

2024

QAX GROUP ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Stock Code:688561

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

**Make the Cyberspace Safer and
Make the World a Better Place**





About the Report

Reporting Period

This is an annual report covering the period from January 1, 2024 to December 31, 2024. To improve the completeness of the report, some data exceeds the above range, which will be further noted in the report.

Scope of Organization

The scope of this report covers QI AN XIN Technology Group Inc., and its subsidiaries, which is consistent with the disclosure scope of its 2024 annual report. For ease of expression, the report uses terms such as "QAX Group," "the Group," "QAX," "the Company," or "we" to refer to QI AN XIN Technology Group Inc..

Reporting Cycle

This report is an annual publication, released concurrently with the annual report of QI AN XIN Technology Group Inc. It marks the fourth consecutive year that QAX has issued a Corporate Social Responsibility/Environmental, Social, and Governance (ESG) Report. The report aims to facilitate effective communication with stakeholders, systematically respond to their expectations requirements, and showcase the Group's practices and performance in various ESG issues.

Report Data

All data and examples used in this Report are derived from the Company's official documents, statistical reports as well as summaries and statistics on the performance of responsibilities. Unless otherwise stated, all monetary figures in this report are denominated in CNY.

Standards of Reference for Report

This report has been prepared in accordance with the *Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Reporting (Trial)* issued by the Shanghai Stock Exchange. It also draws reference from authoritative standards and guidelines including the *Global Reporting Initiative (GRI) Standards 2021*, the *United Nations Sustainable Development Goals (SDGs)*, and the *International Financial Reporting Standards for Sustainability Disclosure* issued by the International Sustainability Standards Board (ISSB).

Report Reliability Assurance

The Company guarantees that the content of this Report does not contain any false records or misleading statements.

Access to the Report

This report is available electronically on the Company's website. Please visit www.qianxin.com to download and obtain further information on our sustainability progress. This report is available in both Chinese and English. In the event of any discrepancies between the two versions, the Chinese version shall prevail.

Revision of Information of Previous Reports

None.

Report Feedback

If you have any feedback or questions regarding the content of this report, please feel free to contact us through the following channels. We solemnly promise to keep your personal information strictly confidential.
Phone: 010-56509268
Email: ir@qianxin.com

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STEADY OPERATION

01₁₉₋₂₈

VALUE-DRIVEN DEVELOPMENT

02₂₉₋₄₈

SECURITY GUARANTEE

03₄₉₋₆₆

TALENT DEVELOPMENT

04₆₇₋₇₆

SOCIAL CONTRIBUTION

05₇₇₋₈₈

ENVIRONMENTAL SUSTAINABILITY

06₈₉₋₁₀₀

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Message from the Chairman



Strengthen Security Foundation and Promote Technology for Good

In 2024, the global cybersecurity landscape is undergoing profound changes. The rapid development and widespread application of open-source AI technology have significantly increased cybersecurity risks. According to our Artificial Intelligence Security Report, emerging threats such as AI-generated deepfakes have surged by a factor of 30, driving explosive growth in cybersecurity demands both domestically and globally.

Faced with severe challenges, QAX has always been steadfast in its strategic role as a national cybersecurity safety, taking proactive actions and rising against the tide. With competence and commitment, the Company serves to build a solid citadel to protect the nation's cyberspace and digital security. Our practices have garnered significant attention from the mainstream market, and our brand influence has transcended industry boundaries, earning us the reputation of being the "National Premium Choice" in the cybersecurity field.

QAX's achievements are rooted in a commitment to long-termism and the concept of sustainable development. We firmly believe that steady growth is driven by systematic value creation – through sustained investment in cutting-edge R&D, relentless pursuit of excellence in product innovation and security operations, and the establishment of a fair and inclusive employee development system. These practices not only reinforce QAX's core competitiveness but also lay a solid foundation for the Company's sustainable development.

Over the past year, we have stepped up the work of building "practical", "AI-driven", "platform-based" and "service-oriented" capabilities. With the synergy of product portfolios, we established an integrated closed-loop system covering the entire process of intelligence collection, analysis, judgment, and response, effectively enhancing our real-world defense capabilities; We fully advanced the "AI-Driven Security" strategy, empowering the Company's full range of products by adopting the cutting-edge AI technologies. The newly upgraded Artificial Intelligence Security Operations Center (AISOC) platform integrates AI capabilities into cybersecurity operations, creating an industry-leading intelligent security operations hub to effectively respond to high-intensity and complex security threats. By developing platform-level products for each Business Group (BG), we significantly shortened the innovation cycle and improved R&D efficiency; Meanwhile, we have commercialized product operations as service-based offerings, while continuously providing higher-quality services in return for customer trust, and setting a paradigm for industry's ongoing transformation.

Technological innovation should be deeply integrated with social values. In collaboration with universities and research institutions, we support the development of cybersecurity disciplines, build platforms for industry-university-research collaboration, and take multi-faceted actions to cultivate emerging talents, fostering a virtuous cycle in the talent ecosystem; On the community front, we proactively engage in public service initiatives, leveraging our professional competence to support social causes. This includes enhancing cybersecurity capabilities in remote regions, supporting rural education and digital infrastructure, and promoting technological inclusivity to help bridge the digital gap. Through concrete actions, we remain committed to the principle of "technology for good."

The parallel pursuit of digitalization and low-carbon development is a defining mandate for tech enterprises in this era. As a responsible corporate citizen, QAX has always integrated the concept of green development into its corporate strategy and daily operations, actively responding to the national "carbon peaking and neutrality" goals. We empower energy conservation and emission reduction through technology, promote efficient resource utilization and a green office culture through concrete actions, and work toward the construction of a low-carbon, intelligent, and sustainable operation system, contributing our share as a cybersecurity company to the advancement of ecological civilization.

Standing at the historical crossroad where digital civilization and human civilization converge, the future is already upon us, and change remains the only constant. As QAX embarks on a new decade, we will set forth again with the spirit of "starting anew," forge a "Digital Great Wall" in cyberspace through technological innovation, and build a "high-speed engine" for sustainable development through our steadfast sense of commitment. We will uphold the responsibility of corporate citizenship, work hand in hand with partners and all sectors of society to drive the robust development of the cybersecurity industry, safeguard the digital economy, and dedicate to make cyberspace safer and the world a better place.

About QAX

Company Overview

Qi An Xin Technology Group Inc. (hereinafter referred to as QAX, stock code: 688561) was founded in 2014. The Company focuses on the cybersecurity market, providing a next-generation of comprehensive and effective cybersecurity solutions for governments and enterprises. In 2024, QAX's total operating revenue exceeds CNY 4.3 billion, ranking first in the industry in terms of employment, revenue, and penetration.

As a leading national force in cybersecurity, QAX is committed to building a secure cyberspace for the country. In terms of security concept, QAX has pioneered advanced concepts such as “data-driven security”, “endogenous security”, “security-oriented operations”, “zero cyber incident target”, “intelligent security”, and “AI-driven security”. These theories have become new benchmarks for the development of cybersecurity and data security in China, making significant contributions to technological progress in the field. In terms of technological capabilities, QAX maintains a leading position in technologies and market share in areas such as endpoint security, cloud security, threat intelligence, and situational awareness. In terms of business scope, QAX is a comprehensive cybersecurity company with full-spectrum coverage, and has been the company with the most entries in the “Cybersecurity Industry Landscape” for several consecutive years. From 2021 to 2024, QAX has ranked first for four consecutive years in the “Top 50 CIAA China Cybersecurity Industry” released by the China Cybersecurity Industry Alliance (CCIA).

As China approaches the final stage of its 14th Five-Year Plan, the demand for cybersecurity continues to surge. As an industry leader, QAX will continue to provide comprehensive and effective cybersecurity solutions tailored to emerging technologies, new business models, and application scenarios. The company is dedicated to advancing toward its vision of becoming the world’s leading cybersecurity company and contributing to a strong start for the upcoming 15th Five-Year Plan.

Company Mission



Make the
Cyberspace Safer
and Make the
World a Better
Place

Company Vision



Become the World's
No.1 Cybersecurity
Company

Company Values



Customer
First

Innovation
First

Collaboration
First

Responsibility Integrity Embracing
Changes



Major Milestones



Sustainability Management

As a leading enterprise in China's cybersecurity field, QAX Group has always been guided by national strategies. Driven by technological innovation and high-quality development, the Group deeply integrates Environmental, Social, and Governance (ESG) concepts into its inherent corporate development structure. Under the top-level deployment of "Accelerating the Development of New Quality Productive Forces", cybersecurity is not only a strategic cornerstone for safeguarding the digital economy, but also a core bond of new quality productive forces, promoting the efficient circulation and value release of data elements.

On this basis, QAX actively integrates sustainable development concepts into its corporate strategy by implementing ESG initiatives in daily operations and exploring best practices that align with the actual situation of the Company. In the future, QAX will continue to take security as its core and innovation as its engine. With ESG in tandem with new quality productive forces, QAX will focus on industrial collaboration and innovation, committed to shaping a new paradigm of high-quality development—Making Cyberspace Safer and the World a Better Place.

Sustainable Development Governance

In its operations, QAX consistently adheres to its mission of "Making the Cyberspace Safer and Making the World a Better Place". In line with the Company's business situation and external regulatory requirements, it continuously improves its sustainability governance framework, fosters unified understanding of ESG across all levels, and ensures effective implementation of ESG matters within the Company, driving the Company's sustainability.

As a leading enterprise in the cybersecurity industry, QAX's Board of Directors places great emphasis on sustainability management. The Company continuously updates and refines its sustainability strategy, advances related initiatives, and implements ESG-related efforts, thereby laying a solid foundation for long-term corporate sustainability. QAX's Board of Directors is responsible for supervising and managing the Company's sustainability. Apart from examining the Company's sustainability-related plans, goals and regulations, the Board also advances and supervises the implementation of sustainability-related actions, and monitors working performance regularly.

In 2024, QAX SECWORLD Information Technology (Beijing) Co., Ltd. (hereinafter referred to as QAX SECWORLD), a holding subsidiary of QAX, successfully obtained certification for its social responsibility management system in accordance with the GB/T 39604-2020 standard.

Strategic Guidelines for Sustainable Development



Promote solid and sustained social progress in line with "Zero Incident" standard



Contribute to public welfare services under the mission of safeguarding security



Boost high-quality and high efficiency development of industry as a responsible leader



Sustainable Development Governance Framework

Board of Directors



As the supreme decision-making body for sustainability management, the Board of Directors is responsible for managing and reviewing the Company's related strategic objectives and the formulation of regulations, approving major sustainability topics and projects, overseeing the implementation of related objectives, and monitoring sustainability performance on a regular basis, so as to ensure the alignment of its sustainable development goals with its overall strategy. The Chairman briefs the Board on the sustainability progress at regular intervals.

ESG Committee

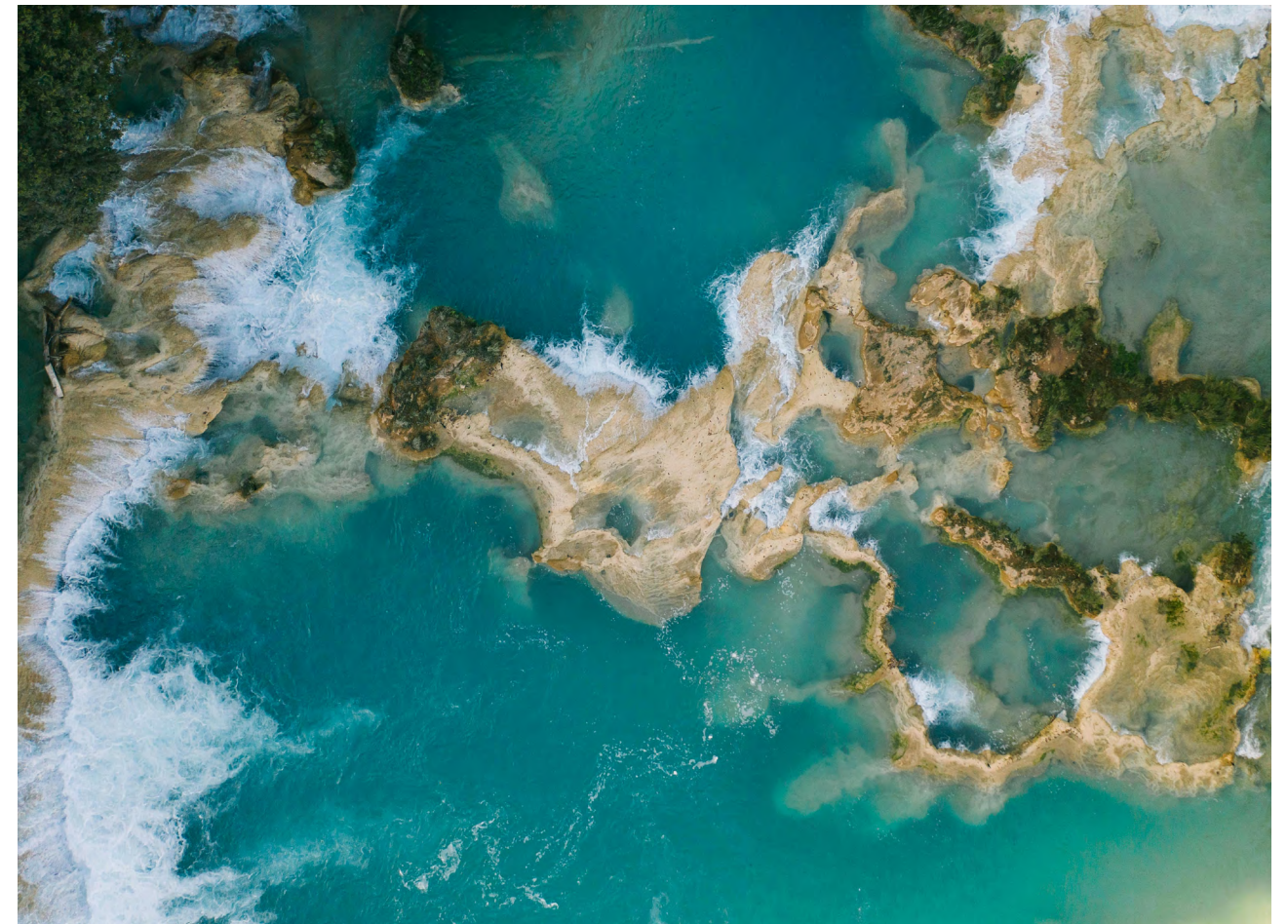


The ESG Committee is responsible for setting the Company's strategic guidelines for sustainable development, defining key tasks and objectives at the company level and across various departments, and tightly integrating ESG concepts with the Company's strategic planning, operation management, and business practices. It comprehensively coordinates and oversees the advancement and implementation of ESG-related issues, bringing the Company's long-term value to a new level. Decisions made by the ESG Committee are led and coordinated by the Corporate Social Responsibility Department of QAX Group for implementation.

ESG Task Force



The ESG Task Force is composed of members from ESG-related departments and is responsible for detailing the planning and management of ESG work. It coordinates the resources across departments, subsidiaries/branches, drives the implementation of related tasks and projects from the perspective of staffing, and regularly evaluates progress. Executives from each department report to the Chairman on the status of their assigned strategic objectives monthly.



Strategic Priorities of the Sustainable Development

Building Strength in Cyberspace



high-standard cybersecurity protection system and cybersecurity safeguarding are key to robust cyber development. Following the "Zero Incident" standard, QAX defends national cybersecurity, contributes to improving the livelihood of the people, and carries out national strategies in an attempt to ensure solid and sustained progress of a beautiful society

Inclusive Digital Security



Cybersecurity and data security are the cornerstone of the development of a digital economy. On a constant pursuit of premium products and services that integrate quality, security and experience, QAX provides secure and trusted infrastructure for the development of digital economy for customers and society.

Green and Low Carbon Operation



Green and low carbon development has become a global consensus. In response to the national strategies of carbon peaking and neutrality, QAX serves to boost eco-civilization. In terms of production and operation, QAX constantly makes efforts to evolve green infrastructure, green workplace and operation as a form of contribution to green and low carbon development and transformation worldwide through unremitting efforts.

Robust Industry Ecosystem



As a pioneer of cybersecurity, QAX takes it upon itself to nurture a healthy ecosystem and lead the development of the industry on itself. We have also doubled down on our efforts to establish a talent development system and deepen exchange in the industry to drive industry development with high quality and efficiency.

Keeping Hope for a Better Future



Dedicated to the cause for public good, QAX persists in reaching out to students, patients and farmers in need, and participating in disaster relief efforts, so that every hope can be protected. Meanwhile, QAX is committed to creating a diversified, equal, and inclusive workplace to make the world a better place.

Awards for Sustainability



2024 Top 100 Beijing Private Enterprises

Beijing Federation of Industry & Commerce



Top 100 Beijing Private Enterprises in Technology Innovations

Beijing Federation of Industry & Commerce



2024 Top 100 Beijing Private Enterprises in Social Responsibility

Beijing Federation of Industry & Commerce



Three-Star Social Responsibility Rating in Data Security and Personal Information Protection

CCIA Data Security Working Committee



2024 ESG Excellent Cases

Xinhuanet.com



Contribution Award of Science and Technology for Good

Yicai.com



"Top 100 ESG Best Practice" Listed Companies in China

Wind



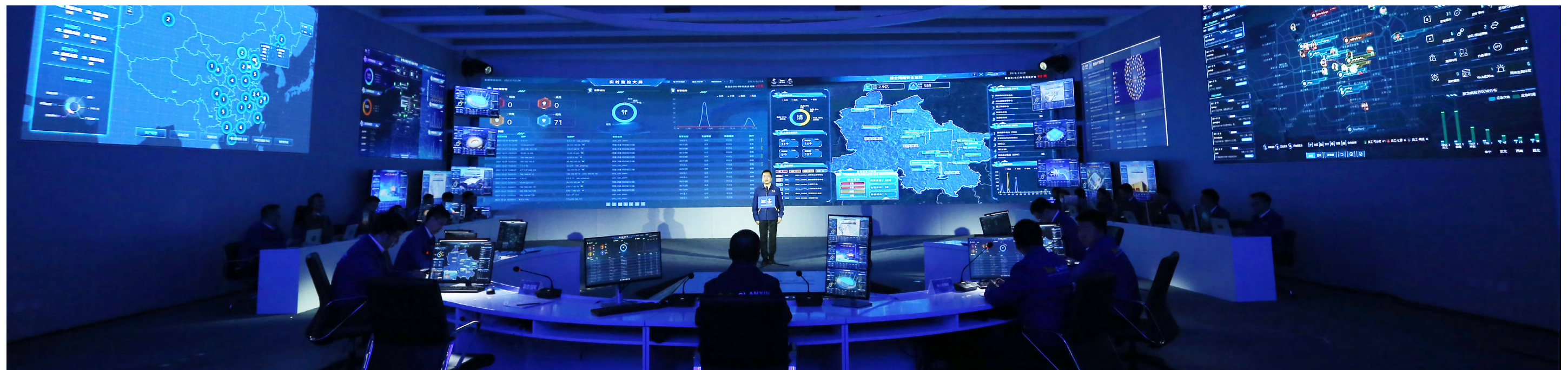
2024 "Value Co-creation" Excellence Award

CCM CSR Promotion Center (CCM)



Most Responsible Enterprise Bran

SR China Education Award



Communication with Stakeholders

Major Stakeholders	Customers	Shareholders and Investors	Employees
			
Topics of Concern	- Product and Service Quality - Privacy and Data Security - Compliance and Risk Management	- High-quality Operations - Stable Returns on Investment - Transparency of Information Disclosure	- Anti-corruption and Business Ethics - R&D and Innovation - Protection of Employee Rights and Benefits - Product and Service Quality
Communication Channels	95015 hotline, online customer service on the official website, e-mail, etc.	- General Meeting of Shareholders - Reception - Phone calls, E-interaction Platform of Shanghai Stock Exchange, e-mail, etc. - Performance Presentation for Investors	- Employee Training and Exchange - Employee Representatives' Meeting - Staff Feedback Mailbox
Feedback and Practices	- Enhance product innovation capacity and service quality - Participate in industrial events - Establish the Data Security Governance Committee to safeguard customer data security - Establish a Customer Value Enhancement Center to improve customer service experience	- Regularly prepare and disclose financial and non-financial information - Regularly disclose information on sustainable development and operations - Launch the "Investor Services" section on the official website	- Establish a sound human resource management regulations and incentive mechanisms - Collect employee feedback and regularly organize team-building, recreational, and sports activities - Strengthen occupational health and safety management

In advancing its sustainability agenda, QAX places strong emphasis on the concerns and expectations of key stakeholders, and actively works to build and refine stakeholder engagement mechanisms. The Company maintains transparent and effective communication channels through various means, regularly identifies core stakeholder needs, and integrates them into strategic planning and day-to-day operations. By responding with concrete actions, QAX continuously strengthens trust and collaboration, creating sustainable value for its stakeholders.

