with employees in compliance with the law to ensure that employees enjoy equal and lawful rights to labor remuneration, social insurances, employee benefits, and statutory holidays.
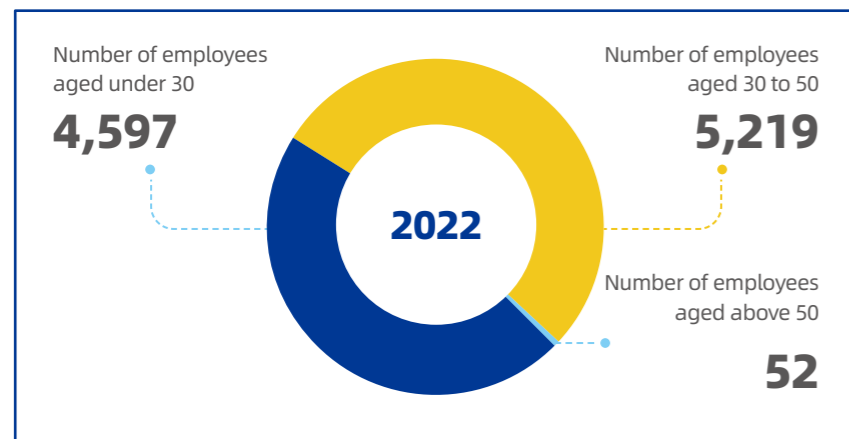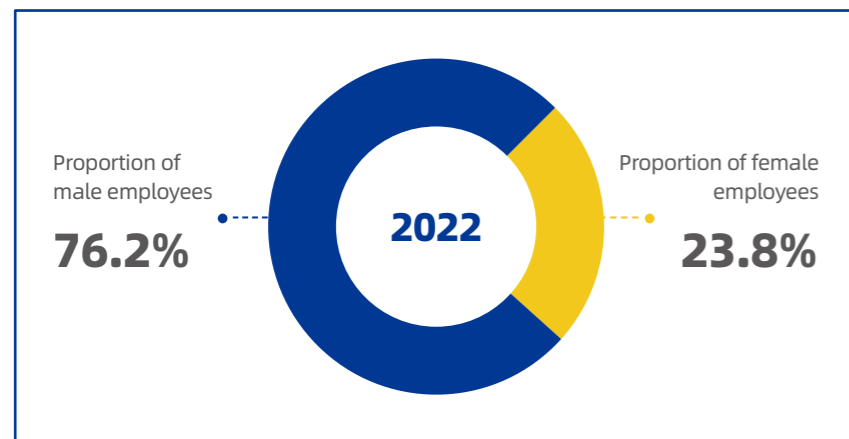
In accordance with the *Qi An Xin Recruitment Management Measures*, the Company mandates the implementation of an equal and fair recruitment process, and ensures equality and non-discrimination in the processes of employment, entry, promotion and resignation. These efforts aim to attract outstanding talents and provide all employees with fair and inclusive development opportunities. Moreover, Qi An Xin prohibits child labor and forced labor, which is reinforced through the mandatory checking of the identity documents of all recruited employees. The Company also cracks down on any forms of physical punishment, harassment and other acts damaging the rights and interests of employees. As specified in the *Qi An Xin Employee Handbook*, the Company will not hesitate to terminate the labor contract with any employee found to be in severe violation of the code of conduct.

| Total number of employees | Signing rate of labor contracts | Social insurance coverage |
|---|---|---|
| **9,868** | **100** % | **100** % |

## Employment Diversity

With diversity as an important source of enterprise vitality, Qi An Xin is committed to building a diversified, equal, and respectful workplace. To this end, we constantly optimize internal rules and regulations such as the Qi An Xin Employee Handbook, strictly require partners and suppliers to abide by applicable rules and regulations, and strongly encourage them to formulate relevant rules and regulations according to their respective conditions and circumstances.

Upholding gender equality, Qi An Xin attaches great importance to the rights and interests, remuneration and welfare of female employees. To be specific, the Company supports the equal rights and employment opportunities of female and guarantees equal pay for equal work for both male and female employees under the same conditions. In 2022, females accounted for 23.8% of total employees and 21.3% of total executives in Qi An Xin.

Proportion of male employees
**76.2%**

**2022**

Proportion of female employees
**23.8%**

Number of employees aged under 30
**4,597**

Number of employees aged 30 to 50
**5,219**

**2022**

Number of employees aged above 50
**52**

| Indicators | Unit | 2022 |
|---|---|---|
| Proportion of female executives | % | 21.3 |
| Number of employees from ethnic minorities | \ | 495 |
| Number of disabled employees | \ | 98 |

## Democratic Communication

Smooth communication channels and fair handling procedures help employees fully express their opinions and create a workplace that supports democratic communication. Qi An Xin has established an equal and democratic multi-channel communication and feedback mechanism through the internal communication software, "Lanxin", "Tengyun", dedicated email addresses, morning meetings as well as regular meetings, thus enabling effective feedback and allowing employees to express their opinions and suggestions.

In addition, Qi An Xin has set up the labor union and grants all employees the right to join the labor union and participate in collective bargaining. The labor union makes efforts to foster organizational building, stability maintenance and right protection, employee activities, and care for employees to effectively protect the rights and interests of employees. The employee assembly organized by the labor union holds regular annual staff meetings to review and vote on employee-related rules and regulations in order to ensure that the needs of employees are met.

## Remuneration and Benefits

In accordance with national policies and regulations, Qi An Xin has provided employees with competitive remuneration and benefits with consideration to its operation conditions and objectives. It has also established a performance-based incentive mechanism, giving priority to employees with excellent performance and those holding key positions. To protect the rights and interests of employees as far as possible, Qi An Xin conducts market remuneration research and annual review and revision of its remuneration system. After assessment and revision, the Company fully communicates with employees to ensure that they understand the updated remuneration system, and that all questions on the remuneration policy and system are clarified timely.

In addition to salary, Qi An Xin provides employees with necessary subsidies for communication, transportation, stationing, accommodation and travel. For employees working overseas temporarily, the Company purchases additional commercial insurance, increases team building funds, and arranges home leaves, subsidies for these home leaves, and other benefits. Moreover, the Company offers additional employees benefits such as birthday, marriage and maternity benefits and also sends greetings to hospitalized employees, condolences to employees in mourning for family members who have passed away as well as gifts during festivals and holidays.

## Occupational Health Management

In line with the applicable national laws and regulations of occupational disease prevention and control, Qi An Xin is committed to fostering a safe and comfortable workplace for employees. Qi An Xin prioritizes and has enforced occupational health and safety management across all business sectors. In 2022, the Company had no occupational disease incidents and arranged for all employees to receive medical examinations, free of charge. Furthermore, the Company cares for the family members of employees by offering benefits such as preferential policy of physical examination and health consultation.

## Career Development and Training

Focusing on talent cultivation and development, Qi An Xin encourages employees to continue learning and upgrading their knowledge and skills for consistent self-improvement and long-term development. The Company has helped employees in different positions visualize their career development paths in hopes that all employees will play their part and develop well along their career paths.

### Career Development Path

Employees are indispensable to the overall improvement of comprehensive strength and are the foundation of business capacity in an enterprise. With strong emphasis on the development of employees, Qi An Xin has designed multiple development paths for employees, and established a comprehensive official ranking system to recognize their growth and contribution.

#### ※  Dual Career Development Channels

Qi An Xin has set up a "dual channel of career development", consisting of a "professional channel" and a "management channel". Employees may choose either of the two channels according to their own aspiration and expertise. The "dual channel" pathway allows employees to focus their own strengths for capacity building, formulating clearer career development plan.

Regarding the "professional channel", in 2022, Qi An Xin published internal documents including the *Qi An Xin Management Measures for Professional Position Promotion*, the *Notice on Establishing the Rank Management Committee, and the Notice on Launching 2022 Professional Position Promotion Assessment*. The Company also formulated the professional qualification standards for security, R&D, products, solution consulting, pre-sales support, and technical services, ensuring promotion equality.

Regarding the "management channel" Qi An Xin has released standards and systems such as the *Qi An Xin Manager Qualification Standard*, and the *Qi An Xin Manual for the Five-ability Model of Managers* to guide managers to grow. Besides, in accordance with the *Qi An Xin Management Measures for Manager Selection and Appointment*, Qi An Xin has improved the standards and procedures for manager selection and appointment, along with the establishment of a selection and appointment mechanism that allows outstanding managers to perform well regardless of positions, thereby ensuring the orderly and reasonable transfer of managers.

#### ※  Mechanism of Open Selection and Competition for Posts

The Company provides multiple promotion channels for outstanding managers and professionals, with the practice of open selection and competition for posts. In 2022, the Company launched the competition for dozens of management and professional positions such as chief manager, chief engineer, managers of the General Pre-Sales Support Department, the Marketing Department and the Service Department, as well as leaders of divisions. This move has reaped excellent results. It has provided not only multiple promotion channels for employees and managers, greatly stimulating their enthusiasm, but also the reasonable transfer of talents, thus guaranteeing open and fair promotion channels.