Business Partners	Governments and Regulating Bodies	Communities	Media, NGOs and Industry Associations
			
- Sustainable Supply Chain - Anti-corruption and Business Ethics	- Serving National Strategies - Public Welfare - Compliance and Risk Management	- Community Dedication - Diversity and Equality - Human Resources Development - Safeguarding Community Cybersecurity	- Quality Products and Services - Privacy and Data Security - Climate Change - Industrial Development
- Supplier Networking Meetings - Ongoing Supplier Management - Supplier training	- Channels for feedback on relevant government conferences, websites and policy suggestions - Training Workshops for Government and Corporate Stakeholders	- Public service initiatives - Industrial development activities - University and community engagement activities	- Industry meetings, exchanges, competitions, etc. - Environmental information disclosure and initiatives
- Improve the supplier management framework and implement continuous performance assessments and audits - Organize engagement activities for suppliers and distributors/agents - Establish accessible and effective whistleblowing channels	- Uphold the code of business conduct - Optimize internal control and compliance management - Enhance anti-fraud management and strengthened internal communication on integrity and anti-corruption - Increase the awareness and level of cybersecurity through tailored Training Workshops for Government and Corporate Stakeholders	- establish the QAX Charity Foundation and diversified community-based and rural public service initiatives as well as volunteering services - Support medical and healthcare, rural development, disaster relief, and educational assistance initiatives - Allocate resources to support community development and cybersecurity awareness	- Enhance cooperation with NGOs, and provide assistance - Organize various cybersecurity industry exchanges and competition activities - Set up "Butian Vulnerability Response Platform" for ensuring public cybersecurity - Promote energy conservation and consumption reduction in the workplace

Double Materiality Analysis

To effectively identify, understand, and address the concerns of stakeholders regarding the company's sustainability practices, QAX regularly conducts comprehensive ESG materiality assessments. In 2024, QAX carried out a systematic identification and analysis of ESG material topics through policy review and extensive engagement with internal and external stakeholders. This effort provides a reference basis for advancing ESG initiatives and disclosing relevant information in an orderly manner.

The company's double materiality assessment is conducted in accordance with the criteria for impact materiality and financial materiality as outlined in the *Shanghai Stock Exchange Listed Companies Self Regulatory Guidelines No. 14- Guidelines for Sustainability Reporting (Trial)* (hereinafter referred to as SHSE Guidelines. In addition, the assessment methodology is updated by incorporating leading international disclosure standards, including *GRI 3: Material Topics* and *IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information*. Based on prior assessments of impact materiality, 2024 evaluation integrates the financial perspective to form a comprehensive double materiality framework.

Assessment Process

Understand the Context of Company Initiatives and Business Relationships 01	Analyze domestic and international sustainability standards, company operations, product and service offerings, value chain, and industry landscape to gain a comprehensive understanding of the sustainability context in which the company operates.
Develop the Topic List 02	Identify and screen relevant sustainability topics based on the company's specific circumstances and stakeholder engagement, and analyze the actual and potential impacts, risks, and opportunities related to each topic.
Assess and Confirm Topic Materiality 03	Based on the company's specific context, industry development trends, and authoritative domestic and international research, the impact materiality and financial materiality of each ESG topic are evaluated and ranked. A double materiality matrix is developed accordingly, and the boundaries of each material topic are clearly defined.
Review and Report 04	The identified material topics were reviewed and confirmed by the Board of Directors and management. Topics deemed highly material during the reporting period are disclosed in detail in this report.

Assessment Method

During the reporting period, QAX conducted a double materiality assessment through various methods, including surveys, interviews, and expert evaluations. The company actively engaged with stakeholders such as global management, investors, customers, suppliers, government agencies, industry associations, and experts.

Impact Materiality	A comprehensive evaluation was performed, considering both positive and negative impacts, as well as actual and potential effects. The assessment encompassed multiple dimensions, including the scale of impact, scope, likelihood of occurrence, and irremediability. This approach aimed to determine whether the company's performance on sustainability-related topics could have significant effects on the environment, economy, and society.
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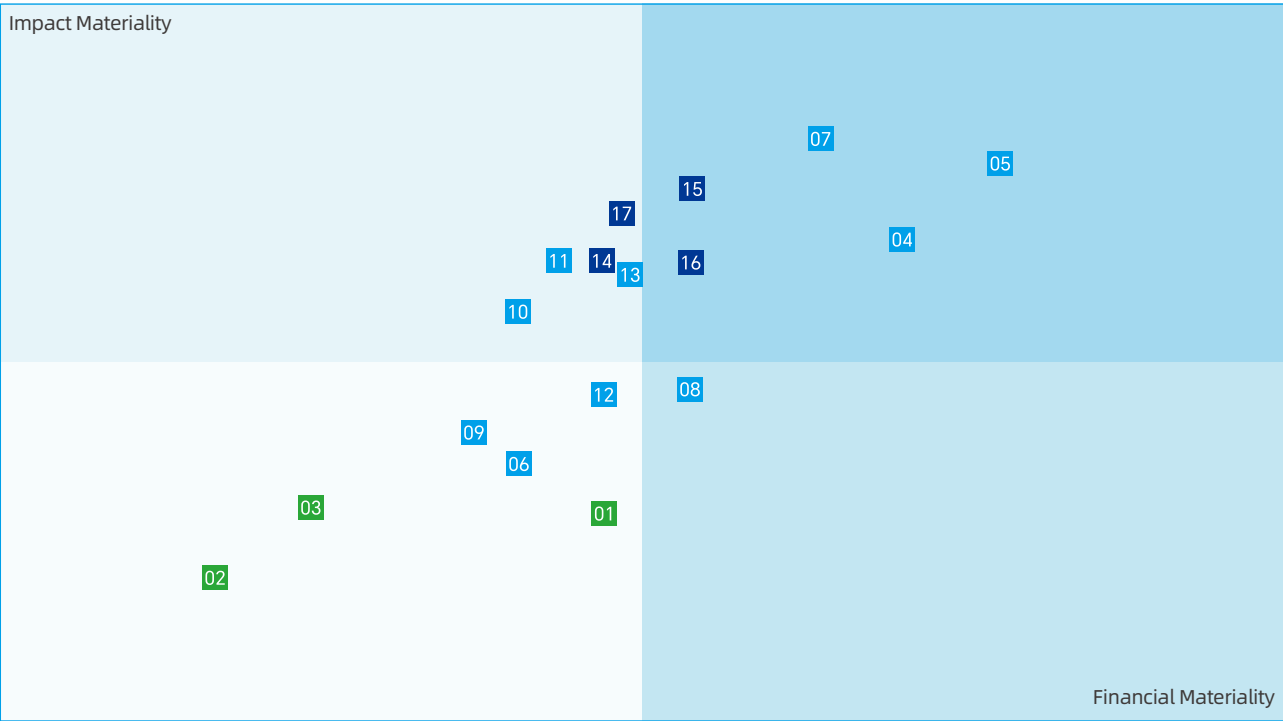
Financial Materiality	The company assessed the potential financial implications of sustainability topics over short-term, medium-term, and long-term horizons. The evaluation considered the likelihood of occurrence and the magnitude of financial impact, examining factors such as resource availability and dependency on relationships. This comprehensive analysis aimed to determine how these topics could affect the Company's business model, operations, and financial performance across different timeframes.
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Note: The Company defines the timeframes as follows—short-term: within 1 year (inclusive); medium-term: 1 to 5 years (inclusive); long-term: over 5 years.

List of Topics and Impact Assessment

Based on QAX's ESG context and business practices, and in accordance with authoritative domestic and international standards and evaluation methodologies—as well as feedback from stakeholder engagement—the company reviewed, consolidated, and updated its ESG topic list in 2024. Building on the framework set by the *Shanghai Stock Exchange Guidelines*, QAX added specific topics tailored to its actual operations, identifying a total of 17 material topics, including 3 environmental, 10 social, and 4 governance topics. In parallel, the Company conducted a preliminary identification and analysis of the actual and potential impacts, risks, and opportunities related to each sustainability topic (see Appendix 4: *ESG Topics and Analysis of Impacts, Risks, and Opportunities* for details).

By integrating the results of both impact materiality and financial materiality assessments, QAX identified 5 topics deemed material under both dimensions. The materiality assessment results were jointly evaluated by the company's internal finance and corporate social responsibility departments, in collaboration with external industry experts. The final list was reviewed and approved by the Board of Directors.



Environmental

- 01 Response to Climate Change
- 02 Energy and Resource Management
- 03 Green Operation

Society

- 04 R&D and Innovation
- 05 Product and Service Quality
- 06 Ethics of Science and Technology
- 07 Privacy and Data Security
- 08 Driving Industry Development
- 09 Supply Chain Management
- 10 Support and Care for Employees
- 11 Employee Training and Development
- 12 Social Contribution
- 13 Serving National Strategies

Governance

- 14 Corporate Governance System
- 15 Risk Management
- 16 Compliant Operation
- 17 Business Ethics

Contributing to the Achievement of UN Sustainable Development Goals (SDGs)

SDGs	QAX's Corresponding Actions
 1 NO POVERTY	No Poverty End poverty in all its forms everywhere
 3 GOOD HEALTH AND WELL-BEING	Good Health and Well-being Ensure healthy lives and promote well-being for all at all ages
 4 QUALITY EDUCATION	Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities
 5 GENDER EQUALITY	Gender Equality Achieve gender equality and empower all women and girls
 6 CLEAN WATER AND SANITATION	Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all
 8 DECENT WORK AND ECONOMIC GROWTH	Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
 10 REDUCED INEQUALITIES	Reduced Inequalities Reduce inequality within and among countries
	QAX has long been committed to supporting economically vulnerable groups through public service projects such as financial assistance, emergency relief, capacity building, and environmental improvement. These efforts aim to reduce the risk of returning to poverty in consequence of illness, reduced labor capacity, or limited access to education. QAX places strong emphasis on employees' occupational health and safety by establishing on-site facilities such as wellness center, massage rooms, and gyms, and by regularly organizing health seminars to promote a healthy lifestyle. In addition, QAX launched the "Caring Aid for Medical Care" project to strengthen cooperation between top-tier hospitals and primary healthcare institutions. This project aims to enhance the capacity of primary medical facilities in treating serious diseases, thus fulfilling the national strategy of creating a Healthy China. QAX places strong emphasis on talent development and cultivation, fostering cybersecurity industry professionals through the establishment of comprehensive training systems for employees and industry-wide talent development projects. Besides, the QAX Foundation has initiated the "Caring Aid for Education" project, offering university students financial support for social practice, and emergency relief, as well as scholarships and grants to enhance their practical skills and contribute to a shared and inclusive future in cybersecurity. The company firmly opposes discrimination, harassment, coercion, threats and violence in the workplace, committed to the principle of equal pay for equal work. It supports the development of female employees by organizing dedicated care and empowerment activities, so as to foster a fair, inclusive, and respectful work environment. QAX attaches great importance to water resource management and actively implements a series of water-saving measures to gradually maximize water use efficiency. In its office premises, the company strives to reduce water consumption by installing and maintaining water-efficient facilities, whilst promoting robust sewage and waste management systems to prevent pollution of water resources from both production and daily life. QAX is committed to providing employees with equal opportunities, safe and decent work, fair remuneration, a comfortable and secure workplace, comprehensive benefits, and opportunities for personal development. In addition to creating job opportunities, the company also supports the development of upstream and downstream partners across the value chain, contributing to the sustainable growth of the cybersecurity industry. QAX is committed to promoting employee equality, strictly prohibiting workplace discrimination and harassment, and providing an equal and diverse workplace for employees that vary by gender, age, ethnicity, region, and religion. Meanwhile, by organizing public service initiatives such as student aid and rural revitalization, QAX improves the living conditions of disadvantaged groups and promotes social equity and stability.

SDGs	QAX's Corresponding Actions
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
 11 SUSTAINABLE CITIES AND COMMUNITIES	Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Responsible Consumption and Production Ensure sustainable consumption and production patterns
 13 CLIMATE ACTION	Climate Action Take urgent action to combat climate change and its impacts
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
 17 PARTNERSHIPS FOR THE GOALS	Partnerships for the Goals Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development
	QAX consistently drives technological innovation with a "priority on innovation" approach, enhances the efficiency of research and development resources, and leads innovation in industry models, product businesses, and product services. Furthermore, QAX focuses its efforts on digital management, intelligent platform, data security ecology and stable infrastructure to guarantee business stability. QAX enhances urban resilience through a combination of philanthropy and technology. The Beijing QAX Charity Foundation provides corresponding support—including funds, supplies, and human resources—in response to the specific needs and circumstances of each major disaster. In 2024, QAX launched a series of volunteer initiatives, including cybersecurity awareness programs and guarantees for major public events, to safeguard urban digital security. By integrating innovation with a sense of responsibility, the company contributes to building inclusive, safe, and sustainable urban communities. With constant focus on product development security and business operation security, QAX adheres to the "customer-first" value. In collaboration with suppliers, channel partners, and other value chain partners, the Company implements responsible production and service models in research, development, production, sales, and service, and continuously optimizes customer experience, thereby helping to build a safe and trusted digital world. QAX regards cybersecurity as a critical enabler of climate governance. By leveraging security technologies, the Company empowers three key areas: the credibility of climate data, disaster resilience, safeguarding energy transition. At the same time, we have taken multiple actions, such as fostering green operations and sustainable infrastructure, building environmentally friendly office premises, and delivering digital solutions that support green transformation in order to boost low-carbon development and green transformation. The Company is committed to building a transparent and fair management system, insists on strict compliance with laws and regulations, and zero tolerance for corruption, and ensures smooth employee dialogue, aiming to become a well-functioning, responsible and inclusive organization. QAX continuously engages and empowers suppliers to improve and elevate its supply chain management and ESG management to a new level. Moreover, QAX remains committed to advancing cooperation under the Belt and Road Initiative, supporting the development and strengthening of global cybersecurity capabilities.

Feature Story

Pioneer of Intelligent Security Operations in the New Era - AISOC Drives a New Paradigm of Intelligent Security

In 2024, with the iterative upgrade of AI large models and the widespread application of open-source ecosystems, cyberattacks have become more complex and frequent. Faced with the new trend of "continuously decreasing attack costs and increasing defense difficulty", key requirements such as efficient protection, accurate identification, and long-term defense pose a challenge to traditional security operation models.

In this context, QAX actively embraces the AI revolution, spearheading a transformation of security operation system from the "manual pilot" to the "auto pilot" with AISOC (AI Security Operation Center) as the core innovation. This initiative comprehensively reshapes cybersecurity operation methodologies, constructing a new paradigm of intelligent security operations for the future.

Deepening AI capabilities, reshaping the productivity landscape

7×24

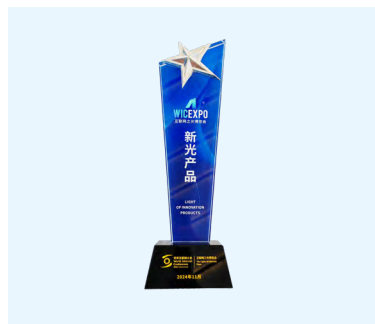
AI-based automatic analysis and alarm runs 7×24 hours

90%+

Alert noise eliminated

To address increasingly complex and multi-vector cyberattacks, QAX has launched the AISOC Intelligent Security Operation Platform by deeply integrating its Next-Generation Security Operation Center (NGSOC) with its proprietary AI model, QAXAI. Powered by a dual engine of large security models and big data correlation, the platform embeds AI capabilities across the entire security operations lifecycle—from threat intelligence analysis and incident investigation to response coordination, report generation, threat hunting, and policy formulation. By automating repetitive tasks and filtering out noise from massive data streams, AISOC significantly enhances analysts' efficiency. Its automated reporting features provide multidimensional views of the security landscape, empowering decision-makers at all levels and enabling a self-adaptive defense loop that connects detection, analysis, and response.

QAX AISOC also conducts global correlation analysis with QAX-GPT-based Tianyan Network Threat Analytics, TianQing EDR, and JiaoTu, enabling comprehensive control over cybersecurity, endpoint security, and server security. This integration empowers analysts to automatically interpret and execute various tasks, including alert correlation, guided incident investigation, response and handling, containment of threat spread, and creation of response strategies. It also indicates insights through natural language interfaces, accelerating the entire process of threat monitoring, investigation, and response, effectively achieving a closed loop of incident handling, and making security defenses more proactive.



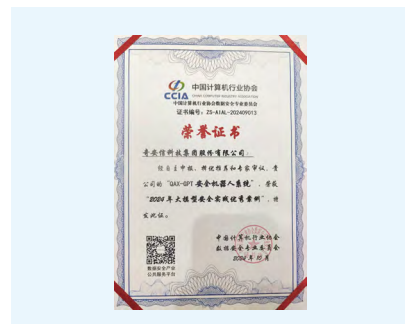
2024 World Internet Conference - Award of "Light of Innovation Products"

World Internet Conference



2024 China Cybersecurity and Information Industry - "Golden Intelligence Award"

Information Security and Communications Privacy, State Key Laboratory of Information Security, etc.



Outstanding Case of Large Language Model Security Practice in 2024

Committee of Data Security, China Computer Industry Association

QAX AI-Powered Security Operations Safeguard the Olympics" Ranked among the First Batch of "Pan An" Outstanding Cases



"Pan An" Outstanding Case - AI + Digital Security Application

China Academy of Information and Communications Technology

Through innovative technology integration, QAX deeply integrated security operations robots with multiple self-developed security products such as Tianyan Network Threat Analytics, TianQing EDR, and Jiaotu, enabling global correlation analysis, investigation and response, and automated handling closed-loop processes, thereby building an efficient and intelligent security operations system, effectively redefining the standards of security operations in the AI era.

At the 2024 CAICT ICT In-depth Observation Conference, "QAX AI-Powered Security Operations Safeguard the Olympics" was listed one of the first batch of "Pan An" outstanding cases. As a core monitoring solution provider for the secure operations center of the 2022 Beijing Winter Olympics and Paralympics, this project accessed over 1,000 data sources during the Games, covering 38 venues and 188 service outlets across the three competition zones.. This system handled over 1,000 abnormal or non-compliant incidents, ensuring 24/7 uninterrupted safe operation of the events. The system successfully achieved the goal of "Zero Incident" in cybersecurity, marking a significant breakthrough for QAX in leveraging artificial intelligence technology to elevate digital security.

QAX AISOC Intelligent Application Implemented at Provincial Emergency Management Department

Intelligent security operations have become an inevitable choice for enterprises to enhance their security capabilities. QAX AISOC, with its leading AI-based intelligent application capabilities and the technological advantages developed through training on massive real-world data with its self-developed security large AI model, can not only deliver full-process standardized security operation solutions but also tailor security operation solutions based on industry-specific security demands.

In 2024, QAX unveiled AISOC, a specially designed solution for a provincial emergency management department's security operation platform building project. This solution deeply integrates QAX's self-developed large AI model in the specific field of cybersecurity and the mature security operation platform (NGSOC), achieving a comprehensive intelligent upgrade of security operations and setting a new paradigm of security protection in the digital era.

AI-driven full-process empowerment



By seamlessly embedding AI into the entire security operation lifecycle, the solution automates 80% of alarm analysis tasks using intelligent algorithms, significantly reducing manual intervention; In key scenarios such as incident investigation, response and handling, and intelligent Q&A, AI technology continues to play an effective role, significantly improving the efficiency of security operations and the accuracy of judgment, and promoting the transformation of security protection from passive response to active defense.

Quantitative operation system for management decisions



To address the challenge of quantifying the value of cybersecurity efforts, QAX developed 24 quantitative indicators tailored to the department's operational needs, and intuitively presented the progress of security management and the effectiveness of operations on a visualized dashboard. The data-driven quantitative operation model provides a scientific basis for working out security decisions and investment plans.

Alignment with national strategies



Using AISOC as a carrier, QAX takes the initiative to explore innovative application paths for generative AI in mission-critical sectors, activate "new quality security productivity" through technological innovation, and inject new momentum into the sustainable development of cybersecurity across industries.

STEADY OPERATION

CONSOLIDATION OF CORPORATE GOVERNANCE	21
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QAX regards sound corporate governance as the cornerstone of high-quality development. By continuously refining the corporate governance system, enhancing effective communication with investors, improving risk management mechanisms, and adhering to business ethics, QAX has solidified the foundation for sustainable business development.



Consolidation of Corporate Governance

Corporate Governance

QAX strictly complies with national laws and exchange policies such as the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, and *Code of Corporate Governance for Listed Companies*, and continuously improves the board governance system and regulates company operations by combining advanced corporate governance experience at home and abroad.

QAX has established relevant systems, including the *Company's Articles of Association*, *Rules of Procedure for General Meetings of Shareholders*, *Rules of Procedure for the Board of Directors*, *Rules of Procedure for Meetings of Board of Supervisors*, *Regulations on Independent Directors*, *Working System of the Secretary to the Board*, *Working System of the President*, *Management Measures for Related Party Transactions*, *Management Measures for External Investments*, *Management Measures for External Guarantees*, etc., thus providing institutional guarantees for the standardized operation of corporate governance. The Company has defined a corporate governance structure composed of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and Senior Management, with clear responsibilities and standardized operations, ensuring the efficient operation of the company.

As of December 31, 2024, QAX's Board of Directors comprised 7 directors, including 3 independent directors. The number and composition of the Board comply with the requirements of laws, regulations, and the *Company's Articles of Association*. Members of QAX's Board of Directors have diverse professional backgrounds and industry experience, covering cybersecurity, communication technology, electronic engineering, economics, finance, law, and other fields, with an average board tenure of over 5 years.

The board has established the Audit Committee, the Strategy Committee, and the Nomination and Remuneration Committee. The Board of Directors, directors, and specialized committees work in compliance with the Company's Articles

of Association, *Rules of Procedure for the Board of Directors*, as well as other relevant regulations. They attend the board meetings and general meetings of shareholders, and fulfill their duties and obligations with due diligence and dedication. At the same time, they actively partake in relevant training for getting familiar with related laws and regulations, carry out resolutions of general meetings of shareholders, and fulfill their duties and obligations in a diligent and responsible manner, thus playing a crucial role in operation management. In 2024, QAX deliberated and adopted 14 resolutions at 5 general meetings of shareholders; 47 resolutions at 9 board meetings.

QAX's Board of Supervisors consists of 3 supervisors, including 1 employee representative supervisor. Responsible to all shareholders, all supervisors oversee the Company's financial status, material matters, and the legitimacy and compliance of directors, managers, and other senior executives in fulfillment of their duties. They meticulously perform their duties, and fully safeguard the legitimate rights and interests of the Company and shareholders thereof. During the reporting period, the Company deliberated and adopted 20 resolutions at 6 meetings of the Board of Supervisors.

In conformity with internal regulations such as the *Rules of Procedure for the Board of Directors* and the *Regulations on Independent Directors*, QAX continuously standardizes and improves the appointment procedures for the Board of Directors, the Board of Supervisors, and the management. Board candidates, after being reviewed for qualifications by the Nomination and Remuneration Committee of the Board of Directors, are submitted at the meeting of the Board of Directors for deliberation and then to the general meeting of shareholders for election upon approval. Employee representative supervisors are elected by employees through employee representative meetings, employee meetings, or other democratic forms, while non-employee supervisor candidates are reviewed by the Board of Supervisors and then submitted to the general meeting of shareholders for election.

The Company's directors strictly comply with relevant laws and regulations and the provisions of the *Company's Articles of Association*, diligently implement various resolutions adopted at the general meeting of shareholders, and conscientiously fulfill the duties assigned to the Board of Directors by the Company and its shareholders. The directors are required to summarize the work of the Board of Directors each year and prepare a *Work Report of the Board of Directors* for review at the general meeting of shareholders. Additionally, each independent director must prepare a *Work Report of Independent Directors* to be presented to the general meeting of shareholders annually.

The formulation, approval, and implementation of QAX's major decisions strictly comply with the Company's *Articles of Association* and other internal governance regulations. At the stage of governance strategy making, the management determines matters by strategy, market, and other factors, forms cross-departmental teams to collect information, and drafts proposals; The relevant internal departments of the Company conduct risk assessment and compliance review of the proposal and, depending on the situation, formulate appropriate risk response plans. For complex decisions, external professional institutions are engaged, if necessary, to ensure holistic supervision and management of governance strategy proposals.

For review and approval of decisions, decisions are submitted to the Board of Directors, Board of Supervisors, and general meeting of shareholders for deliberation in accordance with the provisions of the *Company Law of the People's Republic of China* and the *Company's Articles of Association* after being reviewed and approved by the management; Matters which relate to regulatory requirements in the industry must comply with external approval procedures by law and can only be implemented upon approval by regulatory authorities.

In 2024, QAX's Board

7

Directors

5

General meeting of shareholders

Rights and Interests of Investors

Information Disclosure

In strict accordance with the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange* and other relevant laws and regulations, as well as the *Company's Articles of Association*, *Information Disclosure Management Regulations* and other relevant regulatory documents, QAX has conducted information disclosure and published quarterly, semi-annual, annual reports and annual ESG reports on the designated website as well as media channels specified by the China Securities Regulatory Commission by law, so as to ensure the authenticity, integrity and timeliness of the financial and non-financial information disclosed.

In order to further strengthen communication with investors and enhance transparency of corporate information, QAX has also responded to concerns of investors through performance presentations, investor exchange meetings, investor hotlines, and other channels. During the reporting period, the Company held a total of 7 performance presentations and teleconference briefings, and replied to 118 investors inquiries on the "SSE e-interaction" platform.

Information disclosure is the responsibility of the Board of Directors, with the Board of Supervisors exercising supervisory duties to ensure compliance and transparency of information disclosure. Additionally, the Company conducts periodic or ad hoc assessment and supervision of information disclosure work and related responsible personnel. During the reporting period, the Company had no violations of information disclosure regulations.

Protection of the Rights and Interests of Minority Shareholders

In compliance with the *Rules for General Meetings of Shareholders of Listed Companies*, *Company's Articles of Association*, *Rules of Procedure for General Meetings of Shareholders*, and relevant laws, regulations and rules, QAX ensures that all shareholders fully exercise their rights and enjoy equal status. The Company regularly convenes General Meetings of Shareholders to fully respect and protect investors' rights to information and inquiry, with particular emphasis on safeguarding the rights and interests of minority shareholders.

The Company responds to inquiries, complaints, and suggestions from minority investors promptly through announcements, the "SSE e-interaction" platform, investor hotlines, and communication emails. Meanwhile, the Company makes investor briefings part of routine, concisely introducing the operational status and financial data in the periodic reports, and clarifies concerns of investors one by one under the premise of compliance.

Risk Management and Operation Compliance

Operation Compliance

In strict accordance with the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China* and other relevant laws and regulations, QAX has formulated internal management regulations such as the *Management Measures for Related Party Transactions*, *Management Measures for External Investment*, *Management Measures for External Guarantee*, *Statement of Import and Export Compliance*, etc., which serve as sound institutional guarantee for steady operation. For overseas business, QAX strictly complies with the laws and regulations of the target markets and introduces consultancies with international compliance experience in regions with strict regulations or complex business operations to provide professional advice, ensuring that the Company's overseas market development and operations comply with local laws and regulations.

In terms of internal control management, QAX has formulated management norms for each business and functional department. The Company regularly diagnoses its organizational structure and management logic, reviews and tests key business processes, audits process execution, and verifies execution outcomes to ensure the effectiveness of internal control design and implementation. Moreover, QAX conducts comprehensive internal control self-assessments annually and publicly discloses internal control reports to ensure the transparency of company information.

QAX continuously optimizes the internal audit management mechanism. The Audit Department is staffed with financial, business auditors and IT auditors to ensure work is done in accordance with audit requirements and implementation effectiveness of key business areas and procedures. Meanwhile, the Company has strengthened the information-sharing mechanism among the Audit Department, Internal Control Department, and Business Units, enhancing the closed-loop management of audit supervision. In addition, the Company also periodically undergoes external audits of financial statements, to ensure the compliance and accuracy of its financial information. In 2024, QAX conducted over 20 audit and internal control projects. During the reporting period, QAX had no major violations of laws and regulations, and was subject to no administrative penalties.



Risk Management

Guided by a risk-oriented management approach, QAX has established a comprehensive risk management mechanism. Through the implementation of the "Three Lines of Defense" model, the Company regularly carries out risk identification, assessment, and controlling work. Independent audits under the third line of defense are conducted to evaluate the effectiveness of risk control from multiple dimensions, enabling the Company to effectively manage potential risks across its business operations.

In response to evolving market dynamics, QAX conducts identification of emerging risks on a periodic basis. During the reporting period, the major emerging operational risks identified by QAX include overseas compliance risks and data security risks. To address overseas compliance risks, QAX has introduced third-party law firms and consultancies with international compliance experience, particularly in regions with strict regulations or complex business environments, thereby reducing potential legal, financial, or reputational risks arising from non-compliance with local laws and regulations. For data security, QAX actively addresses related risks and enhances corporate resilience by improving data security management framework, advancing related institutional development, optimizing the installation of data security software and hardware facilities, and raising employee awareness through management measures.

QAX "Three Lines of Defense"



QAX Risk Management Procedure

Risk Identification	The Company's potential operational risks are identified through business risk analysis and internal/external audits
Risk Assessment	Various business and functional departments assess the likelihood and impact of potential risks, classifying and grading them
Risk Control and Governance	Based on the Company's risk exposure, QAX allocates relevant resources to develop processes, conduct targeted reviews, and implement other risk control and governance measures to reduce the Company's overall risk level.
Risk Monitoring and Reporting	The Audit Department regularly reports risks to the management and the Board of Directors, and briefs on the progress and results of each risk management initiative.

Business Ethics

Anti-corruption

In compliance with relevant laws and regulations, such as the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Anti-Money Laundering Law of the People's Republic of China*, QAX is a consistent advocate of the values of "Collaboration First, Responsibility and Integrity". The Company advocates fair competition, actively fosters a clean and ethical business environment, and maintains a zero- tolerance policy towards all forms of corruption.

The Company continuously improves its anti-corruption management system, with a Supervision Department set to perform work of oversight and discipline enforcement, investigate and handle internal disciplinary violations, and build a corporate culture of integrity. Additionally, QAX has developed internal management regulations, e.g., the Anti-fraud Management Rules, which clarify the Company's anti-fraud investigation procedures, methods, and handling measures. Upon receiving complaints and reports, QAX has been promptly conducting professional assessments, initiating independent investigations within the scope of its supervisory authority, and promptly transferring non-jurisdictional matters to relevant departments. Regarding verified corruption incidents, disciplinary actions will be implemented in accordance with the *Employee Handbook* and other relevant regulations, and cases suspected of criminal activity will be transferred to judicial authorities by law. Upon the end of investigations, QAX periodically reviews management deficiencies through typical cases, thoroughly analyzes the root causes of corruption, formulates rectification measures, in order to consistently strengthen the Company's management of business ethics. In 2024, QAX, based on investigation on all types of leads collected, recovered and reduced losses of over ten million yuan, identified 6 employees who had harmed the Company's interests, all of whom have been transferred to public security authorities for legal investigation and accountability.

QAX has laid down the Business Conduct Guidelines to regulate the business behavior of all directors, executives, and employees (including full-time, part-time, and temporary workers). The *Code* clearly defines the fundamental principles and significant policies regarding conflicts of interest, business secrets, anti-unfair competition, occupational health and safety, harassment and discrimination, and details the reporting procedures and whistle-blower protection mechanisms. If employees violate relevant regulations, they may face corresponding penalties, including termination of employment. Relevant penalty decisions will be made based on specific facts and conditions. Employees who violate laws, regulations, or the provisions thereof may also need to bear civil liability, and be put under criminal penalties.

In addition, QAX has established internal management regulations such as the *Management Guidelines for Employee Conflicts of Interest and Regulations for Acceptance and Handling of Gifts*, and has further emphasized the requirements for integrity in the *Employee Handbook*. The Company adopts a zero-tolerance attitude towards corruption, bribery, fraud, embezzlement, etc., in any forms, and builds a clean workplace atmosphere with efforts. During the employee promotion review process, QAX coordinates multiple internal departments to strictly enforce disciplinary reviews for employees being promoted. In 2024, the Company conducted disciplinary reviews for a total of 115 employees under consideration for promotion or awards.

On this basis, QAX actively promotes education on integrity. Through publicity of "anti-corruption practices and integrity" concept on internal instant messaging platforms, as well as the dissemination of *Supervision Bulletin* to employees. The Company strengthens staff anti-corruption awareness and sense of integrity, ensuring an effective implementation of anti-corruption culture.

In 2024, QAX's anti-commercial bribery and anti-corruption training covered 100% of the Company's directors, management, and employees.

Whistleblowing and Handling



Whistleblowing E-mail: jubao@qianxin.com

Whistleblowing Channel: qianxinjiancha (WeChat account)

Mailing Address: QAX Security Center, 26 of Xizhimenwai South Road, Xicheng District, Beijing;

Addressee: Group's Supervision Department.

To standardize the management of complaints and whistleblowing, QAX has issued the *Notice on Strengthening Whistle-blower Protection and Reward Mechanisms* applicable to the Group and its subsidiaries, clarifying the reporting scope, channels, requirements, and procedures. Additionally, QAX has made known whistleblowing channels on its official website and intranet, encouraging both internal and external personnel to lodge complaints and reports via phone, WeChat, email, or letter. Furthermore, the Company has promulgated the *Notice on Leniency for Those That Take the Initiative to Report Disciplinary Offense*, imposing fewer or lighter penalties on employees that turn themselves in while giving them corresponding support.

QAX attaches great importance to the whistle-blowers protection. The Company strictly safeguards their personal information and all materials provided in reports, and enforces confidential management throughout the entire investigation process. For real-name reports, the Supervision Department maintains a dedicated protection list and assigns designated personnel responsible for communication, rewards, and protection of whistle-blowers. The Company strictly prohibits retaliation in any form, effectively safeguarding the legitimate rights and interests of whistle-blowers.

Supply Chain Management

Supply Chain Security



QAX SECWORLD ISO 28000 Supply Chain Security Management System

In response to changes in the complex global economic landscape, QAX proactively adjusts supply chain management strategies and strengthens supply chain risk management, under a competitive supply chain system.

To strengthen the stability of the Company's supply chain, QAX continuously optimizes the development of its supply chain system, focuses on supply chain risk identification and management, and builds an effective supply chain risk management system and response mechanism. QAX conducts regular internal and external risk assessments for the supply chain, continuously follows up and dynamically updates supplier risks, and formulates the *Risk Analysis, Assessment, and Control Document*. During the reporting period, QAX conducted comprehensive supply chain risk screening, on the basis of external political, economic, and technological circumstances, and integrated internal factors such as human resources, financial standing, and information systems compatibility, for a holistic analysis of risk levels, and implemented targeted risk control measures. QAX SECWORLD has obtained ISO 28000 certification for its Supply Chain Security Management System.

For effective management risks associated with over-reliance on a single supplier, the Company has established a hierarchical control mechanism, to conduct regular multi-dimensional supplier dependency assessments. When the dependency score exceeds a predefined threshold, the alternative supplier development project is initiated, and the corresponding business quotas are adjusted, thereby effectively mitigating a train of potential risks such as supply interruptions, quality fluctuations, and uncontrolled cost fluctuations. For critical hardware platforms, QAX avoids using a sole suppliers by maintaining a minimum of two qualified suppliers..

To address inventory risks, QAX, under the safe inventory model, requires its own stock of raw materials to maintain the safe inventory quantity, which also applies to its suppliers. The Company also agrees on requirements for safe inventory and production of spare parts with suppliers, for replenishment of the Company's stock at any time.

	2022	2023	2024
Total number of suppliers	125	152	170
Number of suppliers in Mainland China	122	149	167
Number of suppliers in other countries and regions	3	3	3



Supplier Management

Governance Structure and Regulation Framework

QAX makes the requirements for its own sustainable development part of the process of cooperation with suppliers. Through development of systematic governance frameworks, standardized code of conduct and contractual agreement with suppliers, and comprehensive supplier audit mechanisms, the Company guides its partners to continuously improving their sustainability performance and contributes to building a sustainable industrial chain.

QAX has established the Raw Materials Procurement Department, comprising teams for sourcing and procurement, order fulfillment, in-house server procurement, and standard cost accounting, overseeing the Company's procurement of various raw materials and supplier management. In conformity with procurement-related laws and regulations, QAX has formulated the *QAX Management Measures for Implementation of Procurement of Raw Materials* and *QAX Management Measures for Suppliers of Materials for In-House Procurement*. During the reporting period, the Company updated the *QAX Measures for the Management of Raw Material Suppliers* and the *QAX Management Procedures for Certification of Raw Material Suppliers* in line with the latest laws and regulations and internal process updates.

Supplier Access Assessment

To enhance the standardization and efficiency of supplier management and strictly control supplier quality, QAX has established comprehensive supplier onboarding and evaluation mechanisms. All potential suppliers are required to complete the *Supplier Questionnaire* and submit authentic and valid qualifications and credit documentation. For further evaluation of suppliers' qualifications, QAX has established a cross-departmental supplier certification panel, which certifies and assesses suppliers by supplier system and product with reference to the TQRDCESR¹ matrix. Besides, potential suppliers are evaluated using the Supplier Onboarding Scoring Form. For certain key suppliers, the Company conducts on-site assessment in aspects of corporate governance, quality management, and production processes.

Routine Supplier Review

QAX implements a tiered and categorized supplier management approach in accordance with the *QAX Measures for the Management of Raw Material Suppliers*, and conducts differentiated performance assessments on a quarterly, semi-annual, or annual basis depending on supplier category. The assessments include suppliers' capabilities of basic operation, engineering and R&D competence, quality assurance, and manufacturing capability. For suppliers who meet relevant conditions, QAX conducts ad hoc interim audits, assessments, and issue-based inspections along with performance reviews, so as to strengthen the supervision and management of suppliers and reduce supplier-related risks. In 2024, QAX assessed 35 suppliers.

Besides, QAX has established a differentiated supplier performance incentive mechanism to promote healthy competition among suppliers and continuously improve the quality of supplier products and service. QAX will appropriately grant preferred suppliers with greater procurement quotas and give priority to them under equivalent conditions. For suppliers that need improvement, QAX will issue a *Supplier Rectification Notice*, requiring the suppliers to take corrective actions within a prescribed period and providing tailored improvement guidance when necessary. If a supplier fails upon rectification requirements for two consecutive quarters, and upon agreement by supplier management departments and approval by senior leadership, the supplier is downgraded to non-compliant status.

Improving Supplier Capacity

QAX is committed to building supplier capabilities and enhancing mutual development through training and technological support. These efforts aim to improve suppliers' operational efficiency, reduce procurement risks, and foster a collaborative and mutually beneficial supply chain ecosystem. In 2024, QAX conducted training for suppliers, with focus on hardware automation testing, production systems, quality management, and privacy and security. In 2024, QAX conducted a total of 16 supplier training sessions.

¹ Refer to Technology, Quality, Response, Delivery, Cost, Environment, Safety and Restrictions on Hazardous Substances in Electrical and Electronic Equipment (RoHS)

Supplier ESG Management

100%

Supplier Sunshine Agreement Signing Rate

QAX continues to advance the development of supplier ESG evaluation standards and integrates ESG criteria into supplier performance assessments. In terms of the environment, QAX requires key raw material suppliers to obtain ISO 14001 Environmental Management System certification, and hazardous waste must be 100% properly disposed of or recycled. The supplied products must comply with RoHS requirements, and procurement contracts/agreements must include standardized clauses specifically addressing RoHS compliance.