**Employer Honors**

Most Favored Employer by Technical Talents in Campus Recruitment titled by Youth Talent Management Summit 2022 NFuture

2022 Digital and Smart Recruitment Innovation Practice Award granted by YonYou • Dayee China Digital Human Resource Association

### Talent Cultivation

To systematically improve its organizational capabilities, Qi An Xin provides employees with learning resources that are up to date and keep up with the times, thus allowing employees to achieve personal growth and career development. Considering the competency requirements for employees at different development stages of the Company, the corporate-culture-driven talent cultivation system aims to help managers grow as the core source of organizational development, while facilitating the effective implementation of innovative talent training measures in the Company.
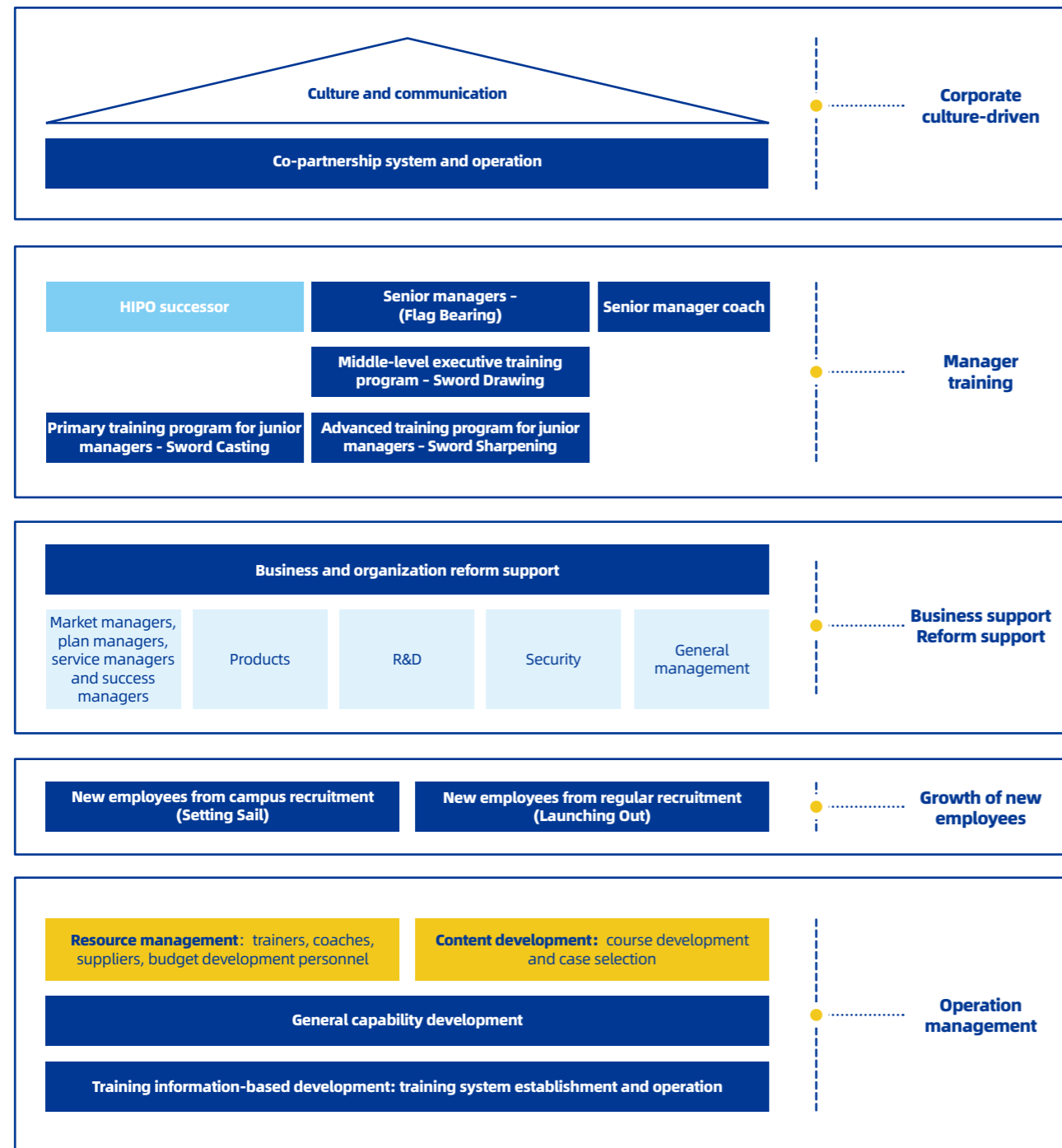
**Total number of trainees covered by talent cultivation courses**　　　（人次）

- 2020　3,620
- 2021　5,319
- 2022　14,978
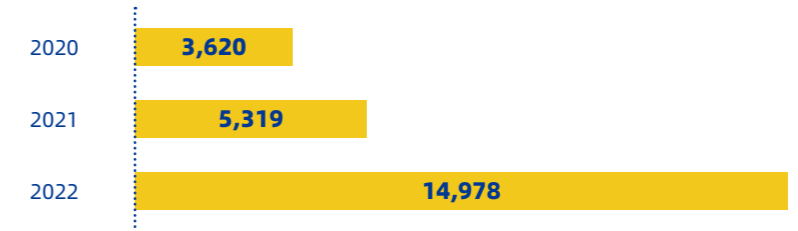
To ensure effective talent cultivation strategies, Qi An Xin has made efforts to optimize the talent development and operation guarantee mechanism, strengthen information-based training, and built an online learning platform "Qi An School" to carry forward excellent organizational experience alongside the creation of a favorable learning environment.

## Talent Cultivation Framework

**Culture and communication**

**Co-partnership system and operation**

Corporate culture-driven

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HIPO successor | Senior managers – (Flag Bearing) | Senior manager coach

Middle-level executive training program – Sword Drawing

Primary training program for junior managers - Sword Casting | Advanced training program for junior managers – Sword Sharpening

Manager training

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**Business and organization reform support**

Market managers, plan managers, service managers and success managers | Products | R&D | Security | General management

Business support Reform support

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New employees from campus recruitment (Setting Sail) | New employees from regular recruitment (Launching Out)

Growth of new employees

---

**Resource management**：trainers, coaches, suppliers, budget development personnel | **Content development**：course development and case selection

**General capability development**

**Training information-based development: training system establishment and operation**

Operation management

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## ※ New Employee Development

Qi An Xin has devoted efforts into new employee training to enable new employees to adapt to the workplace faster and better.

The Company has rolled out training programs for new employees acquired from regular recruitment and campus recruitment ("Launching Out" and "Setting Sail" training programs), with various activities and courses to cultivate the emerging force for the development of itself and the industry.

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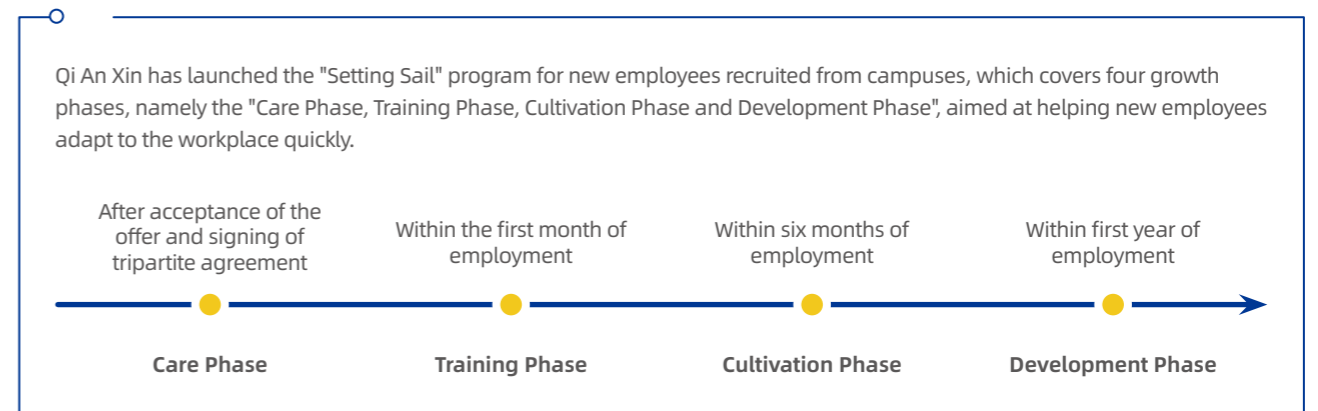## The New Employees Training System

### Training Program for New Employees from Campus Recruitment - Setting Sail

- **Program overview:** The "Set Sail" Training Program aims to help new employees from campus recruitment adapt to the workplace quickly
- **Program content:** The program involves corporate culture dissemination, business process drill (account responsibility, solution responsibility and full responsibility), sharing of large and small-sized enterprise cases, and business courses
- **Program form:** A new mode of "national implementation + Wiki platform" which enables parallel online and offline activities

### Training Program for New Employees from Regular Recruitment - "Launching Out"

- **Program overview:** The "Launching Out" Training Program helps new employees from regular recruitment fit for the Company and the workplace better
- **Program content:** Industry information, corporate business and job capabilities
- **Program form:** An "Offline training + livestreaming courses + recorded courses" format which enables parallel online and offline activities

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### "Setting Sail" Training Program for New Employees from Campus Recruitment

Qi An Xin has launched the "Setting Sail" program for new employees recruited from campuses, which covers four growth phases, namely the "Care Phase, Training Phase, Cultivation Phase and Development Phase", aimed at helping new employees adapt to the workplace quickly.

| After acceptance of the offer and signing of tripartite agreement | Within the first month of employment | Within six months of employment | Within first year of employment |
| --- | --- | --- | --- |
| **Care Phase** | **Training Phase** | **Cultivation Phase** | **Development Phase** |

### Five highlights of the "Setting Sail" Program:

Highlight 1: Online and in-person training at 15 major training sites nationwide | Highlight 2: Paperless training mode, WIKI full-process operation | Highlight 3: Quality courses delivered in person by a panel of executive lecturers | Highlight 4: Annual thematic activities, such as the development and implementation of the best experiential activities under the Winter Olympics theme | Highlight 5: Cloud Academy's "Growth Map" helps accelerate the development of new employees

In 2022, based on the four existing phases, Qi An Xin iteratively enhanced the content for the training period of the "Setting Sail" program. The "Growth Map" and competency requirements have been refined in order to facilitate the clear identification of work objectives and learning plans, as well as to provide professional and timely feedback to students. The "Growth Map " encourages new employees to motivate and learn from each other, thus enabling them to learn and grow together.

## "Launching Out" Training Program for New Employees from Regular Recruitment

The "Launching Out" Training Program for new employees from regular recruitment features courses concerning industry information, corporate business and job capabilities to help new employees gain general knowledge of the industry development and corporate culture in order to adapt to the workplace better.





## Tiger Tally Star Summer Training Camp Program

The Tiger Tally Star Summer Training Camp Program, a high-quality summer internship program created by Qi An Xin, aims to offer good summer internship opportunities to outstanding undergraduates and postgraduates who are willing to engage in cyber security. This program provides practice scenarios of cutting-edge applied technologies in cyber security and courses. Such trainings allow interns to experience the corporate culture and the values of Qi An Xin closely.



The program is designed to draw outstanding students to join the cyber security industry while helping current students to improve their practical experience and skills in cyber security. At the same time, it also attracts more talented students to join Qi An Xin's campus recruitment program and helps them to better build a rapport with the Qi An Xin family faster, thus allowing them to be one step ahead in their career development.

### ※ Leadership Development

Attaching importance to the training of leading talents, Qi An Xin has established a differentiated Management Talent System covering junior, middle-level and senior management levels. Through online and in-person exchanges, themed seminars, and sharing sessions by industry leaders, the system effectively fulfills the training needs of employees at different development stages.

## Junior Manager Training Program - Sword Casting

Qi An Xin has established the "Sword Casting" system to improve the basic management skills of new junior managers, and help them adapt well to management positions. This program is divided into the following three stages:

| | |
|---|---|
| **Stage 1** | Training on the rules and regulations that should be internalized by junior managers in order to duly fulfill their duties |
| **Stage 2** | Theoretical knowledge of necessary management skills |
| **Stage 3** | Case study and in-person simulation of basic management jobs |

## Advanced Training Program for Junior Managers – Sword Sharpening

Qi An Xin has been running the "Sword Sharpening" Advanced Training Program for junior managers for six years to help them build core capabilities. Focusing on team management and business management, the program has introduced management courses and tools, such as the *Understanding Managerial Roles, the Objective Management Sandbox*, the *Talent Management*, and the *Way to Technical Control*, to enhance the management skills and efficiency of managers.



## Training Program for Middle-level Managers – Sword Drawing

Qi An Xin has launched the "Sword Drawing" Training Program for middle-level managers to help them achieve goals better and conduct management scientifically in order to enhance organizational performance. Training materials include but are not limited to the *Situational Leadership*, the *Performance Improvement*, and the *Business Strategy Formulation*.



## Senior Manager Training Program – Flag Bearing

In 2022, Qi An Xin added the Senior Manager Training Program – Flag Bearing. This additional program focuses on marketing management, strategic management, organization and leadership, and financial management to help managers improve their knowledge structure and systematize management mindsets and ideologies for better corporate operation from a senior level. This program has been designed with a full set of courses facilitated via in-person classes and salons, supplemented by after-class discussions and strategic exercises, so that trainees can fully master the ability to solve the core problems of the Company.
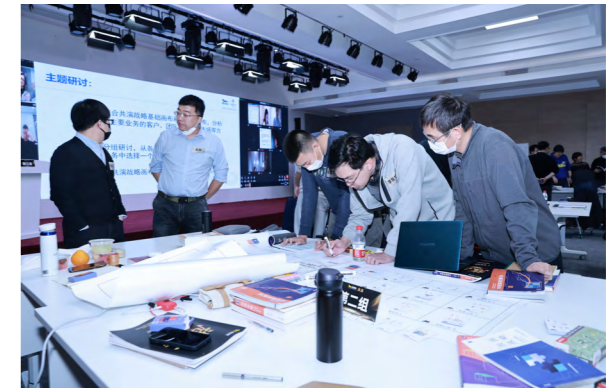




### ※ Professional Ability Improvement

Qi An Xin places strong emphasis on professional ability improvement when training employees, and encourages employees to keep learning professional knowledge and skills. For professional skills particularly, Qi An Xin has offered a large number of vocational skill training courses and widely applicable general training courses to professional employees of different types. It has also built the training system integrating "course - learning - examination - assessment" to help employees improve their professional capabilities.

## Care for Employees

Qi An Xin is committed to providing comfortable workplace, organizing various recreational activities, and fostering a good working environment to improve employees' sense of happiness. To meet the needs of employees, Qi An Xin upgraded its employee care system based on its core values and actively carried out employee care activities of various forms at multiple levels and through multiple channels in 2022. These activities effectively enhance employees' sense of safety, belonging and happiness.

### Service Facilities

Qi An Xin has incorporated employee-oriented convenience facilities into its workplace design. To be specific, the Company has set up service facilities, such as barber kiosks and laundry rooms in its park to cater to the needs of employees. The Company has also set up health and wellness facilities, such as fitness gyms, massage rooms and book cafe where employees can exercise, relax, and relieve work pressure. Last but not least, Qi An Xin has built children's rooms and breastfeeding rooms for female employees to solve child caring and private nursing issues.


Laundry room


Barber kiosks
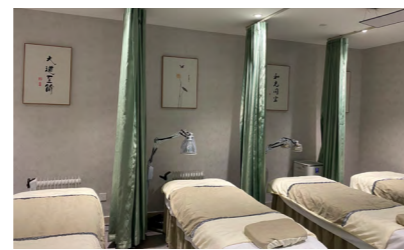

Massage room


Book cafe


Children's room


Breastfeeding room

### ※ Recreational and Sports Activities

The Company organizes a variety of festival activities to facilitate communication and interaction among employees, so as to enhance corporate cohesion. In 2022, the Company organized exciting activities on holidays, such as Mother's Day, Children's Day, and Qi Xi Festival. Attaching great importance to the psychological state and growth of employees, the Company has provided expert lectures on stress relief and emotional management for employees and their families during special periods to help them improve their psychological wellbeing.

### 3·21 Qi An Xin Annual Gala Evening

March 21 is taken from the phrase "Three, two, one, Marching On!". On March 21 every year, Qi An Xin hosts a gala to express appreciations to employees for their efforts in growing together with the Company. All employees attended the ceremony, bearing witness to the honors received, with a strong focus on strategy and an optimistic vision for the future.



### ※ Emergency Training

Qi An Xin attaches great importance to the lives, health and safety of its employees and focuses on the development of a robust first-aid response management system. The Company is equipped with automated external defibrillators (AEDs) in all of its operating sites in Beijing and has also organized six professional emergency training sessions for employees under the supervision of the Red Cross to improve their first aid skills. At present, more than 300 employees have obtained the "First-Aid Rescue Skills Certificate " issued by the Red Cross.
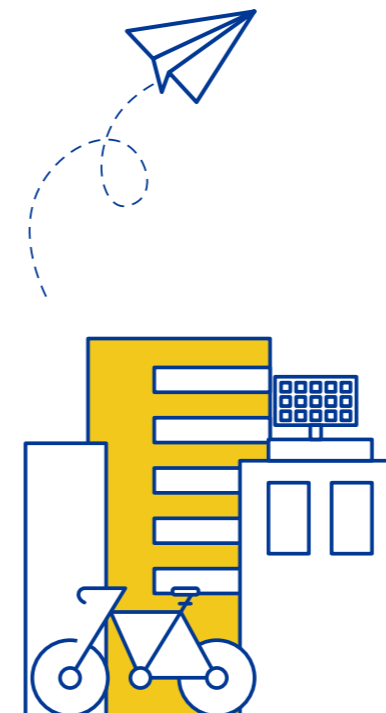
# Committing to Public Welfare to Drive Common Wealth

**Since its establishment, Qi An Xin has been actively fulfilling its social responsibility by devoting itself to activities for public welfare and creating social value continuously. Leveraging its advantages in industrial technology, the Company engages in charity activities in education, health care, rural development, and disaster relief as a response to national strategies of invigorating China through science and education, targeted poverty alleviation, rural revitalization, Healthy China. This aims to fulfill its social responsibility, perform its mission of "making the world safer and the life better", and contribute to common prosperity.**

## Beijing Qi An Xin Charity Foundation

As of the end of 2021, Qi An Xin Group established the Beijing Qi An Xin Charity Foundation (Qi An Xin Charity Foundation) under the guidance and approval by the Beijing Municipal Civil Affairs Bureau, and set up a professional team. Qi An Xin Charity Foundation serves as the main base for Qi An Xin to contribute to public welfare and carry out charity programs efficiently and transparently with superior resources.

奇安信 公益
QI-ANXIN Charity

| Vision | Mission | Core working principles |
|---|---|---|
| Every hope should be protected | Make the world safer and life better | Give priority to population in need, innovation, and collaboration |

Shouldering the mission of "making the world safer and the life better, Qi An Xin Charity Foundation is committed to organizing public welfare programs for financially vulnerable groups, such as emergency relief, capability training, and environmental improvement, to reduce their risks of returning to poverty due to diseases, disasters, education, and other factors. Since its establishment in 2021, Qi An Xin Charity Foundation has set work guidelines and program principles. With the medium and low-income populations as its targets, the Foundation has established the public welfare system according to national policies and initiatives, which covers four programs, namely the "Medical Assistance Program", the "Educational Assistance Program", the "Disaster Relief Program", and the "Rural Development Program". Among them, the "Rural Development Program" focus on the improvement of rural living environment and industrial development, which will be launched in 2023.