In the social dimension, QAX requires suppliers of key raw materials to hold ISO 45001 Occupational Health and Safety Management System certification and explicitly incorporates occupational health and safety requirements into procurement contracts. Suppliers are required to prioritize employee health and safety and safeguard their well-being.

In terms of business ethics, QAX insists on enforcing the Company's transparent procurement practices. In 2024, the Company issued the *QAX Management Regulations on Bidding for Hardware Platforms* and *QAX Raw Materials Procurement Department Management Regulations on Reporting for Review*, further standardizing the bidding and procurement processes and approval standards, aiming avoidance of irregularities and corruptions. Additionally, all QAX suppliers are required to sign a Commitment to Integrity and comply with our ethical procurement standards and anti-fraud regulations. During the reporting period, 100% of suppliers signed the transparent agreement.



VALUE-DRIVEN DEVELOPMENT

DRIVING TECHNOLOGY INNOVATION	31
BUILDING DIGITAL DEFENSES	41
SHAPING A SECURITY BLUEPRINT	47

As a leading cybersecurity company, QAX focuses on R&D innovation, continuously optimizing the structure of R&D investment to improve output efficiency. Guided by the concept of "Productization of Services" and "Servitization of Products", it provides industry-leading solutions, safeguarding the security of the national digital economy.



Driving Technology Innovation

R&D and Innovation

2024 年

RMB
141.14 million
R&D expenditure

2,536 Persons
R&D Personnel

QAX is dedicated to cutting-edge research and practical application in the field of cybersecurity. Upholding its "Four Orientations" strategy: Olympicization, Legofication, Servicization, and Internationalization, QAX has been continuously expanding its presence in R&D innovation and enhancing its independent R&D capabilities and competitiveness. In recent years, QAX has steadily increased R&D investment, successfully developing dozens of R&D platforms, including "Kun Peng", "Noah", "Lei Er", "Zion", "Trantor", "Da Yu", "Xuan Ji" and "Gan Xing", alongside numerous others under development. By standardizing production, the Company furnishes customers with a diversified, high-quality cybersecurity solutions. As of the end of 2024, QAX has established R&D centers in ten cities, including Shenzhen, Zhuhai, Changsha, Nanjing, Shenyang, Jinan, Xi'an, Chengdu, Shanghai, and Wuhan, with assembled dedicated research and development teams, laying a solid foundation for maintaining its sustained innovation advantages and technological leadership in the industry.

To efficiently promote technology R&D and innovation, QAX has constructed a scientific and efficient R&D management system. The Company has established a hierarchical organizational structure for R&D, which is made up of a Technology General Department, Product Line Technological Teams, R&D Platform Teams, and Specialized Research Institutes. Besides, the Company has clearly defined roles and responsibilities across all stages of R&D, while promoting transparent decision-making processes and robust quality control systems to improve project execution and outcomes, thus achieving efficient, collaborative operations. In cutting-edge areas such as artificial intelligence, QAX has established dedicated research teams to pursue breakthroughs in key technologies.

In daily R&D management, QAX adopts internationally recognized methodologies such as Agile Development, IPD, and DevSecOps, incorporating flexibility into standardized processes, and regularly conducts project evaluations and optimizations to ensure continuous improvement in R&D performance. On the other hand, to guarantee consistent R&D investment, QAX has implemented a centralized mechanism for resource integration and sharing, ensuring efficient utilization of equipments and experimental environments. For fund management, the Company supports innovative projects through special funds, ensuring designated use of funds.

Degrees Held by R&D Staff

Bachelor
71.77%

Master
20.70%

Associate or below
6.70%

PhD or above
0.83%



By the end of 2024, QAX

120+

Undertook national-level major projects and demonstration projects

90+

Major projects

30+

Demonstration projects

QAX R&D teams possess profound technological expertise and extensive industry experience, with a focus on advanced threat detection and defense, security big data analysis, and solution development. The teams excel particularly in areas such as Advanced Persistent Threat (APT) defense, cloud security, endpoint security, and zero-trust architecture. Through close team collaboration and interdisciplinary capabilities, the R&D teams provide reliable and efficient security protection for enterprises and critical infrastructure.

Moreover, the Company continuously optimizes its R&D innovation system, aligning with industry development trends and market demands. By implementing a package of incentive mechanisms and reward programs, the Company encourages technological breakthroughs, cutting-edge studies, and talent development. The Company also actively builds an open innovation platform, promoting crossover collaboration and technology sharing, inspiring creative ideas and solutions, and supporting in-depth exploration in critical technological domains. This approach drives the teams to continually achieve breakthroughs in innovation capabilities, R&D efficiency, and core competitiveness.

On the journey of advancing technological innovation and commercializing technologies, QAX continuously summarizes work experience, optimizes innovation mechanisms, and redefines development goals. In 2024, the Company pushed forward cutting-edge exploration in technological fields such as Computing Security, Internet and Communication Security, Data and Application Security, New Technology Application Security, Network Probing, Cyberattacks, Cyber Defense, and Operational Support, initiating technological tasks to carry out innovative work. As defined in the 2024 project goals and plans, all technological tasks have been completed on time and with quality assurance this year.

While vigorously advancing enterprise technological innovation, QAX also actively undertakes various national major R&D projects, safeguarding the security of the digital economy. By the end of 2024, QAX had undertaken more than 120 national-level major projects and demonstration projects, including over 90 major national-level projects and more than 30 demonstration projects. These include the National Key Research and Development Project led by the Ministry of Science and Technology of the People's Republic of China, and the Industrial Internet Innovation and Development Project launched by the Ministry of Industry and Information Technology of the People's Republic of China. Through these efforts, the Company has achieved breakthroughs in a number of core and bottleneck technologies.

QAX Innovation Incentive Mechanism

Technological Innovation Award



QAX has established a dedicated award program to recognize and incentivize outstanding patents, technological breakthroughs, and high-impact projects, stimulating innovation momentum among R&D personnel.

Career Development Support



QAX provides a clear and well-structured career development pathway and supports R&D personnel in participating in leading international security forums, academic exchanges, and competition, enhancing their professional standing and influence within the industry.

Long-term Incentive Mechanism



By implementing equity incentives, core talent programs, and other long-term incentive measures, QAX shares the benefits of the Company's growth with R&D personnel, strengthening their sense of belonging and mission.

Cultural Incentive Mechanism



QAX fosters a free and open innovation culture, encouraging R&D personnel to experiment with new ideas and promoting individualized development and team collaboration.

Resource Guarantee Mechanism



QAX puts into practice advanced R&D tools and environments, supports interdisciplinary research and real-world offensive and defensive exercises, ensuring the teams continue to explore at the technological forefront.

With the rapid development of artificial intelligence, the number of disclosed cybersecurity vulnerabilities is on the rise. In response to this market change, QAX swiftly launched and upgraded a wide assortment of innovative products in 2024. Leveraging AI technology and its own R&D capabilities, the Company significantly has enhanced the efficiency of cybersecurity management on the client side, achieving highly accurate detection and response to code defects and security threats. Furthermore, it has generated scenario-based review and analysis reports automatically to continuously meet customers' diverse needs.

2024 R&D Innovation Awards



Outstanding Contribution Award at the World Internet Conference

QAX Group



Second Prize of National Science and Technology Progress

Key Technology and System Project of Hyperscale Multi-Domain Integrated Federated Range (Pengcheng Cyber Range)



First Prize of Hunan Provincial Science and Technology Progress

Automatic Computing Platform for Multi-Source Heterogeneous Data Circulation and Intelligent Decision-Making with Large-Scale Industrial Applications

Awardee
QAX Group
Pangu Lab (Shanghai) Information Technology Co., Ltd.
QAX Group

Award
2024 World Internet Conference - Award for Pioneering Science and Technology Award-winning Project: Key Technology and Application of Efficient Detection and Dynamic Flexible Layout for Encrypted Traffic
2024 Shanghai "Little Giant" Enterprise in Science and Technology
Golden Flash · China Internet Innovation Competition - Second Prize for Artificial Intelligence

QAX Threat Intelligence Operations System (TIOS)

QAX's Threat Intelligence Operations System (TIOS) integrates multiple innovative technologies and leverages AI-powered automated analysis and classification capabilities. By embedding proprietary detection engines and platform tools into the intelligence production workflow, the system enhances the coordinated management efficiency across different levels of threat intelligence. The generated threat intelligence is distributed in real-time to upstream and downstream departments and third-party security vendor products through cloud and local platforms, enabling efficient sharing. Besides, the system enables automated threat detection and response, giving real-time security alerts, comprehensive data analysis, and reports. It contributes to helping enterprises improve the efficiency of security operations decision-making and reduce management costs. In 2024, QAX's Threat Intelligence Operations System (TIOS) was selected for the State-owned Assets Supervision and Administration Commission's *Manual of Scientific and Technological Innovations of Central Enterprises (2023 Edition)*.

QAX X-Wing

QAX X-WING is the international version of QAX's endpoint security product series. It integrates endpoint protection and endpoint management capabilities, offering multiple deployment models including SaaS, on-premises, and hybrid deployment. By incorporating artificial intelligence into scenario-based security applications, it enables rapid detection and effective response to advanced threats, while also meeting compliance requirements in areas such as endpoint security and data protection.

QAX Code Large Language Model

AX Code Large Language Model has robust capabilities in code generation, analysis, optimization, and auditing. It is capable of automatically generating high-quality codes, giving proposals for completion in real time, and intelligently detecting code defects, thereby enhancing development efficiency and security. This model has now been integrated into the QAX CodeGen Smart Programming Assistant, QAX Code Guard, and Code Review Assistant.

AISOC²

AISOC deeply integrates QAX's NGSOC with the QAX-GPT Security Robot, leveraging both security-oriented large language models and big data correlation engines to embed AI capabilities into core security operations such as threat determination, investigation, response, reporting, threat hunting, and policy creation. Compared with traditional SOCs, this integration significantly enhances operational efficiency.

QAX-GPT

The 2024 updated version of the QAX-GPT Robot has upgraded "intelligent determination" and "intelligent Q&A" models, while adding four new features: "Intelligent Cockpit", "Intelligent Investigation", "Intelligent Tasks", and "Intelligent Reports". Its determination capability has been on a par with an intermediate security expert, reducing the processing time for a single threat incident by 98%. This effectively addresses three intractable problems in actual operations: cybersecurity protection alert fatigue, scarcity of experts, and efficiency bottlenecks.

Achievements of QAX-GPT Large Models



Large Language Model System Security Capability Evaluation Certificate - Mature Level

Ministry of Public Security of the People's Republic of China, National Engineering Research Center for Classified Protection of Cybersecurity and Security Protection Technology



Security-Oriented Large Language Model Foundation Cybersecurity Capability Evaluation Certificate

China Academy of Information and Communications Technology, China Telecommunication Technology Labs



Large Language Model Security Service Capability Qualification Certificate - Level 2

Artificial Intelligence Committee of China Computer Industry Association, China Software Testing Center

Awarder
Committee on Network and Data Security, China Computer Industry Association, China Center for Information Industry Development, China Software Testing Center
China Security & Protection Industry Association
CCID Consulting

Award
2024 Top Ten Network and Data Security Product Innovation Award
2024 China International Exhibition on Public Safety and Security - Special Award for Outstanding Innovative Products
2023-2024 Next-Generation Information Technology Innovation Product

² Artificial Intelligence Security Operations Center (AISOC)

Intellectual Property Protection



QAX SECWORLD's Intellectual Property Management System Certificate

In compliance with related 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*, QAX has established internal management regulations including the *Management Measures for Intellectual Property*, *Measures for Patent Awarding*, *Standards for Preparation of Patent Application*, *Management Measures for Patents of Enterprises*, etc. With the procedures for the attribution, application, maintenance, management and protection of intellectual property well defined under a sound intellectual property management mechanism, the Company ensures that its own and third party's intellectual property rights are effectively guaranteed. QAX SECWORLD has obtained the intellectual property management system certification GB/T 29490-2023. As of the end of the reporting period, QAX had no intellectual property infringement disputes.

In addition, QAX has established a comprehensive third-party intellectual property protection mechanism: In terms of R&D cooperation, the Company has formulated a *Joint R&D Agreement* to clarify researchers' signature rights, and standardize intellectual property application, ownership, exercise of rights, and distribution of earnings; For technology cooperation, the Company, as per the *Technology Licensing Agreement*, stipulates the patent implementation process, and defines terms of royalty payment, thereby safeguarding confidentiality of business secrets of the licensors.

Application for registration of own intellectual property

Comprehensive intellectual property protection system: Strengthen the confidentiality of core technologies through patent layout, trademark registration and technological secret protection.

Risk prevention and control mechanism: Conduct patent search and FTO analysis, implement trademark announcement monitoring and online infringement monitoring, and establish a review mechanism for terms of intellectual property in contracts to prevent defective terms and infringement risks.



Use and authorization of intellectual property

Centralized management regulations for intellectual property rights: Implement a registration ledger and file regulation to apply full life cycle supervision and dynamic traceability of intellectual property rights such as patents, trademarks, and copyrights.

Compliance management system: Through mechanisms such as authorized use review and license review, avoid the risk of intellectual property abuse and safeguard the Company's commercial interests and brand reputation.



IP right safeguarding and litigation

Multi-dimensional rights protection mechanism: Targeting unfair competition behaviors such as malicious trademark registration and ambiguity of company names, the Company, in accordance with the *Trademark Law*, the *Anti-Unfair Competition Law* and other laws and regulations, takes multi-pronged actions of filing trademark objection requests, initiating invalidation procedures, reporting to the authority of market supervision, etc., so as to protect the exclusive rights to use registered trademarks and company names by law, and curb illegal and irregular behaviors that infringe on corporate rights and interests and goodwill.



Patents for Invention	Number of new patents/copyrights in 2024*		Cumulative amount of patents/copyrights**	
	Applications	Patents Granted	Applications	Patents Granted
	139	251	962	1,232

Utility Model Patents	Number of new patents/copyrights in 2024		Cumulative amount of patents/copyrights	
	Applications	Patents Granted	Applications	Patents Granted
	0	0	0	8

Design Patents	Number of new patents/copyrights in 2024		Cumulative amount of patents/copyrights	
	Applications	Patents Granted	Applications	Patents Granted
	1	17	1	91

Software Copyrights	Number of new patents/copyrights in 2024		Cumulative amount of patents/copyrights	
	Applications	Patents Granted	Applications	Patents Granted
	118	106	0	1,424

*The "Application" under "Number of new patents/copyrights in 2024" includes cases where applications were both filed and granted within the same year. Therefore, there is data overlap between the amount of "Applications" and "Patents Granted".

** The amount of "Applications" of the cumulative patents/copyrights section does not include the amount of "Patents Granted". The amount of "Applications" in the cumulative patents/copyrights section refers to currently valid applications, and their validity is based on the Company's knowledge as of December 31st.



Driving the Industry Development

QAX is committed to promoting the development of cybersecurity technology standards and management systems. By leading or participating in drafting multiple national/industry standards, hosting industry technology summits, deeply engaging in industry exchanges and collaborations, and sharing best practices, the Company aims to foster crossover collaborative innovation, advances industry technology synergy and overall security capabilities, and builds an open and shared cybersecurity ecosystem. All such efforts are intended to fuel the industry's sustainability.

Gathering Industry Experience

15

Published industry research reports

As an industry leader, QAX continues to build up industry experience and actively shares insights on cutting-edge technologies. By sharing best practices, technology trends, and risk alerts, QAX has provided strong support for the standardization and professional development of the cybersecurity industry. In 2024, QAX released a stream of industry research reports and collections of cases, including China's first *Artificial Intelligence Security Report* and *Government Large Model Security Governance Framework*, providing a comprehensive analysis of industry trends and challenges.

To further strengthen cybersecurity research, analyze and trace the origins of network threats, and build a large-scale multi-dimensional security data platform, QAX, in 2023, founded XLab, whose core team members have been deeply engaged in the field for nearly 10 years, making it one of the earliest teams in China to leverage large-scale data for security research, apply security technologies, and generate threat intelligence. As of the end of the reporting period, XLab published 17 security analysis reports, covering areas such as DNS, botnet monitoring, defense advice, and security strategies. These reports continually provide cybersecurity industry players with important reference information, such as the latest cyber threat intelligence, technological analysis, and protective advice.

In addition, QAX, on the ground of cutting-edge studies and industry practice needs, systematically organizes and creates the "Cybersecurity Technology Talent Capability Map". This map constructs a cybersecurity talent capability model from multiple dimensions, including knowledge structure, skill requirements, and practical abilities. It comprehensively covers mainstream technological fields, details key job skills, and closely integrates with the actual scenarios of cybersecurity work in China. As a hierarchical capability framework centered on practical talent development, the system can provide scientific references for talent selection in governments and enterprises, curriculum optimization in educational institutions, and career development for practitioners, contributing to the systematic construction of cybersecurity capabilities.



XLab Analyzed the Cyber Attacks on Black Myth IP and DeepSeek

In response to the abrupt escalation of botnet attacks targeting the "Black Myth" IP and the DeepSeek large model platform, QAX XLab leveraged its self-developed multi-dimensional security data platform and malicious sample and payload capture and analysis platform to promptly disclose and reconstruct the behind-the-scenes details of the attack incidents, dissect the hackers' attack methods, and proceed with threat analysis and intelligence production. Through in-depth analysis and mining, XLab discovered that Black Myth Wukong encountered large-scale attacks from 60 botnets. DeepSeek, upon its launch, also faced rounds of attacks, including botnets, with the attack methods continuously evolving and complicating.

QAX XLab remains vigilant on the latest cybersecurity developments, providing holistic incident analysis and intelligence production for the cybersecurity industry. On one hand, XLab's cutting-edge research offers innovative cybersecurity development pathway for China's excellent products and technologies. On the other hand, it continuously supports the forefront of research in China's cybersecurity industry, helping to fortify the national security defenses of critical information infrastructure in the digital era.



QAX Published China's First Artificial Intelligence Security Report



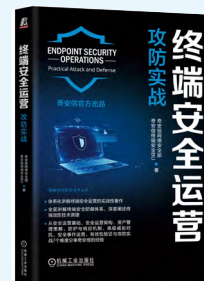
2024 人工智能安全报告

As artificial intelligence (AI) gradually becomes a key driver to a new round of technological revolution and industrial transformation, its malicious exploitation in the field of cybersecurity is also rapidly exacerbating, posing increasingly serious threats to political security, cybersecurity, physical security, and military security. Against this backdrop, QAX, with keen industry insight, released China's first *Artificial Intelligence Security Report* on February 29, 2024. The report delves into 12 important AI threat scenarios and proposes response measures for different stakeholders such as enterprises and governments, providing important references and action guidelines for building a secure and trusted AI ecosystem.



"Gathering Practice, Inheriting Intelligence" - QAX Published Endpoint Security Operations and Cloud-Native Security

In 2024, two publications with industry clout - *Endpoint Security Operations* and *Cloud-Native Security* - were presented by QAX. They were jointly published by QAX Cybersecurity and IT Support Department and QAX Endpoint Security Business Unit. The books theorize and systematize QAX's accumulated practical experience in endpoint security construction and operations, as well as cloud-native security maintenance. From dimensions of core concepts, operational frameworks, management strategies, practical guidelines, and real-world cases, they comprehensively analyze how to optimize work in connection with cybersecurity maintenance, provide practical samples, and offer constructive guidance to help enterprises efficiently implement endpoint security operations and build a cloud-native security protection system.

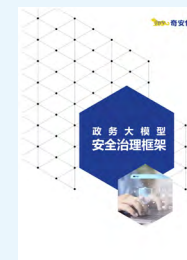


Endpoint Security Operations



Cloud-Native Security

Some industry reports published



Establishing Industry Standards

In 2024

16

Participation in published national cybersecurity standards

7

Participation in published industrial cybersecurity standards

As a Chinese cybersecurity industry pioneer, QAX is committed to promoting the standardized industrial development and actively participating in drafting national and industry standards. It has achieved several landmark standard outcomes in areas of classified protection of cybersecurity, zero trust architecture, threat intelligence sharing, and artificial intelligence, providing robust technological support for building a secure and reliable cyber environment.

In 2024, QAX actively participated in drafting cybersecurity standards, serving as a significant force in standardizing the cybersecurity industry. Throughout the year, the Company participated in publishing 16 national cybersecurity standards and 7 industry standards. Notably, the national standard *Cybersecurity Technology - Zero Trust Reference Architecture*, led by the Company, was officially issued. It is China's first general and fundamental national standard that regulates the concept and technological architecture of zero trust; Additionally, the Company also played a part in initiating 26 national cybersecurity standards and 9 industry standards, covering areas such as identity security and access control, interconnectivity of cybersecurity products, government cloud security, and early warning and monitoring of critical information infrastructure.

Cybersecurity Technology - Zero Trust Reference Architecture (GB/T 43696-2024) Officially Published

In 2024, the *Cybersecurity Technology - Zero Trust Reference Architecture* (GB/T 43696-2024), a standard drafted by QAX under study, was officially published. As China's first national standard to regulate the zero trust concept in cybersecurity, this standard is characterized by its generality and authority. Addressing problems of inconsistent understanding of zero trust and its architecture, ambiguity of concepts, and undefined relationships with existing security measures, the standard defines zero trust and proposes a zero trust reference architecture, effectively promoting the application of zero trust in key industries and fully unleashing its practical value.

Enhancing Industry Exchange

Industry exchanges serve as a crucial link in fostering high-quality collaborative innovation among enterprises. QAX has always adhered to the concept of open and win-win cooperation, fostering an "industry-university-research-application" exchange ecosystem. By collaborating closely with governments, enterprises, universities, and research institutions, the Company effectively promotes collaborative innovation and ecosystem development within the industry.

In 2024, QAX actively participated in and hosted a variety of industry exchanges, deeply engaging in numerous industry forums and summits. The Company shared practical experience with industry and ecosystem partners, initiated joint proposals with leading value chain enterprises, and signed strategic agreements to promote the transformation of technological achievements and coordinated development across the industry chain. These efforts collectively advanced cybersecurity technology innovation, ecosystem collaboration, and healthy industry exchanges, continuously driving the sector's high-quality and sustainable development.

QAX Honored as Exemplary Member Unit of China Cybersecurity Industry Alliance (CCIA) for 2024



QAX Group was honored the "Exemplary Member Unit" by the China Cybersecurity Industry Alliance (CCIA) for its outstanding contribution and influence in the cybersecurity field. This marks the second consecutive year that QAX has received this honor. As a key CCIA member unit, QAX actively participated in various alliance events and technological exchanges in 2024, including the collection of portfolios for the *Guide to Cybersecurity Products* and the 2024 Cybersecurity Outstanding Innovation Achievement Competition.

In the future, QAX Group will continue to fulfill its duties as a CCIA council member unit, play an active part in doing various tasks, and jointly promote the healthy development of the cybersecurity industry, in an attempt to contribute to bringing the National Cyber Development Strategy to a reality.



QAX Launched the Initiative of Nurturing New Quality Productive Forces of "Artificial Intelligence + Security" with 60 Industry Leaders

At the 2024 Beijing Cybersecurity Conference, QAX put forward the Initiative of *Nurturing New Quality Productive Forces of "Artificial Intelligence + Security"* (hereinafter referred to as the Initiative), jointly with 60 industry leaders. The Initiative specializes in chips, operating systems, networks, databases, middle wares, applications, etc. The Initiative aims to promote the integrated development of artificial intelligence and digital security technologies. Taking core paths of innovating security technologies, optimizing data governance, and adapting to new scenarios, it seeks to build a secure and healthy digital ecosystem, thereby boosting the high-quality development of the digital economy.



QAX Co-organized the 2024 3rd North Bund Network Security Forum (NNSF)

In December 2024, the 3rd North Bund Network Security Forum (NNSF) kicked off in the Grand Hall, Shanghai. QAX, as a co-organizer, actively engaged in and shared practical experiences and unique insights during the keynote speech session on "Exploring and Applying AI Technology in Network Offense and Defense". The Company also released the *2024 Initiative of North Bund Network Security Forum* (hereinafter referred to as the Initiative) with guests present. The Initiative, targeting five major trends in the current cybersecurity field, proposes five actions. Through multi-party collaboration and steady implementation, it aims to provide a Chinese solution for global cybersecurity and artificial intelligence development.



Building Digital Defenses

Solidifying Security Foundation

Through systematic top-level planning and structural design, QAX has established an overall enterprise cybersecurity product and service system, with the ambition of achieving two-way balance between digital transformation and security development across the entire society. QAX is an ardent advocate of "endogenous security", which is aimed at building security capabilities in an information environment as well as forming an edge of "three combinations"- combination of information systems and security systems, combination of business data and security data, and combination of IT talents and security talents, thus achieving independence, self-adaption and self-growth of security systems.

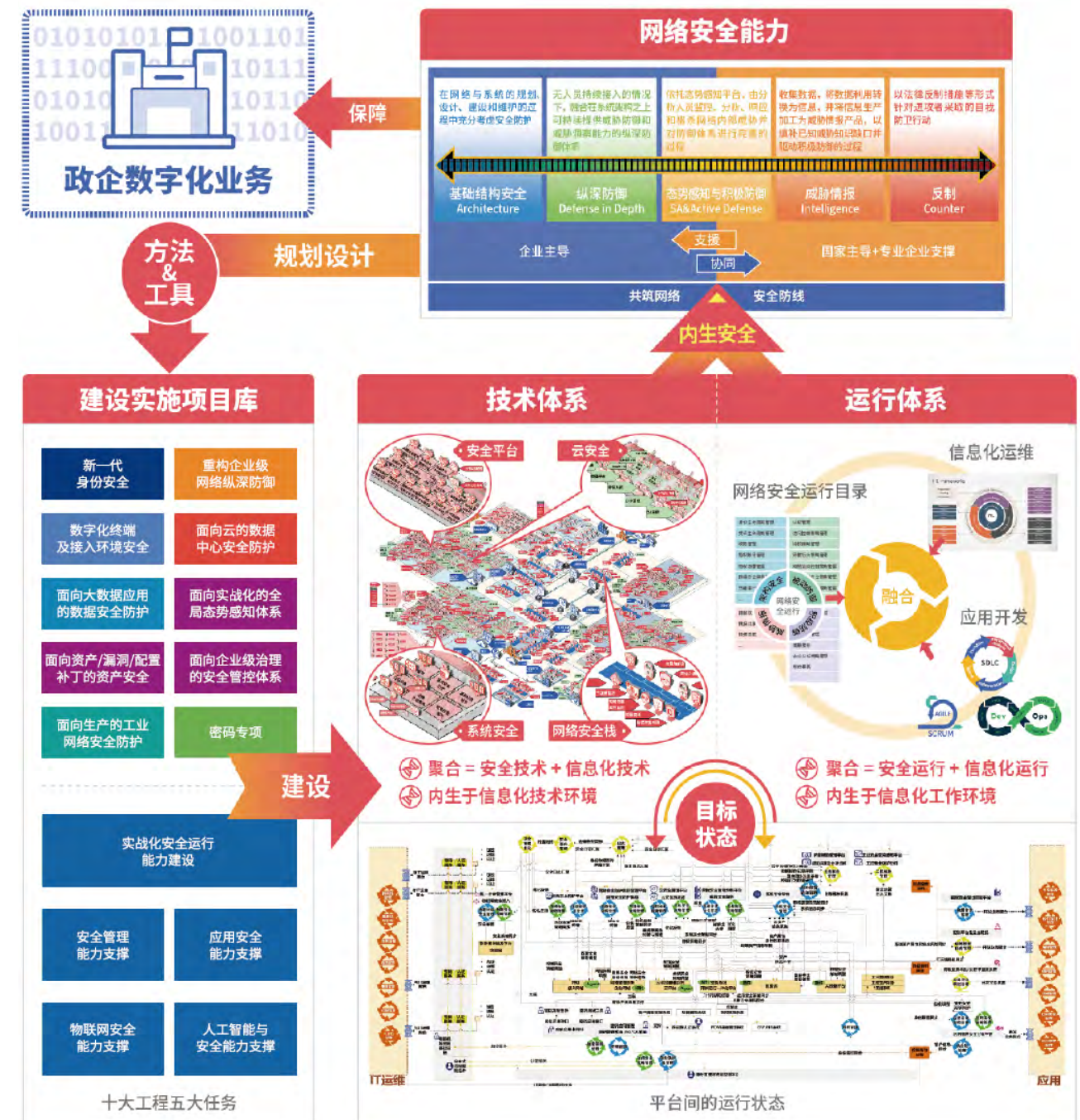
"Endogenous security" is also aimed at establishing an "integrated and blanket" systematic development model and new generation cybersecurity building framework through the system engineering methodology. This concept is also capability-oriented, delivering systematic, holistic, and practical modular

security capabilities. It sets up a dynamic, comprehensive, and resilient cybersecurity defense system, reshaping the cybersecurity paradigm and providing society with security resilience that is both global in scope and effective in real-world scenarios.

To effectively implement the concept of "endogenous security", QAX has adopted a systems engineering approach to conduct unified planning and phased implementation of our cybersecurity capabilities, thereby forming a comprehensive security protection system - "endogenous security framework". This framework is grounded in client needs, integrates a holistic perspective on digital transformation, and applies systematic cybersecurity governance thinking. During the 14th Five-Year Plan period, it has successfully established a replicable and scalable cybersecurity capability matrix for more than 100 large government and enterprise institutions. QAX, targeting the implementation of major national strategic projects, has accumulated and developed

a cluster of autonomous and controllable cybersecurity solutions covering all government-enterprise scenarios, providing critical infrastructure support for overfulfilling cybersecurity planning targets during the "14th Five-Year Plan" period and laying the technological foundation for building a new generation cybersecurity system in the "15th Five-Year Plan" period.

Government agencies and enterprises can, based on their business characteristics, utilize the "LEGO-Style modular development" method under the framework to select foundational security modules, and flexibly combine protection capabilities across various domains. This facilitates the rapid development of customized security architectures, and the creation of a dynamically expandable implementation solution library, scientifically building a next-generation cybersecurity system that is both compatible with existing systems and adaptable to future development needs.



Creating Security Products and Services

Built on decade-long practice in the industry, QAX has retained a market leader across multiple segments, including endpoint security, security analysis and intelligence, security services, security operations, network threat detection and response, cloud security, and data security.

Secure Operation Artificial Intelligence Security Operations Center (AISOC) Tianyan Network Threat Analytics (XDR) Log Collection and Analysis System (LAS) Security Robot (QAX-GPT) Deception System Automated Penetration Testing System Battle Testing and Incident Response Practical Platform Next-Generation Integrated Cybersecurity Range Platform	Threat Intelligence Threat Intelligence System Butian Vulnerability Testing Service Website Cloud Monitoring System	Cybersecurity Governance and Management Cybersecurity Supervision and Governance Platform Confidentiality Security Supervision/Self-Supervision Platform Cybersecurity Training System	Endpoint Security Integrated Endpoint Security Management System (TianQing) Vulnerability Attack Protection System (TianGou) Confidentiality Kit Management System Network Access Control System (NAC) Network Interconnection and Traffic (NIT) Detection System
Cloud security Server Security Management System (Jiaotu Cloud Lock) Cloud Security Management Platform (CSMP)	Application Security Code Defender Open Source Defender Secure Web Gateway (SWG) Web Application Firewall System (WAF) Tianjie Large Model Protection Integrated System (AI Security)	Data Security Data Security Management Platform Database Audit and Protection System (DAS) Database Firewall System Data Masking System Cipher Suite	Network Perimeter Security Gatekeeper (GAP) NGFW Boundary Security Stack SSL Orchestrator (SSLO) Online Behavior Management Anti-Distributed Denial of Service (Anti-DDoS) Intrusion Detection and Prevention System (IDPS) Antivirus System (AV) Webpage Tamper Protection System Secure Access Gateway System (SSL VPN) Secure Network Routing Gateway System (SD-WAN) Application Delivery System (ADS)
Operational Security Electronic Data Forensics Online Fraud Alert Platform Xingyuan Cyber Crime Intelligence Platform Privacy Defender Judicial Forensics Service	Industrial Security Industrial Security Situation Awareness and Management Platform (IMAS) Industrial Security Detection and Audit System (ISD) Industrial Endpoint Protection System (IEP) Industrial Security Gateway (ISG)	Security Service Cybersecurity Operation Service Cybersecurity Testing Service Emergency Response Service Consulting and Assessment Service Data Security Service Project Management Service Cybersecurity Training Service	
Operation & Maintenance (O&M) Security	Access Security Zero Trust Network Access System (ZTNA) Trusted Browser	Privileged Access Management (PAM) System	

Security Product

Adhering to the concepts of "endogenous security", "zero security incidents" and "AI-driven security", QAX has established a new generation of cybersecurity products that are focused on "systematic defense and digital operation" by leveraging its state-of-the-art technology, rich expertise, and comprehensive understanding of customer needs. Therefore, the Company is able to deliver all-rounded cybersecurity protection solutions to customers, providing solid security guarantee for digital transformation in society.

To hit the target of high-quality development, QAX, in 2024, defined four key directions of product strategy: "practical, AI-driven, platform-based, and service-oriented", aiming for comprehensive product and business model upgrades. For general security products, the Company has developed products ranging from situational awareness, boundary security, to endpoint security, comprehensively safeguarding the security of governments and enterprises. Meanwhile, the Company has also unveiled security products tailored for distinctive scenarios such as industrial Internet, IoT, and Information Technology Application Innovation, to guard the bottom line of social security.



Assist Car Makers in Going Global Through IoV Security Products and Services

QAX established Starcart IoV Security Laboratory, specializing in intelligent connected vehicle security technology research. From the product dimension, QAX has integrated three major platforms: intelligent connected vehicle security testing, IoV security cyber range, and IoV security situational awareness. With focus on the IoV security standard system, it monitors, prevents, and timely addresses cybersecurity risks and threats regarding vehicles, roads, networks and clouds involved in the vehicle-road collaboration business system, constructing a comprehensive IoV security solution to ensure safe and stable IoV operations.

As for security services, the IoV security testing service launched by QAX, with vehicle endpoints, mobile endpoints, IoV service platforms, and IoV communication as evaluation targets, combines compliance detection with penetration testing through systematic framework decomposition, business process analysis, security compliance analysis, threat analysis modeling, and penetration testing verification of IoV, helping customers' IoV products meet national compliance requirements while continuously improving IoV security defense capabilities.

In 2024, QAX began exploring overseas IoV security projects, undertaking the IoV information security assessment service project for a leading car maker. The Company assisted the client in meeting domestic and international compliance requirements, supporting Chinese enterprises in their global expansion through a comprehensive suite of multi-dimensional IoV security products and security testing services.

Awarded Product	Award
QAX Threat Intelligence Operations System (TIOS)	Selected in the <i>List of Technological Innovation Products of Central State-Owned Enterprises (2023 Edition)</i>
QAX Data Security Protection System	2024 Digital China Summit - "Top 10 Hardcore Technology" Award
QAX Secure Web Gateway (SWG)	2023-2024 Next-Generation Information Technology Innovation Products

Security Operations and Services



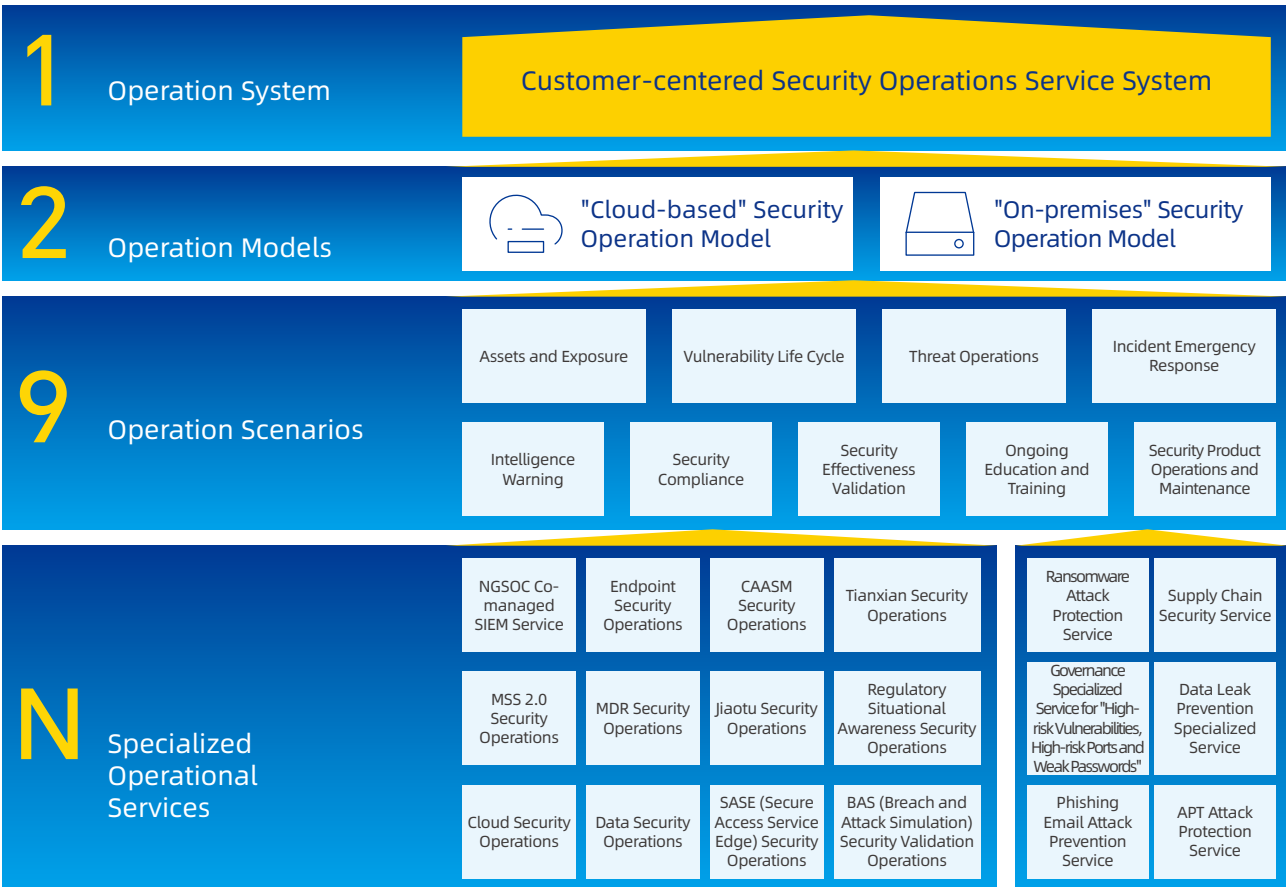
As reported by International Data Corporation (IDC), QAX ranked first in both the Security Consulting Services and Managed Security Services market segments in the first half of 2024.

QAX is committed to providing a stream of cybersecurity operation services for customers, with the objective of achieving "Zero Incident". The Company has set up a "1+2+9+N" security operation service system, aiming to enhance customers' cybersecurity defence capabilities, safeguard and promote the high-quality and healthy cybersecurity development across the whole society.

Among these, the "1" refers to a customer-centered "routinized, systematized, and practical" cybersecurity operation service system for customers, leveraging professional operation teams, continuous closed-loop operations, and comprehensive operation guarantees. The "2" refers to two co-existing cloud and on-premises security operation models, which jointly form the general framework of "cloud-ground integrated" security operation services. The "9" refers to nine major operational scenarios that cover key areas such as assets, vulnerabilities, threats, and operations and maintenance, ensuring that customers' security operation needs at different levels are met; The "N" refers to a range of specialized operational services dedicated to various security measures and targeted services to address user needs such as anti-ransomware, anti-data leakage, and anti-phishing attacks.

QAX boasts a top-notch security service team composed of industry-leading experts, with technological capabilities spanning key areas such as operating system security, reverse engineering, vulnerability discovery, and penetration testing, providing a solid technological backbone and immediate support system for primary operational personnel.

In 2024, QAX's "platform-based" security service capabilities advanced rapidly, with the introduction and application of platforms such as the Blade Penetration Testing Delivery Platform and the Remote Threat Detection and Response Service Platform, enabling sharing high-end resources and promoting remote collaborative operations. Meanwhile, the Company continued to enhance its specialized service capabilities, by focusing on areas such as attack and defense drill and arsenal development, while comprehensively deploying data security services to achieve synchronous development of cybersecurity and data security, further expanding the footprint of its security service business.