**Medical Assistance Program**

The program is aimed at finding practical solutions for medical assistance for disadvantaged communities and promoting the implementation of innovative solutions in order to reinforce the achievement of poverty eradication while driving social stability and harmonious development.

**Educational Assistance Program**

The program provides support for education, living as well as employment and workplace improvements for teachers and students in need, thus promoting social equity and national stability.

奇安信 公益
QI-ANXIN Charity
心安工程

**Disaster Relief Program**

The project facilitates disaster relief and post-disaster reconstruction work, reducing the economic losses of the people and helping to maintain social stability and harmony.

**Rural Development Program**

The project assists in the upgrading of labor force and production development in impoverished areas, thus improving the production and living standards to facilitate rural revitalization.

In 2022, Qi An Xin Group donated RMB 4 million to Beijing Qi An Xin Charity Foundation for public welfare programs in education, health care, rural development, and disaster relief. Qi An Xin Charity Foundation conducted public welfare programs in 14 provinces throughout the year, with over 380,000 beneficiaries.

In 2022, Qi An Xin Group's expense in public welfare programs reached

**RMB 4.10 million**

As of the end of 2022, the Company has donated materials and volunteering services that worth of

**RMB 140 million**

## Contributing to Healthy China Initiative

To prevent the low-income population from slipping back into poverty due to illness, Qi An Xin Charity Foundation has launched the healthcare aid program, which focuses on issues like inadequate diagnosis and poor treatment capacity of primary hospitals, weak ability of patients in need to pay medical bills, and high treatment costs of serious diseases, as a response to the national Healthy China initiative. The "Medical Assistance Program" acts as a bridge for cooperation between major hospitals and primary hospitals to help primary medical institutions enhance their competence in the diagnosis and treatment of serious illnesses, reduce the probability of poor families to slip back into poverty due to illness, and drive Healthy China Initiative.

### Medical Assistance Program of Eye Diseases - Enhancing Diagnosis and Treatment Abilities of Blindness and Low Vision for Child Patients in Tibet

In 2022, Qi An Xin Charity Foundation launched the "Medical Assistance Program of Eye Diseases - Enhancing Diagnosis and Treatment Abilities of Blindness and Low Vision for Child Patients in Tibet" cooperating with Beijing Bethune Charitable Foundation, and Peking Hospital People's University. This program covers volunteering diagnosis, knowledge popularization, doctor training, and scientific research in order to reduce the difficulty of treatment for blind and low-vision children, improve the diagnosis and treatment of ophthalmic diseases among child patients, and fill the gaps in the mechanisms of screening, diagnosis and treatment of ophthalmic diseases for children in Tibet. At present, 3 videos and 8 articles have been released as to increase awareness as part of the program, and a total of 3 online doctor training sessions have also been held.

In December, this program stood out among 397 cases

and was selected as the "Excellent Innovative Practice Case for Healthy China Initiative" in the Second People's Health Conference and 2022 Conference of Collecting Excellent Innovative Practice Cases for Healthy China Initiative.



### "Beating Heart, Brighten Eyes" Charitable Foundation

To help children suffering from congenital heart and eye diseases as well as cataract patients who are impoverished due to illness, Qi Xiangdong, Chairman of Qi An Xin, Chifeng Municipal Government, and Wu Yingkai Foundation for Medical Research and Development jointly launched the "Beating Heart, Brighten Eyes" Charitable Foundation. Since 2017, this program has helped 108 children who suffering from congenital heart disease receive surgeries and supported 1,539 surgeries for cataract patients. Besides, this program screens the underprivileged population living in remote pasturing areas for potential eye and cataract diseases. Over the past years, this program has screened 5,683 primary and middle school students for eye diseases, and 34,621 residents in pasturing areas faced with financial difficulties for cataract.

## Driving Rural Development

In response to the national strategy of rural revitalization, Qi An Xin pooled more financial support for consolidating the achievements of poverty alleviation as a move to practice social responsibility while building a good corporate image.

### Providing Support and Increasing Income of Farmers Through Consumption

In order to help farmers increase their income and contribute to rural revitalization, Qi An Xin actively implements consumption assistance projects. The Company purchased 4,000 kilograms of sweet potatoes from Yanluo Village, Bulaotun Town, Miyun District, Beijing.



### Promoting Rural Digital Revitalization

In December 2022, Qi An Xin Charity Foundation donated 20 computers and 2 printers to the government of Shihe Town, Nanbu County to improve the efficiency of government affairs, and deliver better services to residents. This facilitates the digital development of Nanbu County in Nanchong City, Sichuan Province.
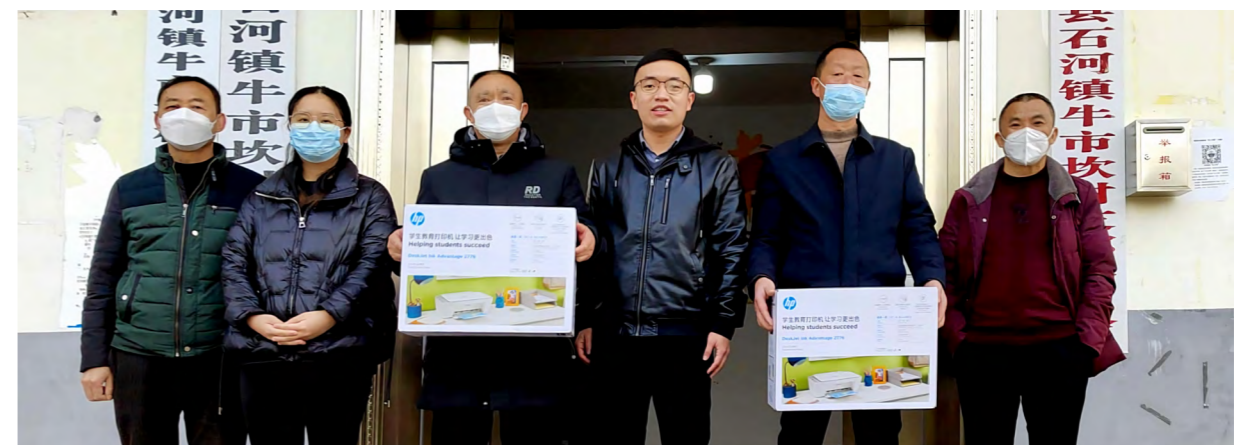
## Providing Educational Assistance

Qi An Xin Charity Foundation has launched an "Educational Assistance Program" to support the personal development of college students from low- and middle-income families by providing scholarships, grants, emergency assistance and social study and practical training support for those in need. This helps to improve their education and employment by creating a favorable learning and living environment thereby contributing to the development of education in China.

### College Education Assistance

Qi An Xin Charity Foundation actively cooperates with colleges and universities in the "College Education Assistance" program. The program provides scholarships, emergency relief and social study support to students from low- and middle-income families through the establishment of the multi-faceted "Qi An Xin Educational Assistance Fund". As of the end of 2022, the "College Education Assistance" program had been implemented in seven colleges and universities, benefiting 70 students. In the future, Qi An Xin Charity Foundation will continue increasing its investment in the "College Education Assistance" program with an expected increment of 10-15 colleges and students per year, so as to provide financial support to more tertiary education institutes and students.

**In 2022, the Foundation has supported**

| Scholarship: | Student subsidies: | Disease relief: | Social practice opportunities: |
|---|---|---|---|
| 40 students | 10 students | 3 students and teachers | 17 students |



## Contributing to Disaster Relief

Qi An Xin Charity Foundation has launched the "Disaster Relief Program" to support emergency relief and help people in disaster-stricken areas. The Charity Foundation pools funds, materials and workforce for rescue according to the situation and needs of major disaster areas, contributing to disaster relief and social harmony and stability in China.

**In 2022, the Foundation has**

Donated medical and living materials over

**550,000** pieces
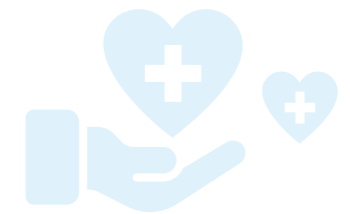
Cooperated with the party committee of Qi An Xin group to assign

**1,112** volunteers

Provided volunteering service for

**5,404** hours

# 3.0

Environmental:

## Promoting Green Development for a Beautiful Homeland

# Exploring Low-carbon Operation and Proposing Innovative Solutions

**In September 2020, the Chinese government clearly defined the dual goals of "carbon emission peaking" before 2030 and "carbon neutrality" before 2060. These two goals have great significance to the green and low-carbon development of China and the world.**

**The "dual carbon" action is an important manifestation and focus of our ecological civilization construction. Adhering to the sustainable development strategy, Qi An Xin focuses its efforts on promoting green operation, building the green and low-carbon workplace, and providing digital green solutions to drive green and low-carbon development and transformation.**

## Green Operations

As an emerging technology company, Qi An Xin strictly complies with the *Environmental Protection Law of the People's Republic of China* as well as other relevant laws and regulations. The Company has consistently maintained a clean record of zero violations and zero penalties for three consecutive years.

> The Company has received no environmental penalties, fines or lawsuits for three consecutive years.

At the same time, the Company actively takes necessary measures to protect the environment and conserve resources from the aspects of energy and resource management, waste management, green information infrastructure construction, green culture cultivation, etc. This enables us to effectively reduce the impact of our operations on the ecological environment. Qi An Xin strives to be a practitioner and explorer of green and low-carbon development with the objective of contributing to the construction of a clean and beautiful world.