Building a Vulnerability Response Ecosystem

140+ thousand persons

White-Hat Hacker Registered

500+ thousand

Companies Served

2,050 thousand

Vulnerabilities Reported

6,507 companies

Registered companies on Butian Platform

QAX has taken the Butian Vulnerability Response Platform (hereinafter referred to as the "Butian Platform") as a carrier to construct an open and shared cybersecurity ecosystem, forming a value network that features empowerment and inclusiveness. While safeguarding national cyberspace security, it also helps build a government-enterprise community for growth of security capabilities, laying a solid security foundation for building a Digital China.

QAX persists in building an open cybersecurity warning ecosystem, establishing the Butian Vulnerability Response Platform, and creating an "open-source community" in the field of cybersecurity. As one of China's largest vulnerability response platforms, Butian Platform has gathered over 140,000 "white hat hackers", forming a robust ecosystem that unites "white hat power" and shares security capabilities. By December 2024, the Platform cumulatively reported over 2 million vulnerabilities, building a security warning network covering 500,000 enterprises. It was rated an advanced technological support unit, an outstanding contributor in reporting vulnerability information and Level I technological support unit by the Ministry of Public Security of the People's Republic of China, Ministry of Industry and Information Technology (MIIT), China National Vulnerability Database (CVND) and China National Vulnerability Database of Information Security (CNNVD) separately, which was a testament to the strategic value of this public security service platform.

Butian Platform is specially designed to provide inclusive value to society and build a government-enterprise security "protection network". The Platform has created a non-profit cybersecurity vulnerability protection model. Through the platform-based vulnerability response mechanism, it leverages the platform pattern and the power of civilian white-hat hackers to form an inclusive model where protection resources are shared equally, effectively filling the "security gaps" in the era of digital economy.

Ingeniously introducing on-campus activities such as training sessions, industry competitions, and Butian salons, Butian Platform has constructed an "interchange bridge" for cultivating practical talents in attack and defense security. In 2024, the Company carried out the Butian White Hat Hacker Conference, the Butian Campus GROW Plan and other activities, and released the 2024 White Paper on Practical Capabilities of White-hat Talents in China and the 2024 Research Report on Capabilities of White-hat Talents and Development Situation in China, systematically analyzing the characteristics and practical capabilities of white-hat hackers in China. For the first time, the capabilities that defense personnel need to master have been incorporated into the framework, enhancing the capabilities of cybersecurity talents who are "capable of both offense and defense", and solidifying the foundation of cybersecurity talent development.



2024 Butian White-hat Hacker Conference

On October 18, 2024, the 2024 Butian White-hat Hacker Conference was held in Shanghai, under the guidance of the Yangpu District Government of Shanghai. The event, themed "Hack for Security Together", engaged experts, scholars, and top white-hat hackers from governments, vendors, and universities in defining the cybersecurity landscape and security threats in the era of digital intelligence and discussing cutting-edge attack and defense technologies. In support of the growth and development of white-hat hackers, the conference awarded those with outstanding contribution.



Shaping a Security Blueprint

Safeguarding the Lifelines of People's Wellbeing

QAX constructs a multi-dimensional protection system covering all vital national industries, demonstrating the strategic value of a cybersecurity enterprise in safeguarding national security and social stability.

Preoccupied with the "government + public service" sector, QAX, relying on a big data-driven open security system, extensively develops industry solutions for banking, finance, healthcare, judiciary, taxation, and emergency response. The Company's world-leading technologies, including API security, high-performance TLS decryption and service chain orchestration technology, and source code security defect analysis technology, are widely used in key areas of national economy and people's well-being, such as the central government, local governments, large state-owned enterprises, banks, carriers, energy, education, and healthcare. Through the application of advanced technologies and system solutions, QAX collaborates with customers to establish an integrated cybersecurity operation service system for both daily and emergency scenarios, providing crucial support for key information infrastructure organizations in implementing the measures of "practicality, systematization and routinization, as well as dynamic defense, active defense, defense in depth, targeted protection, overall protection and control, and joint protection and control", effectively safeguarding the normal functioning of society and the basic order of public life.

By December 2024, QAX's consulting and planning team has led the cybersecurity system planning for over 100 key ministries/commissions, major industries, and large enterprises, firmly safeguarding areas of critical importance to national economy and people's wellbeing.

Awarder
China Academy of Information and Communications Technology

Honor
2024 "Pan An" Excellent Case - Energy Sector



QAX Assisted a Large Oilfield in the Steady Implementation of New Energy Power Monitoring System

Driven by the "carbon peaking and neutrality" strategy, a large oilfield, leveraging its geographical advantages of strong wind and ample sunlight, was gradually shifting from single oil extraction to a multi-energy complementary energy structure, initiating a wind power project in a low-carbon demonstration zone. Starting from the initial design of the low-carbon demonstration zone's wind power project, the oilfield incorporated the cybersecurity building masterplan to ensure that new energy facilities can efficiently operate while resisting various threats and attacks from cyberspace.

QAX, in alignment with the oilfield's wind power project masterplan in the low-carbon demonstration zone, thoroughly integrated business processes, various levels of physical information systems, and cybersecurity considerations. From the perspective of actual business operations, the Company assessed security risks and protections. Based on the "Three-Synchronous" principle (synchronous planning, synchronous building, and synchronous operation), it worked out a comprehensive and targeted solution to ensure that security measures were deeply integrated into the power system, guaranteeing its robust operation.



Key Technology Development for Encrypted Malicious Network Traffic Detection

AX developed high-performance TLS decryption and service chain orchestration technologies for critical information infrastructure organizations, with focus on the demands of encrypted malicious network traffic detection. This achievement has been widely applied in various industries such as government agencies, finance, energy, and manufacturing, playing a vital role in cybersecurity assurance for major national events, cybersecurity support for key industries, and social services. This achievement won the First Prize of the Science and Technology Progress Award from the Chinese Institute of Electronics in 2024.



Cybersecurity Defense Project for a Joint-Stock Bank in 2024

In 2024, QAX launched a cybersecurity defense project for a joint-stock bank. Preparing for the project, QAX conducted security assessments to work out targeted solutions, addressing vulnerabilities in advance; For project implementation, QAX comprehensively carried out collaborative security protection, threat intelligence sharing, incident monitoring and warning, incident analysis and determination, incident emergency response, tracking and tracing, and wartime back support to ensure control of critical targets; For review and summary upon project implementation, QAX assisted in completing the attack and defense drill summary report, achieved closed-loop support for the attack and defense drills, and helped the client plan and design practical cybersecurity operations, thus laying a solid foundation for enhancing future security capabilities.

Major Event Support

3,785

Participants

Cybersecurity Support Volunteers in the Major Events

30,280

Hours

Length of Volunteer Service Hours

In support of state-level major events, QAX has solidified its protection capabilities through benchmark practices. Based on the "zero cybersecurity incident" experience, the Company safeguards the nation's political and economic lifelines, showcasing to the world the strategy-level security assurance capabilities of China's cybersecurity technology, and providing security support with both strategic height and social warmth for building a Digital China.

QAX has always been a core force in giving the security support to national major events and competitions, actively participating in various state-level cybersecurity protection tasks. In 2024, QAX played a role in handling cybersecurity protection work for numerous major events, including the National "Two Sessions", the 7th China International Import Expo in Shanghai, and the ZGC Forum Annual Conference. As of December 2024, QAX has hitherto accomplished the task of cybersecurity support to 87 national major events, including the 100th Anniversary of the Founding of the Communist Party of China, the 70th National Day Celebration, the National Two Sessions, the 20th CPC National Congress, the Summit of the Shanghai Cooperation Organization Member States, the 2022 Beijing Winter Olympics and Paralympics, etc. The Company has participated in nearly a thousand Practical Attack and Defense drills, and has received over 40 honors from authorities such as the Ministry of Industry and Information Technology and the Cyberspace Administration of China.



Security Task for the ZGC Forum Annual Conference

From April 25 to 29, 2024, ZGC Forum Annual Conference took place in Beijing, which was co-organized by the Ministry of Science and Technology of the People's Republic of China, the National Development and Reform Commission, the Ministry of Industry and Information Technology, the State-owned Assets Supervision and Administration Commission of the State Council, the Chinese Academy of Sciences, the Chinese Academy of Engineering, the China Association for Science and Technology, and the Beijing Municipal Government. Under the overall arrangements of the cybersecurity authorities, QAX participated in handling the task of cybersecurity protection for this conference, ensuring the smooth progress of relevant activities.

To effectively maintain the secure and stable operation of the network during the conference, QAX formed a specialized working group to give cybersecurity support, and combine "desktop drills" and "attack and defense drills" for offensive and defensive countermeasures. The team organized equipment ledger sorting, self-inspection, penetration testing, and vulnerability scanning, and promptly completed risk identification and rectification. After the conference opened, the Company provided 24/7 support "remotely" and "on site", along with a secondary emergency team to prevent unexpected incidents, aiming to achieve the goal of "zero occurrence" of major cybersecurity incidents.

SECURITY GUARANTEE

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High-quality security products and steady security services have always been the QAX's business core and foundation of QAX's business. The Company, focused on product development security and business operation security, provides customer-centric services, and continuously optimizes customer experience, with the ambition of building a secure and trustworthy digital world.



Security and Trust

Development Security

The Company remains dedicated to its own security development throughout the software life cycle. With reference to software security development practices in the industry, such as Microsoft's security development lifecycle (SDL), software assurance maturity model (OpenSMM), and integrated development security operation and maintenance (DevSecOps), the Company has established a full software security development system. By introducing security and privacy review and control mechanisms throughout the entire R&D life cycle and adopting automated verification means, the Company enables end-to-end security inspections throughout the entire chain from identification of requirements to delivery of products. This ensures continuous improvement in product security protection capabilities and provides a solid product security foundation. QAX Group and QAX SECWORLD have obtained the ISO 9001 Quality Management System certification.

Product Development

Each QAX's product line has established a source code security detection platform on the ground of the Group's self-developed source code security analysis system—QAX SECWORLD Code Guard System (hereinafter referred to as Code Guard). Through integration with software version management systems (SVN, Git), continuous integration systems (Jenkins, GitLab-CI, etc.), build systems (Gradle, Maven), defect tracking systems (Jira), and domain account systems, the Platform incorporates source code security detection into QAX's development and testing processes to achieve unified management of software source code security goals, automated detection, gap analysis, bug repair tracking, and other features, thereby building "built-in security" for products.

Product Testing

QAX implements synchronous manual code review, DAST, CAST, IAST, fuzz testing, and penetration testing based on independent security tests such as static application security testing (SAST) and open-source software composition analysis (SCA). The Cybersecurity Department is responsible for secondary independent evaluation, ensuring product delivery quality through multi-pronged measures.

Quality Assurance

QAX ensures product operation security through its own cybersecurity operations, product vulnerability warning operations, and the establishment of systematic product security incident handling process. For cybersecurity vulnerabilities, QAX has established a standardized client-side vulnerability remediation process (PSIRT), efficiently and quickly making product vulnerabilities identified, determined, remediated, upgraded and patched at the customer site, significantly reducing the risk of customers under attack in consequence of product vulnerabilities.

Product Security Training

With product security training integrated into the product development and design process, QAX regularly conducts security regulation training, e.g., *Publicity of Red Lines for Security Quality* and security technological training, e.g., Secure Coding Training for different groups, and continuously improves R&D personnel's product development capability and security awareness.

Software Installation Security

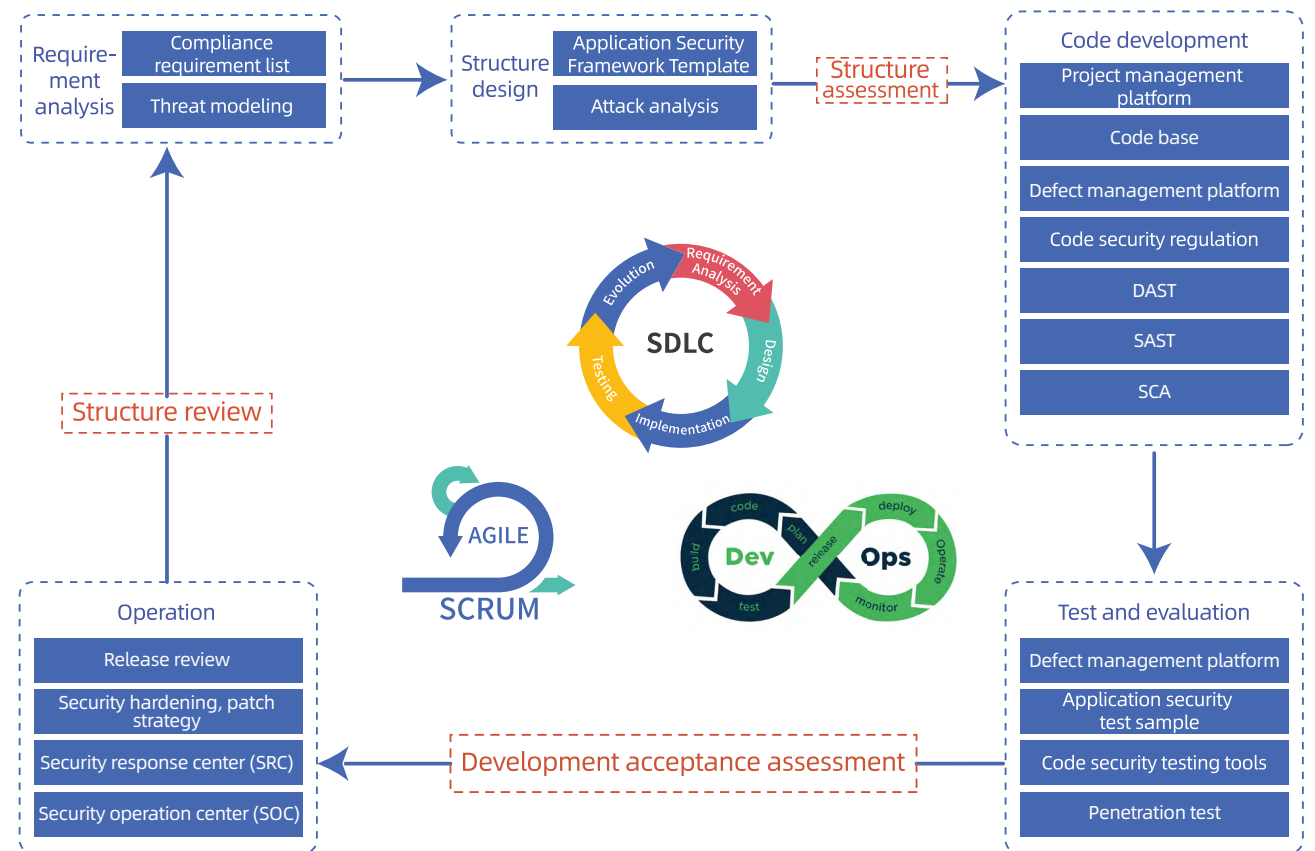
QAX has formed a production security leadership team to oversee its automated software production process and quality. To avoid the risk of power outages during production, QAX has introduced a dual power supply system in its automated data center to ensure data continuity during the production process. Meanwhile, QAX employs a dual-machine hot standby system to further ensure the operational stability of the automated systems.

Third-party Open-Source Software Security

QAX has established an open-source software security governance platform on the ground of the self-developed open-source software security governance system (SCA)—QAX SECWORLD Open Source Guard System (hereinafter referred to as Open Source Guard). The Platform has integrated with various software version management and domain account systems, enabling full-process security governance of open-source software. On a regular basis, the Product Team conducts automatic periodic open source software scanning to promptly identify any risk in the open source software built into the product, if any, and provide appropriate solutions. Besides, the Testing Department periodically carries out security checks of the product's open source software.

Supplier Information Security

In accordance with the *Requirements for Security Management of Suppliers' Information Systems*, the Company specifies relevant suppliers to provide product security certifications such as code audit reports, vulnerability scans from mainstream scanners, penetration test reports, and open-source component lists. Security responsibility agreements are also required to be included in contract terms to ensure software development from the source.



CMMI DEV & SEC V3.0 Maturity Level 5



Information Security Service Certification
(Security Development Level 2)



Software Security Development Service
Certification (CCRC - Software Security
Development Level 1)

Security Operation
Guarantee

QAX adheres to the "endogenous security" principle. Oriented in "practical attack and defense" and guaranteed by "expert service", the Company acts under the "cloud-ground collaboration" mechanism, building a customer-centered cybersecurity service system. In 2024, QAX further delved into "cloud-ground integration" service model and content in its security consulting and service business, providing users with integrated security services through the "cloud monitoring and response + on-site disposal loop" mode. In addition, QAX, in conjunction with cloud services, strengthened capabilities of "24/7" security monitoring response to customers, and established an all-round, round-the-clock, and full-cycle cybersecurity community of shared destiny.

Business continuity is the kernel of QAX's cybersecurity services. The Company is always committed to providing customers with "Zero Incident" services to ensure cybersecurity. To adapt to enterprises's digital transformation, QAX has adopted a dual server room architecture. As part of its comprehensive approach to all aspects of security operations, QAX integrates and optimizes monitoring, early warnings, security reinforcement, sprint guarantees, and emergency response plans. QAX has been certified by the ISO 22301 Business Continuity Management System.

To ensure the Company's security service quality and stability, QAX continues to standardize the project quality management process by establishing project management system manuals and regulations, regulating service quality standards, and introducing the PMIS system to manage the entire life cycle of service projects, thereby improving the efficiency of service project management. On this basis, QAX has assigned quality management specialists to each project and established a document directory checklist to support the traceability and query of the quality of deliverables during the service process. Upon the completion of projects, the Company actively conducts customer callbacks or satisfaction surveys, so as to promptly follow up and improve related service quality, and achieve fine management of service projects.

QAX Information Security Service Qualification

ISO 22301 Business Continuity Management System	ISO 20000 Information Technology Service Management System	Information Security Service Certification (Security Operation Level 2)
Information Security Service Certification (Data Security Level 1)	TSS Compliance Certificate - Operation and Maintenance Level 2 (ITSS)	Information System Construction and Service Capability Assessment (CS4)

Dual Server Rooms



- QAX has implemented multiple cold backup server rooms in Shanghai, Beijing, and other locations for application and data disaster recovery, improving the system's availability and disaster recovery capabilities, and ensuring high-stability system operation throughout the year - as high as 99.95%.

Security Reinforcement



- QAX has formulated and implemented strict alert rules. QAX utilizes data encryption, data desensitization, and data export restrictions to create a differentiated and precise protection mechanism for data.
- The mechanism ensures the whole process of proactive protection, event tracking, and post-event auditing. Providing solid security guarantees for stable business operations, these solutions realize data availability without visibility, usability without portability.

Monitoring and Warnings



- QAX has ramped up its efforts to strengthen application service monitoring and warning capability. To this end, the Company has established the "warning triggering - real-time notification - recording" full-process warning mechanism, changing the pattern from "checking business status by personnel" to "warning personnel of business status automatically". This mechanism has reduced faults and shortened fault response time.

Security Safeguarding during
Periods with Skyrocketing
Needs



- In order to ensure meticulous arrangements across departments are in place during the spikes of stability pressure on digital systems in quarterly and annual spurts, QAX has incorporated 18 systems into scope of safeguarding, tasked personnel with specific jobs to ensure business stability and arranged round-the-clock shifts to inspect systems every day. These efforts help the Company to maintain business operations and deliver projects to customers.

Emergency Plans



- QAX has formulated a whole package of emergency plans, with regular improvements to disaster recovery plans and data backups. Furthermore, the Company regularly tests systems and operating processes to identify potential problems in time. At the same time, the Company also arranges for employees to receive training periodically to strengthen their emergency response capability.

Quality Service

Adhering to the "technology-based and customer-centered" service concept, QAX remains persistent in responsible marketing while continuously optimizing customer service quality, to gratify customers with remarkable service experience.

Responsible Marketing

QAX follows relevant laws, regulations and codes of practice in the country or region where it operates, making sustained efforts to responsible sales and marketing practices. In communication with customers, the Company sticks to principles of legitimacy, integrity, accuracy, and scientific facts, and makes no false or misleading publicity whatsoever.