### Energy and Resource Management

Qi An Xin continuously optimizes the usage of energy and resources. The Qi An Xin Security Center is equipped with intelligent LED lighting systems, central air conditioning systems and building intelligence systems, as well as an intelligent system that encompasses the operational, management and decision-making levels. The system has been designed to cover all energy management and planning for the entire office, which enables data collection, statistics, diagnosis, and trend analysis so as to effectively improve the efficiency of green office management.

| Indicators | Unit | 2022 |
|---|---|---|
| Electricity consumption | kWh | 12,956,265.075 |
| Gasoline consumption | Liter | 26,574 |
| Natural gas consumption | m³ | 64,267 |
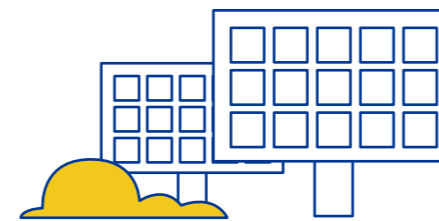
The Qi An Xin Security Center is equipped with 7,640 environmentally-friendly and safe LED lights with long service lifespan and low energy consumption. These systems also come with multiple modes of functioning and, such as manual control and timing control according to different lighting needs in areas. The lighting system reduces light source power, line loss and ballast consumption, which cuts maintenance costs and improves energy and resource efficiency.

The central air-conditioning system is equipped with chiller units that enable natural cooling during winter, thus enhancing energy efficiency. In addition, the air-cooled heat pump units in the system come with heating functions that meet all heating demands other than the demand that is met by municipal heat sources during heating seasons. This effectively reduces the load and energy consumption of the air-conditioning systems.

The automatic control system of the building comprises 19 fresh air units, 735 coils, 40 air supply and exhaust units and 177 fresh air valves, with 1,200 endpoint set at the front end. This enables quantitative control of air conditioning, fresh air and exhaust air, thus creating a comfortable and favorable environment for the office area in accordance with the changes in seasons and air conditions. At the same time, the automatic control system can be continuously optimized based on historical data to cope with the average equipment load work, improve equipment operation efficiency, extend equipment lifespan and effectively control the occurrence of malfunction. The automatic control system of the building lowers management costs while achieving the goal of energy conservation and consumption reduction.

## Water Resource Management

Qi An Xin always advocates and practices the concept of water conservation. To this end, the Company has installed water-saving sanitary products, such as water-saving basins and foot valves in pantries and washrooms. In addition, the 4,000-square-meter green area on the roof of the Qi An Xin Security Center is fitted with a water-saving micro-irrigation system. With a series of water conservation measures, Qi An Xin pursues maximum water efficiency.

### Water-saving Micro-irrigation System

In order to ensure the scientific use of water resources, the Qi An Xin Security Center Sky Garden has adopted a water-saving micro-irrigation system, which achieves the goal of water and energy conservation by making full use of the noise and gaseous pollutant adsorption effect of green plants while rationalizing irrigation and reducing water waste. At the same time, this also creates a comfortable workplace environment.



> The Qi An Xin Security Center was awarded the title of "The First Batch of Beijing Municipal Demonstration Commercial Buildings for Domestic Waste Sorting in 2022".

### 2022

Domestic garbage

**RMB 1.872** million liter

Kitchen garbage

**300** thousand liter

Hazardous waste

**360** toner cartridges

## Waste Management

In terms of waste management, Qi An Xin has been actively carrying out waste separation and sorting at all operating sites in Beijing since 2020, in accordance with the *Beijing Municipal Regulations on Domestic Waste Management*. The Company has purchased four-color waste separation bins, equipped with waste classification signs and posters. Additional full-time sorters have also been arranged to carry out secondary sorting so as to continuously strengthen employees' waste sorting awareness while ensuring that the waste sorting standards are met. On this basis, the company also signed a waste disposal agreement with a professional waste disposal company to ensure that domestic waste is legally disposed of in accordance with the relevant laws and regulations.

In addition, the cafeteria of the Qi An Xin Safety Center has been equipped with electrostatic grease purifiers in the air ducts to ensure that the fumes emissions meet the requirements of Beijing municipal standard DB11/1488-2008.



### ※ Green Culture

Qi An Xin makes constant efforts to promote green culture development, and encourage employees to perform green conducts in the workplace. Specifically, the Company disseminates the energy conservation and consumption reduction policy to all employees, reminding them to switch off lights and other office devices when they leave the workplace and conference rooms. At the same time, the Company assigns property management personnel and security personnel to inspect the energy consumption and usage of office facilities. Besides, the Company has installed 21 charging piles for electric vehicles in the Qi An Xin Security Center, which encourages employees to travel in an environmentally friendly manner.
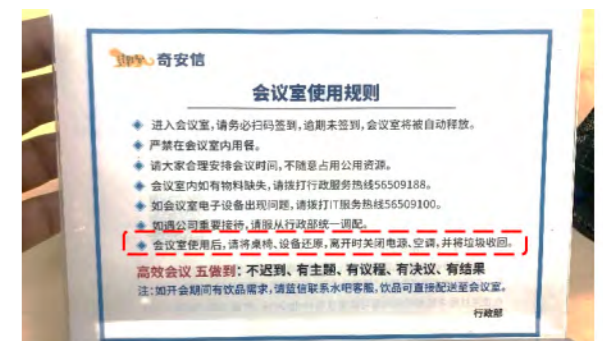
## Green Information Infrastructure

As the digital informatization develops rapidly, green information infrastructure has become the general trend. To achieve sustainable development, Qi An Xin has taken full measures to promote energy conservation and consumption reduction such as improving the cabinet layout, optimizing the water circulation system, enhancing equipment management efficiency, and developing virtualization technology, in an attempt to respond to the national call on green information infrastructure construction.

**Equipment quantity** (Set)

| Year | Value |
|------|-------|
| 2020 | 706 |
| 2021 | 984 |
| 2022 | 1,200 |

**Equipment electricity consumption** (10,000 kWh)

| Year | Value |
|------|-------|
| 2020 | 206.45 |
| 2021 | 233.61 |
| 2022 | 248.65 |

**Unit equipment electricity consumption** (kWh/set)

| Year | Value |
|------|-------|
| 2020 | 2924.22 |
| 2021 | 2374.09 |
| 2022 | 2072.08 |

**Improve the cabinet layout**

Adopt enclosed integrative micro-module cabinet layout, and separate cooling and heating ducts to optimize space air diffusion indoors, improve cooling efficiency, and reduce energy consumption.

**Optimize the water circulation system**

Use dilute ethylene glycol solution and water fluorine conversion to reduce water consumption.

**Enhance equipment management efficiency**

Develop a system independently to monitor the utilization rate of equipment in server rooms, and remove or shut down equipment with low utilization rate for a long time.

**Develop virtualization technology**

Develop a virtual cloud computing platform independently to pool server resources, which improves system stability, lowers maintenance costs, and reduces energy consumption.
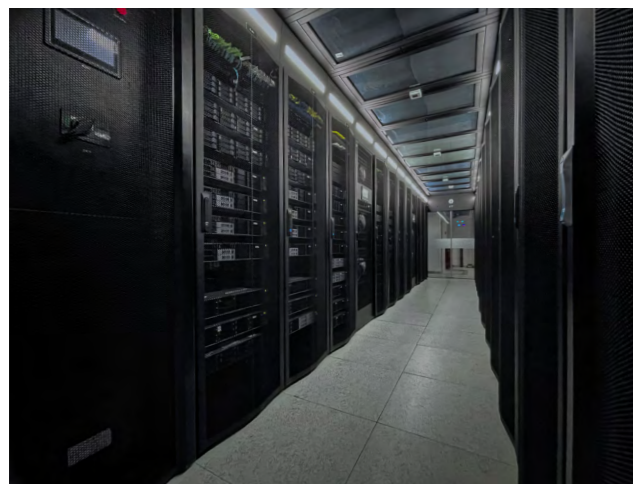
## Virtualization Technology: Helping Energy Conservation and Emission Reduction

To mitigate the issue of high electricity consumption, excessive footprint, low resource utilization rate, and high operation and maintenance costs of equipment, Qi An Xin has developed private cloud computing technology. The technology is mainly used for the aggregation of office network in the building, internal R&D and test. According to computing load, the cloud computing technology works to allow the automatic allocation of resources and turn the idle server to the low-power operation state, thus facilitating green computing, and reducing carbon emissions.
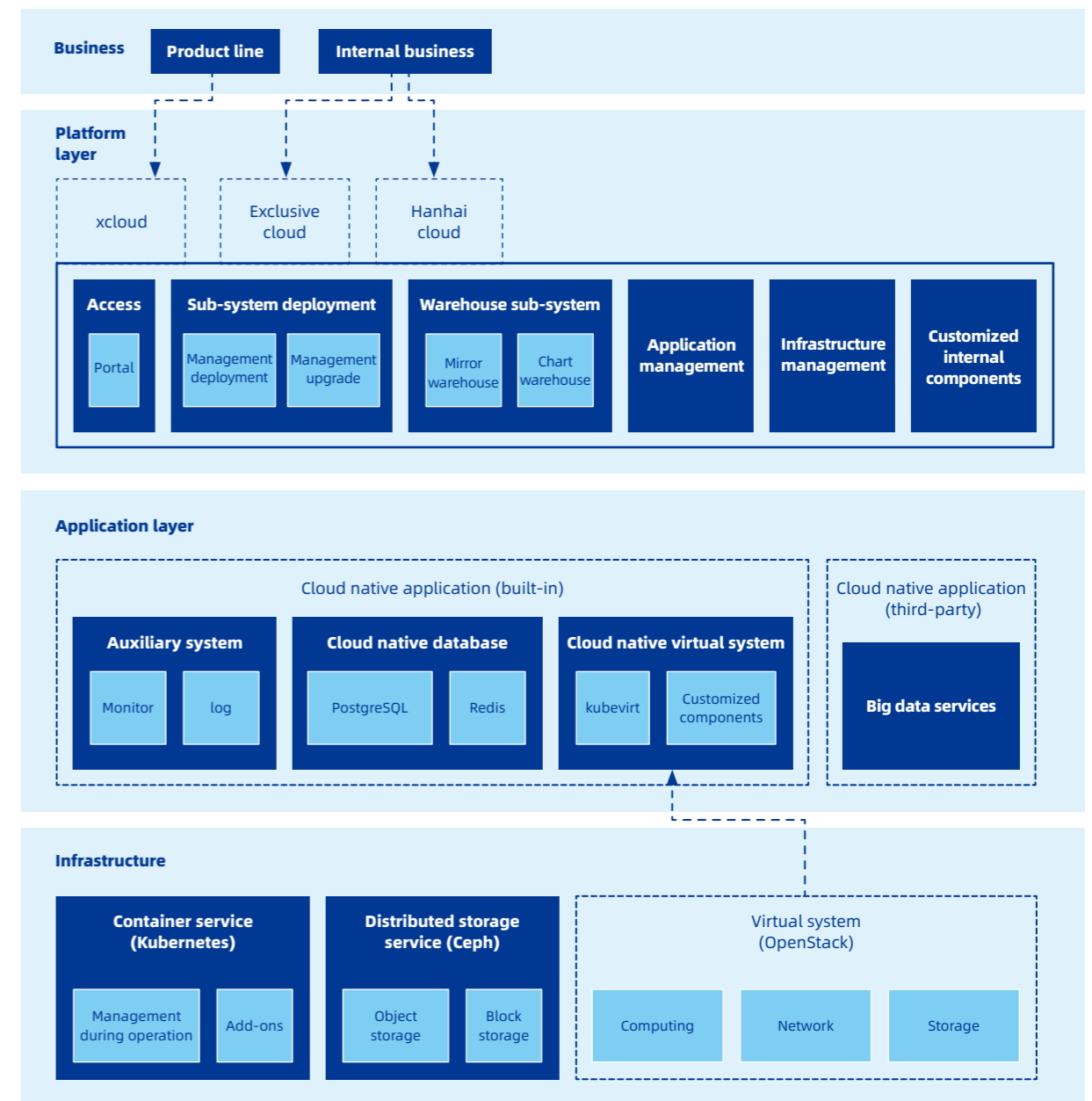
Qi An Xin Private Cloud Architecture Diagram

## Green Solutions

In combination with the development trend of customers' digital transformation and the national digital policy of "new infrastructure", Qi An Xin has established the strategic goal of building a "Digital Qi An Xin". Currently, the Company has built a digital management platform and an intelligent data platform leveraging emerging technologies such as cloud computing, big data, and artificial intelligence. On the one hand, these platforms meet the digital management needs of customers, and one the other hand, they provide green solutions to diversified business management.

Digital transformation involves technological innovation, represents the optimization and innovation of the business-driven value system, and requires new capability development of "Business + Technology". Qi An Xin has improved resource utilization efficiency and accuracy of monitoring and management by building an intelligent data platform and working out new green and energy-saving solutions. This promotes the synergy of digitalization and greening.

### Air Quality Monitoring Safety System for Our National-level Client in the Ecological Environment Industry
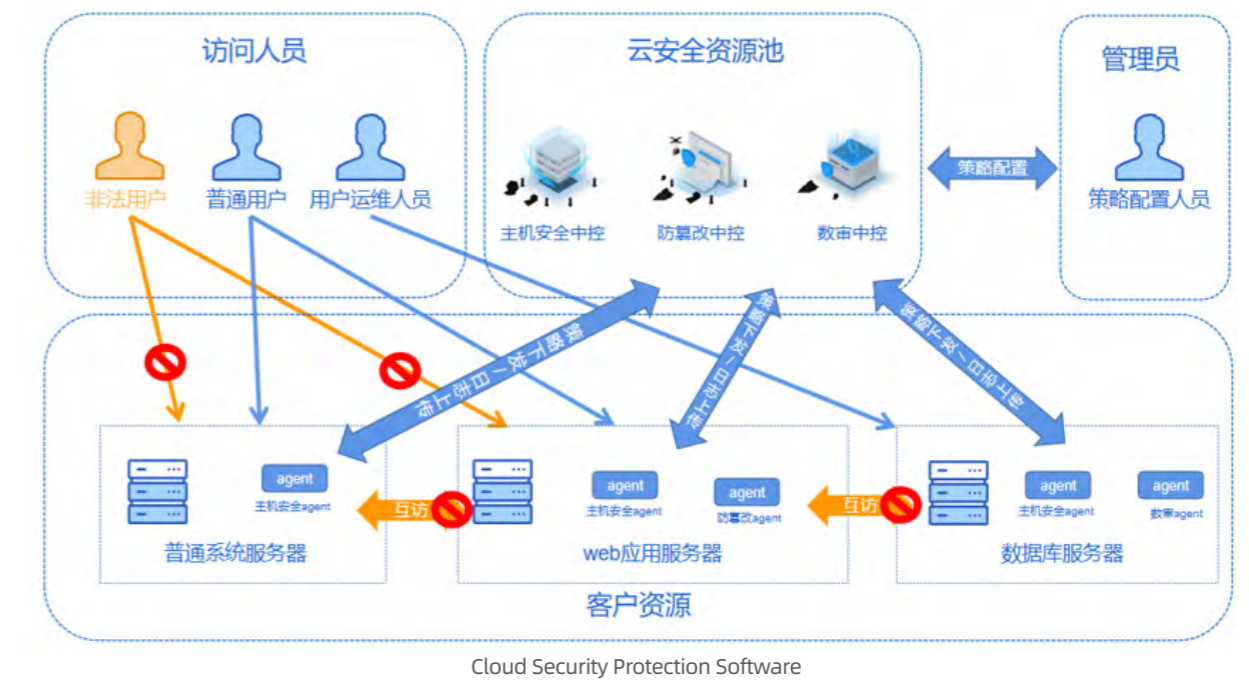
In June 2022, Qi An Xin provided data transmission network services for a national-level customer in the ecological environment industry, serving as an active response to the green development strategy. Under the prerequisite of meeting the transmission tunnel encryption requirement, the system is furnished with vulnerability protection, anti-DDoS protection, and deep threat identification. The project has also adopted a "green and intelligent" solution that replaces traditional VPN with SDWAN. Through the 4G/5G network, the system not only improves security, adds intelligent path selection function, and ensures smooth ambient air monitoring, but also reduces the electricity consumption of equipment, and reduces carbon dioxide emissions.

Data transmission network
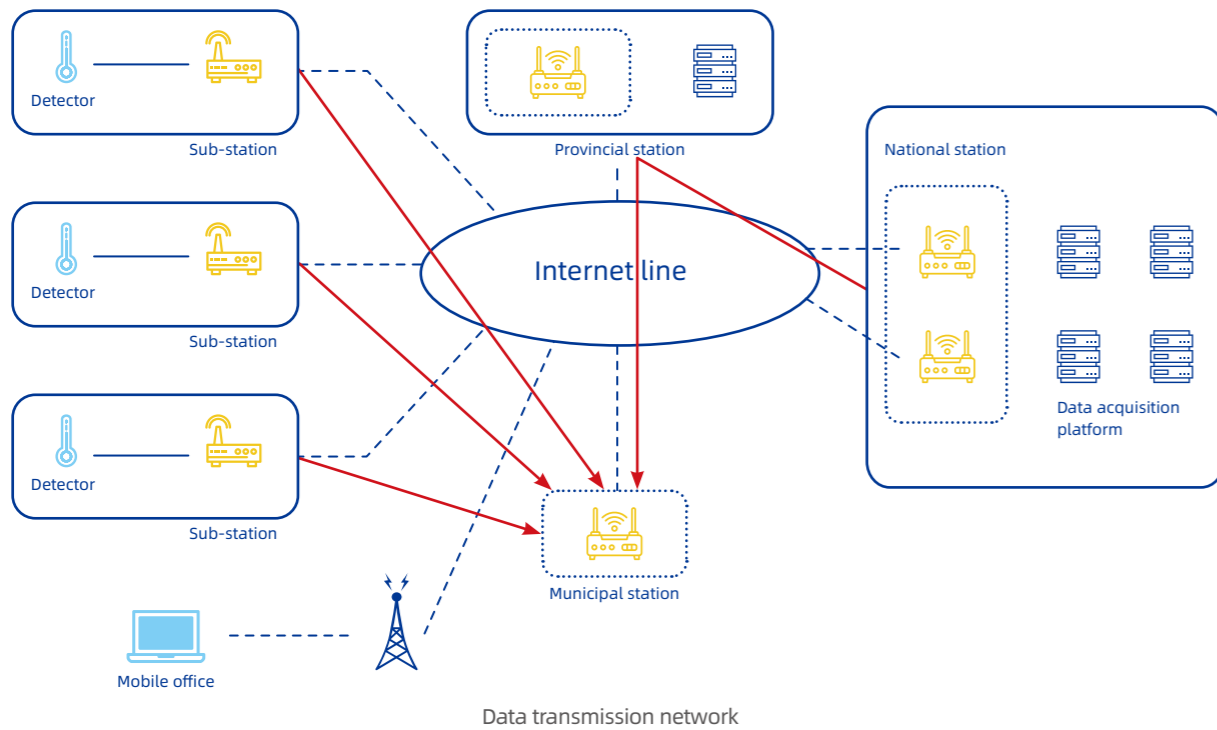
### Cloud Security Protection Project for a Government Body

In June 2022, Qi An Xin built a cloud security protection project together with a government body. On the one hand, the project has reduced hardware resource waste by using existing cloud resources. On the other hand, the project has effectively blocked illegal east-west traffic and reduced possible malware and attacks in the business network through the cloud security protection software. Hence, it has effectively improved security protection level, guaranteed the business stability of the customer, and enhanced the customer's ability to respond to major events.