In order to enhance marketing management, QAX has launched a digital management platform and digital marketing network by leveraging big data and artificial intelligence to meet customers' needs for real-time awareness, analysis, and prediction, which allows the Company to build a benchmark for digital applications in the industry. Furthermore, the Company has also actively promoted digital price management. In addition to enhancing its own management efficiency, the Company provides the best practice references for digital marketing management in the cybersecurity industry.



Development of Service Systems



QAX GB/T27922-2011 Five-Star After-sales Service Evaluation Certification

By developing a customer problem management system and combining with the Company's self-developed tools, such as BI and intelligent robot, QAX enables exhaustive monitoring, tracking, analysis and management from the emergence to resolution of customers' problems, thus effectively promotes problem solving efficiency and service quality. In 2024, QAX conducted multiple disaster recovery drills for the customer service system, simulating the actual environment to perform dual-machine switching of the disaster recovery system, ensuring a stable customer service environment.

QAX has published internal management regulations such as the *Management Measures for SLA Fault Grading Service Quality Criteria V3.0*, *Management Measures for Product Guarantee Services and Standard After-sales Service Commitment*, prescribing requirements for security service response process, personnel responsibility and response time. Technological support engineers, product experts and backend R&D professionals, in coordination, address customers' potential problems timely to ensure customer service quality.

For customer complaint handling, the QAX Customer Service Center transfers the problem to relevant departments once receiving a customer complaint and requires a solution to be provided within 2 working days. If the problem is not resolved within the specified time frame, the complaint will be escalated step by step to the Company's responsible management level. After relevant departments provide a solution, the customer service staff will follow up with customers for handling result. If the problem is not resolved, QAX will continue to provide feedback and follow up until the complaint is closed.

QAX conducts regular training related to service processes, service skills, and product features, with particular emphasis placed on training engineers in service processes and technological capabilities, thus empowering the Customer Service Team in all aspects. In June 2024, QAX Xi'an Branch conducted training on work duties and relevant standard operating procedures for second-line personnel.

95015 Cybersecurity Service Hotline

99.24%

Customer satisfaction rates for phone calls

99.42%

Customer satisfaction rates for online services

96.88%

Work orders satisfaction rates for services

The QAX 95015 Cybersecurity Service Hotline is a merger of three 400 QAX hotlines, including emergency response, customer service hotline, and partner hotlines, achieving "all done at one call". Via the hotline, the Company responds to various customer needs for advice on product purchasing, after-sales technological support, security emergency response, product complaints, etc. In 2024, QAX, making allowance for user habits, upgraded the features and services of the 95015 WeChat account. By adding features such as inquiring progress of work orders, resetting product passwords, and downloading installation packages, the channel has further optimized customer experience.

Regarding service projects, QAX conducted a regular service satisfaction survey. Specialists were assigned to contact customers via phone calls and request them to rate the response time, service attitude, technological standard, etc., as part of the service satisfaction assessment. Furthermore, specialists compiled and reported the problems found in the follow-up survey to the Company's relevant departments so that they could take remedial action to improve service systems. In 2024, the 95015 Cybersecurity Service Hotline handled 284 customer complaints, with customer complaints 100% closed.

For emergency response, 95015 received and managed 739 cybersecurity emergency response incidents nationwide in 2024, assisting government agencies and enterprises in promptly addressing security incidents, ensuring continuously secure and stable operation of their portals, databases, and critical business systems.

Efficiency-driven Development

Centered around the "customer-centric" group strategy, QAX has comprehensively promoted digital development by building a trinity system consisting of business datafication, data assetization, and asset businessization. Integrating with the Company's actual scenarios, it empowers its technology and service teams with advanced technologies to drive customer success.

Business Datafication



Goals

Focus on business processes to develop systematic tools for data accumulation.

2024 Measures

Normalize data collection and application across business processes, establish core master data standards, operational indicator databases for business domains, and standard databases for various statistical analysis dimensions. Standardize definitions from perspectives of business, technology, management, and security.

Set up operational mechanisms to fully ensure the availability of business data.

Data Assetization



Goals

Integrate data across various business processes, continuously advance data governance, establish a data asset catalog, and implement control by level and category.

2024 Measures

Standardize the management of key business indicators and data analysis models by integrating data across business processes, enhancing the effectiveness of business process control and efficiency of operational management.

Enable automated BI analysis to create visual dashboards directly accessible to all levels of business management organizations, achieving digital business analysis. During the reporting period, QAX established data assets with each business process as the primary directory, and launched over 500 analytical data sets on the BI portal.

Asset Businessization



Goals

Centered around customer operations, deepen the intelligent applications of AI and big data to enhance customer satisfaction with products and services.

2024 Measures

Based on integrated BI and data service capabilities, develop data service and application themes that reach various business roles and processes, and support customer-centered business analysis on requirements, solutions, projects, and inquiries to stimulate customer success. During the reporting period, QAX provided over 300 data interface services for various business processes and applications through the integrated computing of the data intelligence platform, ensuring consistent and accurate customer-related information across all business segments.

QAX has taken a series of measures to build a digital platform, aiming to enable secure and prompt cross-level data sharing while ensuring effective assessment on business decisions from multiple dimensions. Through continuously optimizing product and service quality, the Company also brings its management service to greater heights.

Digital Sales Portal

In 2024, QAX launched a collaborative sales portal, precisely an "integrated, personalized, and mobile" portal, for roles such as sales, sales managers, pre-sales, and pre-sales managers involved in the Lead to Cash (LTC) peer-to-peer process. Also, it continuously achieved efficient collaboration centered on "customers" in five areas: customer needs, customer visits, customer analysis, customer project forecasts, and customer success. Additionally, it supported the management loop of business objectives, business processes, and business results, enhancing marketing process transparency and improving customer interaction experience.

Customer Operations Data Platform

Revolving around customer needs, project deliveries, product services, etc., the Customer Operations Data Platform serves as a full LTC process management system. It integrates data from the entire process, including customer lead acquisition, demand analysis, customer service, and project delivery, thereby improving the Company's customer service operation efficiency. Moreover, the System can continuously analyze key indicators from the customer's perspective, such as changes in customer needs, cyber environment, security risks, system building, project status, product feedback, and service progress. This drives precise allocation of resources and optimization of business strategies, paving the way for customer success.

Centralized Management of Product Licenses and Relevant Scenario-based Continual Service Application

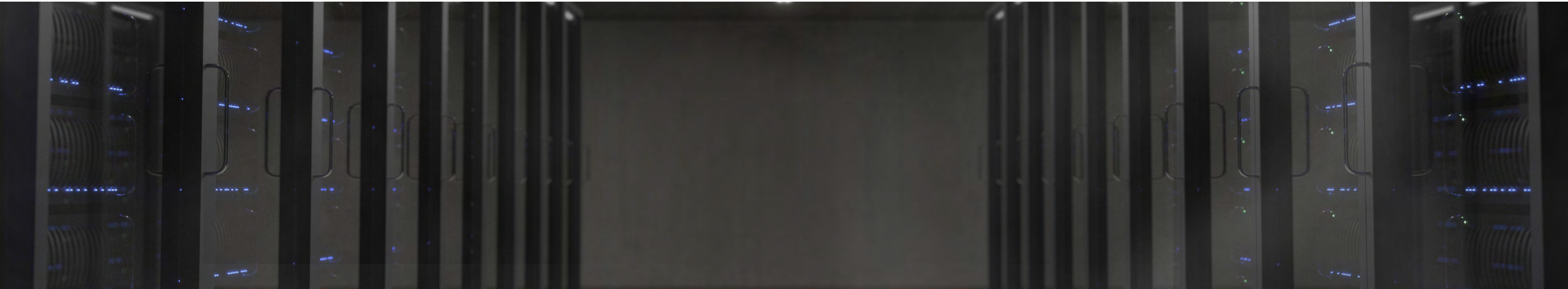
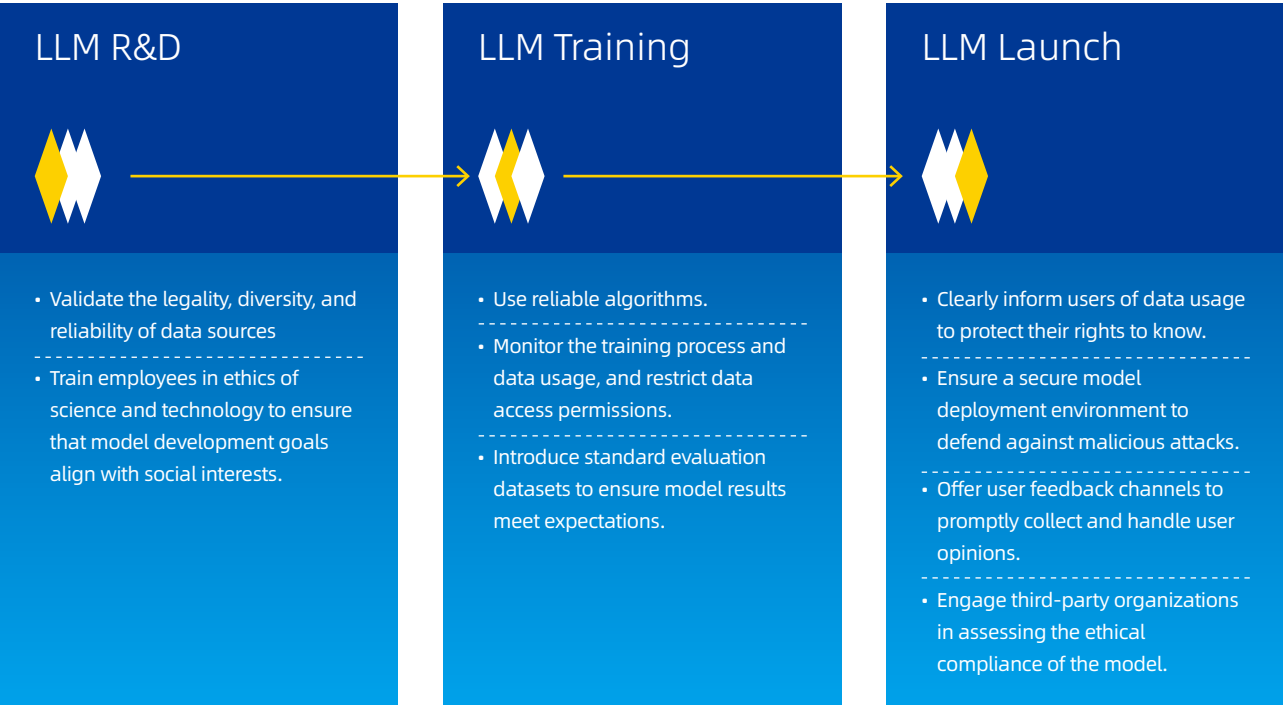
QAX provides customers with a wide selection of security protection products with a host of product lines and versions. To enhance the efficiency of product licensing and authorization management, QAX set up a centralized license operation platform in 2024 by integrating various product authorization platforms. The platform enables centralized authorization management for sold products and allows for customer usage tracking, sales performance analysis, and renewal follow-up based on authorization information. The license operation platform, linked with upstream and downstream systems, achieves a closed-loop process of "customer ordering–inventory management–licensing–authorization information management/distribution/query–renewal management".

Trust Building

Ethics of Science and Technology

Artificial Intelligence (AI) has become the core technology in the new round of technological and industrial transformation. As a cybersecurity industry leader, QAX has made holistic arrangements in the artificial intelligence + security field. On the basis of developing AI-related cybersecurity products and services, QAX has also simultaneously introduced its self-developed AI large model. In April 2024, the knowledge Q&A service experience center based on the QAX-GPT security large model was officially launched, providing cybersecurity practitioners with expertise and decision-making support.

QAX has formed a Data Security Committee and a Product Committee to jointly manage the Company's practices in ethics of science and technology. In product design and development, QAX consistently adheres to the responsible artificial intelligence principle, implementing exhaustive oversight of data sources, algorithm construction, data access, and product testing throughout the process.



While providing security services, QAX acts under the "1234" compliance model for securing ethics of science and technology. Through a multi-dimensional approach covering compliance, risk management, information security, and staff training, the Company comprehensively ensures the practical ethical security of science and technology in its security services provided.

1

Foundation

2

Mechanisms

3

Guarantees

4

Principles

Compliance with laws and regulations: Strictly abide by relevant laws and regulations such as the Cybersecurity Law and the Data Protection Law to ensure compliance and legality during the consulting process.

Mechanism for drafting and assessing code of ethics: Before the implementation of services, work out service plans that comply with globally recognized ethical standards and take into account local laws and cultural differences, and conduct ethical impact assessments regularly throughout the life cycle of security services.

Mechanism for risk management and emergency response: During the implementation of services, fully understand the cybersecurity status of the enterprise or organization, evaluate potential threats and risks, and establish risk management measures and incident emergency response mechanisms that are in line with project actualities.

Guarantee on information and data security: Strictly monitor and manage consulting information and customer data to ensure that data is properly managed throughout the entire "collection-storage-destruction" life cycle .

Continuing education and training: Regularly conduct training on the ethics of science and technology to enhance employees' awareness of and sensitivity to ethical issues.

Supervision, feedback, and cooperation review: Offer effective supervision and feedback guarantees and channels for communication with stakeholders, and supervise and evaluate staff behavior to ensure that employees follow the ethical principles of science and technology when providing security services. Where cooperation with other companies or organizations is involved, a third-party cooperation review shall be needed.

Respect for user privacy: Value and protect users' personal information and privacy, collect only the minimum information necessary to provide services, and take measures to prevent unauthorized access.

Informed user consent: Clearly explain to customers the services provided, the technological means used, and their possible impacts, and ensure that customers understand and agree to these conditions.

Fairness and impartiality: Ensure that the services provided are based on objective facts and technological standards, avoiding any form of discrimination or bias.

Risk minimization: Assess potential security threats and vulnerabilities and take appropriate measures to minimize risks, while also considering indirect impacts on society and individuals.

Cybersecurity and Information Security

Governance Structure and Regulation Framework

In compliance with relevant national laws, e.g., the Cybersecurity Law of the People's Republic of China, QAX has established a Cybersecurity Committee and a Data Security Committee led by the Group. The Cybersecurity and IT Technology Support Department makes overall arrangements on security operations, product security, attack simulation, and data security compliance and concretely handles the Company's cybersecurity management. For institutionalization, QAX has laid down 37 internal management regulations, e.g., *Management Regulations for Use of Office Endpoints*, *Management Measures for Server Security*, *Management Measures for Cybersecurity Incidents*, to holistically regulate the Company's information security work. Besides, QAX's cybersecurity guarantee also applies to suppliers, and under Rules for Security Management of Suppliers, *Rules for Security Management of Suppliers' Information Systems and other regulations*, suppliers shall comply with QAX's information security management requirements. QAX SECWORLD has obtained the ISO 27001 Information Security Management System certification.

In addition, QAX has defined complete information security management regulations and standardized operational procedures, prescribing the Company's cybersecurity responsibilities, objectives, and policies. This provides clear work guidance and basis for relevant operation and maintenance personnel, avoiding cybersecurity incidents caused by improper operations. On a periodic basis, QAX checks and updates operational procedures to ensure that the Company's operational procedures comply with various security requirements of the country, industry, customers, and the Company.

QAX Cybersecurity Governance Framework



Cybersecurity Protection Policy

Addressing needs for the Company's security scenarios, QAX deploys a holistic information security guarantee system that covers all levels and types of precautions, including endpoint security, traffic security, and application security, to ensure the Company's cyberspace security. On this basis, QAX simultaneously constructs a highly automated and intelligent security work platform and conducts annual attack and defense drills to continuously enhance the Company's security defense capabilities. In terms of risk identification and protection, QAX identifies specific risks of core systems through risk modeling and designs corresponding bottom-line solutions to ensure the security of core data.

To ensure the Company's physical space security, QAX, built on the "intelligent +" cloud platform, equips the security center with an intelligent building security platform. Leveraging AI and big data technologies and integrating intelligent security and routine monitoring technologies, the Platform is able to carry out identity recognition and behavior management. These intelligent security facilities enable security mechanisms including early warning prior to incidents as well as investigations and forensics during incidents. It also facilitates analysis and judgment after incidents. Furthermore, the system also functions to track visitors with abnormal behaviors, and analyze employees' violations. The system can automatically identify and target visitors with abnormal behaviors based on facial features and physical characteristics, so as to remove external potential threats in the workplace. Moreover, the system can identify employees with violations by invocation of internal data, judge their behaviors with reference to preset security threat guidelines, and inform related persons in charge in multiple means. This allows for a prompt forensic process.

To address potential cybersecurity risks during the software installation process in the Company's security product making, QAX has set up a dedicated production local area network (LAN) for automated production servers, effectively reducing the risk of cyber attacks during the production process.



Endpoint Security

Deploy advanced products such as TianQing, Zero Trust, and Data Loss Prevention (DLP) to ensure the impeccable security of the endpoint environment.



Traffic Security

Through full traffic analysis and situational awareness systems, monitor and effectively respond to potential cyber traffic threats in real-time.



Application Security

Deploy WAF to build a strong web application defense line



Security Management

Integrate attack surface management, Threat Intelligence Platform (TIP), bastion host, and Privileged Account Management (PAM) System for upgraded security management in all respects.



Email Security

Introduce an email security system to prevent security risks during email transmission.



Data Security

Through log collection, data classification and grading, data leakage prevention, data flow monitoring, API guard, and data security control platform, an all-round data security protection system takes shape.



Vulnerability Management

Collaborate with asset detection and the Vulnerability Scanning System to promptly identify and fix system vulnerabilities.

Empowerment Training

To enhance employees' cybersecurity awareness and safeguard the Company's cybersecurity in a bottom-up approach, QAX regularly organizes security training and awareness-raising programs, as an act of comprehensive empowerment on cutting-edge cybersecurity knowledge, attack methods, and defense strategies. Based on this, QAX conducts simulated cyber attack drills on a periodic basis to enhance the practical skills of operation personnel and further strengthen the cybersecurity awareness and response capabilities of relevant responsible individuals.

Emergency Management

By virtue of advanced automation and intelligent technologies, QAX can efficiently tackle various security incidents and automatically take a train of actions, including but not limited to endpoint isolation, IP and domain blocking, IP disconnecting, instant messaging (IM) blocking, zero trust account blocking, file blacklisting, process management, comprehensive virus scanning, and host health checks. These features can be automatically executed through AI-driven tools and also support manual, visualized operations via intuitive buttons on the platform interface, ensuring a flexible and efficient security incident handling process.

Meanwhile, QAX has laid down the *QAX Management Measures for Cybersecurity Incidents* to rein in major cybersecurity risk incidents. The Company has also worked out the *QAX Cybersecurity Emergency Plan*, prescribing cybersecurity incident handling procedures, defining incident classification and grading standards, responsible persons, and emergency reporting and response procedures, thus ensuring effective control of security incidents. In 2024, QAX had no cybersecurity incidents.

Data Security and Privacy Protection

Governance Structure and Regulation Framework

In compliance with the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *General Data Protection Regulation* (GDPR) of the European Union, the *California Consumer Privacy Act* (CCPA) of the United States, the *Personal Data Protection Act* (PDPA) of Singapore, the *Personal Information Protection Law* of Japan, and other national laws and regulations, QAX has outlined six fundamental privacy management principles: legality, legitimacy, and necessity; transparency; purpose limitation; data minimization; and security, in a bid to continuously improve the Company's data security management system.

QAX persists in institutionalizing data security, and has formulated internal management regulations such as the *Management Rules for Data Security Protection*, *Management Measures for Data Classification*, *Rules for Handling Data Security Incidents and Management Rules for Personal Information Security*, to standardize data security management processes and responsibilities across the Company and its subsidiaries, managing QAX's data security work in multiple dimensions and levels. QAX SECWORLD has obtained the ISO 27701 Privacy Security Management System certification.