Cloud Security Protection Software

# Honors and Awards in 2022 [13]

| Awards | 颁发单位 |
|---|---|
| Annual Leading Digital Business Enterprise | Global Data Ecosystem Conference 2022 |
| AutoCS 2022 Outstanding Security Research Laboratory of Intelligent Connected Vehicles | AutoCS 2022 |
| 2022 Typical Case of "5G+ Industrial Internet" in China | 2022 China 5G + Industrial Internet Conference |
| 2022 Cloud Security Innovation Product Award | 51CTO |
| 2022 Innovative Solution Award | IT168 |
| Top 100 Enterprises in Beijing | Beijing Enterprise Confederation, Beijing Enterprise Directors Association |
| Top 100 Enterprises with Comprehensive Strength in Beijing Software and Information Service Industry | Beijing Software and Information Service Industry Association |
| Beijing New Technology and New Product Certification - SECWORLD Privacy Defender System | Beijing Municipal Science & Technology Commission |
| First Prize of Beijing Science and Technology Awards - Black and Grey Market Traceability Technology and Application in Mobile Apps | Beijing Municipal Science & Technology Commission |
| Second Prize of Beijing Science and Technology Awards - Key Technology and its Application of Large-Scale Data Security Depth Detection and Identification | Beijing Municipal Science & Technology Commission |
| Second Prize of Beijing Science and Technology Awards - Knowledge-driven Advanced Complex Network Threat Discovery and Spatial-Temporal Correlation Reasoning Technology and Application | Beijing Municipal Science & Technology Commission |
| First Prize of Science and Technology Progress Awards of the Ministry of Public Security - Key Technology and Application of Critical Information Infrastructure Security Protection | Ministry of Public Security |
| 2022 Technology Excellence Award | Cyber Security Administration, Ministry of Industry and Information Technology |
| Named in 2022 List of 5G Application Security and Innovation Tasks - 5G Industry Application Security Solutions and Application in Key Industries | Cyber Security Administration, Ministry of Industry and Information Technology |
| Named in 2022 List of 5G Application Security and Innovation Tasks - 5G Application Security Penetration Testing and Attack and Defense Drills | Cyber Security Administration, Ministry of Industry and Information Technology |
| Named in 2022 List of 5G Application Security and Innovation Tasks - Development and Application of 5G Full-flow Threat Detection Technology for Industry Application Purpose | Cyber Security Administration, Ministry of Industry and Information Technology |
| Demonstration Pilot Project of Cyber Security Technology Application - Building of an Integrated Security Operation System | Cyber Security Administration, Ministry of Industry and Information Technology |
| Demonstration Pilot Project of Cyber Security Technology Application - Cyber Security Protection of Cloud Computing Platform | Cyber Security Administration, Ministry of Industry and Information Technology |
| Demonstration Pilot Project of Cyber Security Technology Application - Information Security System Building during Data Life-cycle | Cyber Security Administration, Ministry of Industry and Information Technology |
| Demonstration Pilot Project of Cyber Security Technology Application - Zero Trust Cross-network Dynamic Credit Platform Building and Demonstration Application | Cyber Security Administration, Ministry of Industry and Information Technology |
| Demonstration Pilot Project of Cyber Security Technology Application - IPTV Cyber Security Management System | Cyber Security Administration, Ministry of Industry and Information Technology |
| Advanced Cyber Security Platform - National Cyber Security Industrial Park of Beijing Economic-Technological Development Zone (Information Technology Application Innovation Park in the Economic-Technological Development Zone) | Cyber Security Administration, Ministry of Industry and Information Technology |

| Awards | 颁发单位 |
|---|---|
| Advanced Cyber Security Platform - Pazhou Artificial Intelligence and Digital Economy Pilot Zone | Cyber Security Administration, Ministry of Industry and Information Technology |
| Demonstration Pilot Project of Big Data Industry Development - Data Security Circulation Platform Based on Data Sandbox Technology | Information Technology Development Division, Ministry of Industry and Information Technology |
| 2022 Excellent Member Enterprise | Industrial Information Security Industry Development Alliance |
| First Prize of Science and Technology Progress Awards in Guangdong Province | Guangdong Science and Technology Department |
| Cross-Straits Industrial Internet Innovation Development Case | Cross-Straits Industrial Internet Alliance |
| 2022 Shanghai Catalog of Innovation and Research Achievements in the Cyber Security Industry - SECWORLD Secure Access Service (Q-SASE) | Shanghai Commission of Economic and Information Technology |
| World-leading Internet Technology Achievements - Qi An Xin Dayu Platform and Major Cyber Security Protection Applications | World Internet Conference |
| Included in "Top Ten Solutions" of 2022 Digital China | Digital China |
| Gold Award in the First Data Security Competition in 2022 | China Center for Information Industry Development (CCID), China Academy of Information and Communications Technology (CAICT), China Industrial Control Systems Cyber Emergency Response Team (CICS CERT), and China Software Testing Center (CSTC) |
| Third Prize in the Finals of the 6th "i+" Innovation and Entrepreneurship Competition - Key Technology of Qi An Xin Secure and Trusted Browser Based on PKS, and its Industry Application | China Electronics Corporation (CEC) |
| First Prize of Provincial and Ministerial Science and Technology Progress Awards (Application in Beijing Winter Olympics - Detection and Disposal System for Complex Network Attacks and Industrialization) | China Electronics Corporation (CEC) |
| First Prize of Provincial and Ministerial Science and Technology Talent Awards | China Electronics Corporation (CEC) |
| Leading Science and Technology Achievement Award "Business Model" of 2022 China International Big Data Industry Expo - Qi An Xin's Contribution to Beijing Winter Olympics | Organizing Committee of China International Big Data Industry Expo |
| Leading Science and Technology Achievement Award "New Technology" of 2022 China International Big Data Industry Expo - Open Source Software | Organizing Committee of China International Big Data Industry Expo |
| Excellent Achievement Award "Excellent Project" of 2022 China International Big Data Industry Expo - Qi An Xin Situational Awareness | Organizing Committee of China International Big Data Industry Expo |
| 2022 "Innovation China" Leading Technology List - Qi An Xin Dayu Platform and Major Cyber Security Protection Application Project | China Association for Science and Technology |
| Excellent Zero Trust Application Case in 2022 | China Cybersecurity Industry Alliance (CCIA) |
| The Second Prize in the Finals of the Cyber Security Innovation Achievement Competition - Pangushi Mobile Phone Forensic Analysis System | China Cybersecurity Industry Alliance (CCIA) |
| Excellence Award in the Cyber Security Innovation Achievement Competition - Qi An Xin Trusted Browser V1.0 | China Cybersecurity Industry Alliance (CCIA) |
| Finalist Award of the Cyber Security Innovation Achievement Competition - Infrastructure Construction of Cyber Security Attack and Defense Capabilities Based on Industrial Control System Scenarios | China Cybersecurity Industry Alliance (CCIA) |

[13] Awards are in Chinese alphabetical order by awarding organization

# Key Performance Index Table

| Primary index | Secondary index | Unit | 2022 |
|---|---|---|---|
| R&D and innovation | Number of R&D professionals | / | 3,753 |
| | Investment in R&D | RMB | 1,694,220,633.27 |
| | Number of applications for patents for inventions | / | 302 |
| | Number of granted patents for invention | / | 164 |
| | Number of applications for design patents | / | 23 |
| | Number of granted design patents | / | 14 |
| | Number of applications for software copyrights | / | 137 |
| | Number of granted software copyrights | / | 131 |
| Customer Service | Number of customer complaints | / | 157 |
| | Rate of response to online service | % | 96.82 |
| Number of suppliers | Total number of suppliers | / | 125 |
| | Number of suppliers in Chinese mainland | / | 122 |
| | Number of suppliers in other regions | / | 3 |
| Number of employees | Total number of active employees | / | 9,868 |
| | Number of active male employees | / | 7,519 |
| | Number of active female employees | / | 2,349 |
| | Number of employees aged under 30 | / | 4,597 |
| | Number of employees aged 30 to 50 | / | 5,219 |
| | Number of employees aged above 50 | / | 52 |
| | Overall employee turnover rate | person | 2,352 |
| | Total number of new employees in 2022 | / | 2,657 |
| Protection of employees' rights and interests | Signing rate of labor contracts | % | 100 |
| | Social insurance coverage | % | 100 |
| Diversity and equal opportunity | Number of employees from ethnic minorities | / | 495 |
| | Number of disabled employees | / | 98 |
| | Number of active senior executives | / | 61 |
| | Male | / | 48 |
| | Female | / | 13 |
| | Number of active middle-level executives | / | 288 |
| | Male | / | 254 |
| | Female | / | 34 |

| Primary index | Secondary index | Unit | 2022 |
|---|---|---|---|
| Employee training and development | Number of employees who received training | Attendance | 14,978 |
| | Number of male employees who received training | Attendance | 11,599 |
| | Number of female employees who received training | Attendance | 3,379 |
| | Investment in employee training | RMB ten thousand | 352 |
| Occupational health and safety | Number of occupational disease cases | / | 0 |
| Employee volunteer activities | Number of volunteering activities organized | / | 22 |
| | Number of employees participating in volunteering services | / | 1,112 |
| | Number of volunteering hours | Hour | 5,404 |
| Public welfare | Total amount donated | RMB ten thousand | 410.59 |
| | Value of materials donated | RMB ten thousand | 6.59 |
| | Money donated | RMB ten thousand | 404 |
| Energy Management | Total energy consumption | Tce | 1,707.65 |
| | Diesel consumption | Liter | 0 |
| | Gasoline consumption | Liter | 26,574 |
| | Heat consumption | GJ | 3763.95 |
| | Natural gas consumption | $m^3$ | 64,267 |
| | Total power consumption | kWh | 12,956,265.07 |
| | Number of devices in server rooms for private use | Set | 1,200 |
| | Power consumption by server rooms for private use | kWh | 2,486,500 |
| | Power consumption per unit device | kWh/device | 2,072 |
| Use and management of water resources | Total water consumption | $m^3$ | 67,029 |
| Climate change and greenhouse gas emissions | Total greenhouse gas emissions | Ton of carbon dioxide equivalent | 8,012.63 |
| | Scope 1 | Ton of carbon dioxide equivalent | 209.64 |
| | Scope 2 | Ton of carbon dioxide equivalent | 7,802.99 |
| Emission and waste management | Domestic waste | Liter | 1,872,000 |
| | Kitchen waste | Liter | 300,000 |
| | Hazardous waste - toner cartridges | / | 360 |

# Indicator Index

## GRI Standard

| | | GRI Standard |
|---|---|---|
| About this Report | | 2-3, 2-4 |
| About Qi An Xin | | 2-1, 2-2, 2-6 |
| ESG Governance | Sustainable Development Governance Framework | 2-12, 2-13, 2-14 |
| | Communication with Stakeholders | 2-16, 2-29 |
| | ESG Materiality Assessment | 3-1, 3-2, 3-3 |
| Improving the Governance System and Operating in a Compliant and Stable Way | Governance Mechanism | 2-9, 2-10 |
| | Rights and Interests of Investors | 2-26 |
| | Compliance with Laws and Regulations | 2-17, 2-27, 205-2, 205-3 |
| | Information Security and Privacy Protection | 2-27 |
| Focusing on Cyber Security for the Digital Economy | R&D and Innovation | 2-27, 203-1, 203-2 |
| | Product Value | 203-1, 203-2, 416-1 |
| | Secure Operation | 2-27, 416-1 |
| | Customer Service | 418-1 |
| Promoting Integration and Co-construction to Empower the Sustainable Development of the Value Chain | Supply Chain Management | 414-2 |
| | Empowering the Industry Development | 2-28 |
| Adhering to People-oriented Principle, and Growing Together with Employees | Protection of Rights and Interests & Cultural Diversity | 2-7, 2-19, 2-20, 2-26, 2-27, 2-30, 401-1, 401-2, 403-1, 403-3, 403-5, 403-6, 403-8, 405-1, 406-1, 407-1, 408-1, 409-1 |
| | Career Development and Training | 404-1, 404-2 |
| | Care for Employees | 401-2, 403-5 |
| Commitment to Public Welfare, and Contribution to Common Prosperity | Qi An Xin Charity Foundation | 203-1 |
| | Contribution to Rural Revitalization | 203-1 |
| | Educational Poverty Alleviation | 203-1 |
| | Contributing to Disaster Relief | 203-1 |
| Exploring Low-carbon Operation and Proposing New Solutions | Green Operation | 2-27, 301-3, 302-1, 302-4, 303-1, 303-2, 306-1, 306-2, 306-3 |
| | Green Solutions | 302-1, 302-4, 302-5 |
| Key Performance Index Table | | 2-7, 302-1, 303-3, 303-4, 305-1, 305-2, 305-4, 403-9, 404-1, 405-1 |

## HKEX Environmental, Social and Governance Reporting Guide

| Topic | Index | Chapter |
|---|---|---|
| **A. Environmental** | | |
| A1 Emissions | General Disclosure: Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. | Green Operation |
| | A1.1 Types of emissions and respective emissions data | Key Performance Index Table |
| | A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Key Performance Index Table |
| | A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility) | Green Operation, Key Performance Index Table |
| | A1.6 Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them | Green Operation |
| A2 Use of Resources | General disclosure: Policies on the efficient use of resources, including energy, water and other raw materials | Green Operation |
| | A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) | Green Operation, Key Performance Index Table |
| | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). | Key Performance Index Table |
| | A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them | Green Operation |
| | A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them | Green Operation, Green Solutions |
| A3 Environment and Natural Resources | General disclosure: Policies on minimizing the issuer's significant impacts on the environment and natural resources | Green Operation |
| | A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them | Green Operation, Green Solutions |
| **B. Social** | | |
| Employment and Labor Practices | | |
| B1 Employment | General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare | Protection of Rights and Interests & Cultural Diversity |
| | B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region | Protection of Rights and Interests & Cultural Diversity, Key Performance Index Table |
| | B1.2 Employee turnover rate by gender, age group and geographical region | Protection of Rights and Interests & Cultural Diversity, Key Performance Index Table |
| B2 Health and Safety | General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards | Protection of Rights and Interests & Cultural Diversity, Key Performance Index Table |
| | B2.2 Lost days due to work injury | Key Performance Index Table |
| | B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored | Protection of Rights and Interests & Cultural Diversity |

| Topic | Index | Chapter |
|---|---|---|
| B3 Development and Training | General disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities | Career Development and Training |
| | B3.1 Percentage of employees trained by gender and employee category (e.g. senior management, middle management) | Career Development and Training, Key Performance Index Table |
| | B3.2 Average training hours completed per employee by gender and employee category | Career Development and Training, Key Performance Index Table |
| B4 Labor Standards | General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor | Protection of Rights and Interests & Cultural Diversity |
| | B4.1 Description of measures to review employment practices to avoid child and forced labor | Protection of Rights and Interests & Cultural Diversity |
| | B4.2 Description of steps taken to eliminate such practices when discovered | Protection of Rights and Interests & Cultural Diversity |
| **Operating Practices** | | |
| B5 Supply Chain Management | General disclosure: Policies on managing environmental and social risks of the supply chain | Supply chain management |
| | B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored | Supply chain management |
| B6 Product Responsibility | General disclosure: Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress | Product Value, Customer Service |
| | B6.2 Number of products and service related complaints received and how they are dealt with | Key Performance Index Table |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights | R&D and innovation |
| | B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored | Information Security and Privacy Protection, Customer Service |
| B7 Anti-corruption | General disclosure: information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering | Compliance with Laws and Regulations |
| | B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases | Compliance with Laws and Regulations |
| | B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored | Compliance with Laws and Regulations |
| | B7.3 Description of anti-corruption training provided to directors and staff | Compliance with Laws and Regulations |
| **Community** | | |
| B8 Community Investment | General disclosure: Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests | Commitment to Public Welfare, and Contribution to Common Prosperity |
| | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport) | Commitment to Public Welfare, and Contribution to Common Prosperity |
| | B8.2 Resources contributed (e.g. money or time) to the focus area | Commitment to Public Welfare, and Contribution to Common Prosperity |

# About the Report

**Reporting Period:**

This is an annual report covering the period from 1 January 2022 to 31 December 2022. To improve the completeness of the report, some data exceeds the above stated range.

**Reporting Scope:**

The organizational scope of this report covers QI-ANXIN Technology Group Co., Ltd. and its subsidiaries. For ease of presentation, the report uses the terms "QI-ANXIN Group", "Qi An Xin", "the Company", "we" and "us" to refer to QI-ANXIN Technology Group Co., Ltd.

**Reporting Cycle:**

This report is an annual report that is published in conjunction with the Annual Report of QI-ANXIN Technology Group Co., Ltd. This is the second consecutive year that the Group has released a CSR/ESG report, with the aim of facilitating effective communication with various stakeholders, responding systematically to their expectations and requirements, and showcasing the Group's practices and performance across various Environmental, Social, and Governance (ESG) issues.

**Data Description:**

The data and examples used in the report are derived from the Company's official documents, statistical reports, and summaries on the performance of responsibilities.

**Reporting Standards & References:**

This report also complies with the relevant disclosure requirements of the Shanghai Stock Exchange as follows: *Guidelines on the Content and Format of Information Disclosure by Companies Issuing Public Securities No. 2 - Content and Format of Annual Reports (Revised 2021)* (Chapter 5 Environmental and Social Responsibility), *Self-regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 2 - Voluntary Information Disclosure.*

The report is based on the *Sustainability Reporting Standards (GRI 2021)* issued by the Global Sustainability Standards Board (GSSB) and the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange (HKEX). The disclosure of each indicator in this report can be found in the "Index" section of the "Content Index" chapter.

**Reporting Reliability:**

The Company guarantees that this report does not contain any false or misleading statements.

**Reporting Availability:**

This report is available electronically and can be accessed on the Company's website. Please visit www.QI-ANXIN.com to download it and obtain further information on our Corporate Social Responsibility.

**Updates to Previous Versions:**

None.

# 让网络更安全，让世界更美好

Make the cyberspace safer and make the world a better place.

**QI-ANXIN**
Leader in next-generation cybersecurity