3-Star Social Responsibility Evaluation on Data Security and Personal Information Protection



CCRC Data Security Management Certification

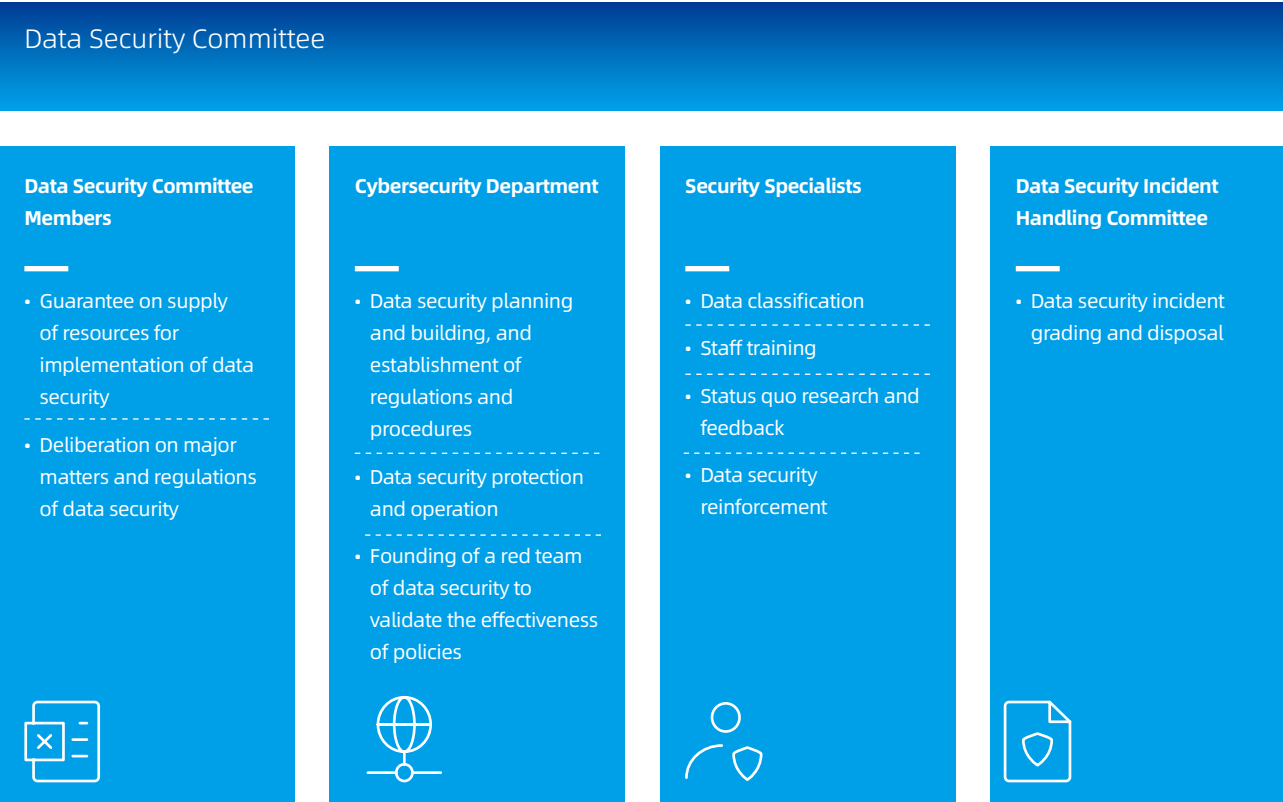


Data Security Maturity Model (DSMM) Certification (Level 3: Fully Defined)

QAX highly values data privacy protection and integrates privacy protection into the Company's strategic planning and risk management system. The management team plays an active part in formulating and adjusting privacy protection policies and coordinates cross-departmental efforts in privacy protection. As of December 2024, QAX has established a Data Security Committee, with the Chairman and President serving as the Committee's Director and Deputy Director, respectively, to oversee the policies, guidelines, and decision-making for data security management. The Data Security Committee has Data Security Committee Members, Cybersecurity Department, Security Specialists and Data Security Incident Management Committee under its administration, which work with a clear division of duties. Meanwhile, QAX has also appointed a Data Protection Officer (DPO) and set up a Privacy Compliance Task Group, with specific individuals assigned privacy-related responsibilities.

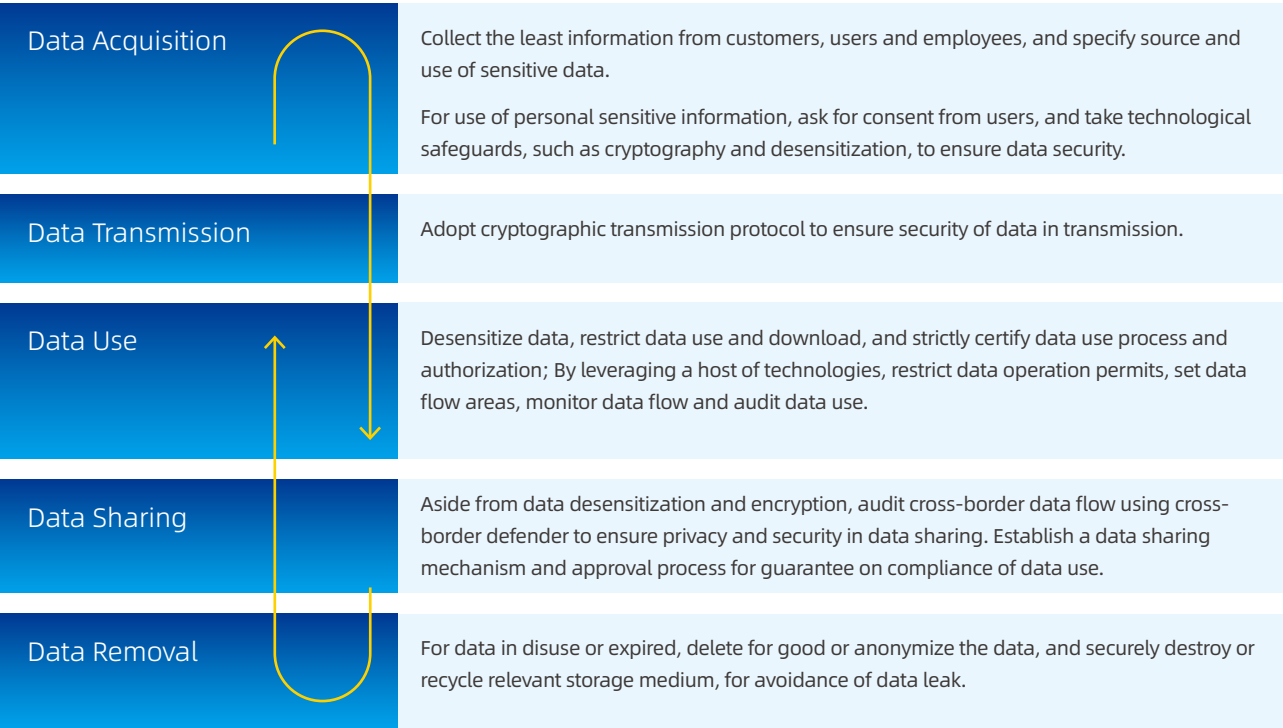
Furthermore, QAX Data Security and Compliance Management is responsible for formulating and planning the Company's data security programs, reviewing the progress of data security objectives and plans, and managing cybersecurity compliance, under the scope of data security in the area of production, workplace, and cybersecurity compliance and training. A strong guarantee is enforced for the Company's data security work under a hierarchical data security management framework.

Data Security Committee Framework



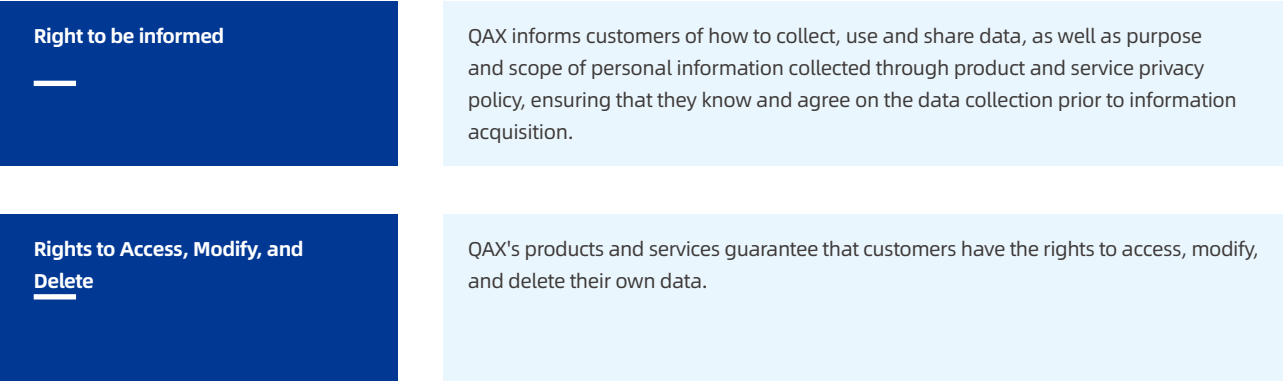
Data Life Cycle Management

To safeguard customer privacy and security, QAX informs customers of how to collect, use and share data, as well as purpose and scope of personal information collected through product and service privacy policy, ensuring that they know and agree on the data collection prior to information acquisition. Upon information acquisition, the Company will classify and manage data by usage scenario. While data is stored, customers have the right to access and update their own data. QAX has also made a pledge not to offer customer data to any third party and delete customer data within the prescribed time while stepping up efforts in personal privacy and data protection.



Customers' Right to Data Control

QAX fully safeguards customers' right to data control and integrates the Company's privacy protection principles into the customer data management process. Besides, QAX has also made a pledge not to offer customer data to any third party and delete customer data within the prescribed time while stepping up efforts in personal privacy and data protection.



Risk and Emergency Management

QAX classifies and grades data security incidents and implements targeted management measures in accordance with internal data security management regulations, such as the *Management Measures for Data Classification* and *Management Rules for Data Security Incident Handling*. The Company grades data security risk incidents caused by personal actions or those with leak threats by five levels: P1-P5. For employees and departments involved in various data security risk incidents, the Company organizes customized "enhanced training" to strengthen the awareness of data security risks among relevant employees. In 2024, QAX identified and properly handled 101 data security risk incidents, effectively avoiding data leaks.

QAX has formed an internal privacy compliance task group responsible for internal and external privacy policy compliance audits. They conduct periodic exhaustive audits of data collection, storage, usage, and sharing processes, user rights protection audits, privacy policy document reviews and privacy audits, ensuring the implementation of relevant regulations. Additionally, QAX collaborates with third-party professional privacy policy compliance audit teams to regularly examine the compliance of its existing privacy policies, ensuring legitimacy and compliance of the Company's data collection and usage procedures.

QAX is proactive to take multi-pronged measures of privacy risk control and emergency management, building a three-phase data security system ("incident prevention-audit and warning during an incident-post-incident tracing"). By standardizing data security incident response procedures and relevant division of duties, and carrying out reviews of contingencies afterwards, it is aimed at avoiding the recurrence of similar incidents, thus effectively managing data security risks and enhancing the resilience of enterprise data security.

Three-Phase System for Data Security



Development of Data Security Culture



QAX actively promotes the development of data security culture, and enhances staff awareness of data security to ensure the secure and compliant use of personal information within and outside the Company, while strengthening the Company's ability to defend against external attacks. In 2024, QAX carried out 5 types of data security training³, such as *Training on Information Security and Privacy Protection* and *Training on Sample Security Awareness*, focusing on basic knowledge of personal information security, internal and external data security cases, legal interpretation and information protection practices, and continuously strengthening staff awareness of and attention to personal information security.

For new employees, QAX mandates that all new hires must undergo on-site security awareness training during their onboarding and complete online cybersecurity and data security training along with corresponding tests within the first week of employment, thereby solidifying their data security awareness.

To build a full-chain data security protection system, QAX extends data security requirements to scenarios of cooperation with suppliers. When it is necessary to share personal information with suppliers, the Company shall thoroughly disclose the purpose of data sharing and the type of data in its privacy policy, clearly define the privacy and data security standards which suppliers should adhere to during data processing, and require suppliers to handle and protect personal information according to specified standards and agreements. Meanwhile, QAX also actively conducts data security training for suppliers. In 2024, QAX organized 5 types of data security training for suppliers, covering more than 500 vendor representatives.

Employee Security Awareness Training Path



³QAX data security training entails information security and data security.

TALENT DEVELOPMENT

SUPPORT AND CARE FOR EMPLOYEES	69
TALENT TRAINING AND DEVELOPMENT	72
CARE FOR EMPLOYEES	75

QAX prioritizes the development of the employee platform, striving to provide a full range of comprehensive measures for protecting employees' rights and creating a warm and harmonious working environment. By offering fair career development paths and a sound talent training system, the Company continuously drives sustainable corporate development, working hand in hand with employees to create a sustainable future.



Support and Care for Employees

Protection of Employee Rights and Benefits

100%

Rate of labor contracts signed

100%

Social insurance coverage

In line with the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, and other relevant national laws and regulations, QAX signs labor contracts with employees by law, pays social insurances and housing fund as stipulated, and ensures that employees equally enjoy lawful rights to remuneration, holidays, occupation health and safety, social insurances and benefits, accession to the labor union, participation in labor union activities, etc. In addition, QAX, in compliance with the *Rules for the Administration of Employment of Foreigners in China* and relevant laws and regulations, ensures that foreign employees meet legal requirements in all aspects, such as recruitment, onboarding, training, working conditions, and social insurance, safeguarding their legitimate rights and benefits.

In conformity with relevant laws and regulations such as the *Universal Declaration of Human Rights*, the *Labor Law of the People's Republic of China*, and the *Regulations on the Prohibition of Child Labor*, QAX prohibits child labor and forced labor in any form. During the recruitment, QAX ensures that all applicants meet the legal age requirements and maintains complete employment registration materials for verification, ensuring compliance in employment.

Under six recruitment principles, namely, the corporate strategy adherence principle, high quality principle, competence and virtue principle, fairness and justice principle, avoidance principle and confidentiality principle, QAX has laid down internal management regulations such as the *QAX Recruitment Management Measures* to ensure that employees are not discriminated against or treated differently during recruitment and employment due to factors such as age, gender, race, nationality, or religion.

To attract outstanding talents, QAX continuously optimizes its recruitment, and diversifies channels for recruitment such as campus recruitment, social recruitment, and internal referrals, so as to improve the efficiency and quality of talents attracted, and attract outstanding talents required for various positions.

To foster a secure workplace, QAX has established internal management documents such as the *Employee Handbook* and *Employee Discipline Regulations* to regulate staff behavior, define the boundaries of sexual harassment and unethical conduct, and categorize related misconduct as serious disciplinary violations. Any illegal or disciplinary violations will be handled in accordance with relevant regulations after they are found.

QAX actively engages in employee communication, collects staff advice and feedback via internal instant messaging software, e-mail, "Qiyishuo", etc. In addition, QAX has set up a labor union, and grants all employees the right to join the labor union and participate in collective bargaining. The Company regularly holds annual employee representative meetings to listen to the opinions of employees and to discuss and vote on material matters, ensuring that the voice of employees is heard in the Company's decision making and governance.



QAX was honored as "National Outstanding Enterprise for Factory Affairs Transparency and Democratic Management"



Most Favored Employer among Technological Talents in Campus Recruitment
2024 NFuture Awards



Digital and Smart Recruitment Innovation Practice Award
2024 China Human Resources Venus Award



Most Favored Employer Brand among College Students
2024 China Human Resources Sirius Award

Total number of employees

7,570

By gender

Male employees

5,829

Female employees

1,741



By age

Employees aged 30 to 50

4,649

Employees under 30

2,835

Employees above 50

86



By educational background

Bachelor

5,406

Associate or below

1,197

Master

929

PhD or above

38



Percentage of female in management

Percentage of female in senior executives

17.65 %

Percentage of female in mid-level executives

12.66 %

Percentage of female in junior executives

14.61 %



Remuneration and Performance Assessment

QAX continuously optimizes the remuneration management system. Through regular remuneration surveys, combined with industry data, corporate strategies, and job grading structure, the Company set up reasonable and competitive remuneration regulations. Under the same remuneration and qualification, the Company ensures that male and female job applicants have equal opportunities and treatment.

Adhering to the principles of fairness and objectivity, QAX continuously improves its performance management system. Through four key stages including goal setting, process coaching, performance assessment, and result application, the performance process management is strengthened to assist in improving employees' performance. The Company regularly conducts "quarterly + annual" performance assessments. Targeting annual strategic goals, the Company adopts the OKR framework for goal management and evaluation; To ensure the effective implementation of goals, the Company also uses the KPI and MBO models on a quarterly basis to break down annual OKRs and support the implementation of annual strategic goals. In addition to the KPI assessment, the Company also resorts to 360° evaluations and management discussion meetings to assess certain job positions, and further tightens the responsibility requirements of key management positions for their annual evaluations.

QAX continuously optimizes its performance system through equity incentives, employee stock ownership plans, innovation rewards, and diversified incentive measures, in an attempt to enhance sense of belonging and creativity of employees. The Company also provides differentiated incentives for various positions such as R&D, sales, and management to ensure that individual values are closely aligned with the Company's vision.

To further improve the remuneration management of the Company's directors, supervisors, and senior executives, establish incentive and constraint mechanisms that are compatible with modern corporate regulations, and better mobilize the initiative of the Company's directors, supervisors, and senior executives, the Company has formulated the *Remuneration Management Regulations for Directors, Supervisors and Senior Executives for QI AN XIN Technology Group Inc.* as per the *Company Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and the *QAX Articles of Association*, for regulating the remuneration management of relevant personnel.

To attract and retain talents, the Company continuously optimizes employee benefits and enhances employee security and satisfaction. QAX offers employees benefits across multiple dimensions, including holidays, healthcare, medical care, insurance, and travel allowance. On this basis, the Company provides accommodation subsidies, incentive allowances, and family visit subsidies for employees assigned to different locations within China, depending on job requirements. For globally expatriated employees, the Company also provides comprehensive benefits including incentive allowance, meal allowance, hardship allowance, family visit subsidies and family member subsidies to address their living needs during overseas assignments. Additionally, for employees taking special jobs, the Company offers benefits such as travel allowance, expatriate subsidies, and hardship allowance for project delivery, further enhancing the level of employee welfare protection.

 Routine vacation	Statutory annual leave, marriage leave, sick leave, parental leave, maternity leave, nursing leave, paternity leave
 Extra leave	Annual leave and paid sick leave
 Annual physical examination	Free medical checkup
 Commercial insurance	Life insurance, travel insurance, and commercial insurance complementary to medical insurance, supplementary maternity medical insurance
 Subsidies and allowances	Travel allowance, expatriate subsidy, on-site subsidy, hardship allowance for project delivery

Health and Safety



QAX ISO 45001 Occupational Health and Safety Management System Certification

In compliance with the *Labor Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and other laws and regulations, QAX has formulated the *QAX Management Measures for Physical Examination*, which specifies that upon expiry of probation, employees are entitled to one free physical examination, along with discounts on medical check-ups, health consultations and many other benefits for employees' families. QAX SECWORLD has been awarded the ISO 45001 Occupational Health and Safety Management System certification.

QAX SECWORLD has defined health and safety goals, including zero road traffic accidents, zero production safety accidents, and a 100% rate for accident hazard investigation, general accident hazard management, and major accident hazard monitoring. In 2024, QAX SECWORLD successfully fulfilled its work safety goals, providing employees with a healthy and safe working environment.

In the workplace, a clinic is set in place at QAX Security Center, offering health consultation, supply of medicine, emergency response to injury, and other services to employees. To enhance employees' health awareness and emergency response capabilities, during the reporting period, QAX organized health and safety lectures and activities, topics covering cervical health, mental health, and Red Cross first aid training, to alleviate stress of employees, improve their capabilities of medical emergency response, and ensure they are healthy, mentally and physically. In 2024, QAX organized a total of 5 health-related activities.

During the reporting period, QAX recorded 11 work-related injury accidents, wherein 8 were traffic accidents of employees commuting for work, and in all these cases, the employees were not held primarily accountable. In addition, 3 accidents happened on the way employees headed for visiting customers, where these employees were not held primarily accountable for the accidents. During the reporting period, no occupational disease incidents occurred in the Company.

Talent Training and Development

Career Development Path

Talent development is a core force to drive a company's sustainability. QAX attaches great importance to talent development and cultivation. Via job-based "dual channels" of career development, the Company nurtures employees' competence and management skills. For growth and development of employees, the Company has put forward a sound talent development strategy. Heterogeneous occupational skill training projects are intended to inspire employees to learn of their own accord to contribute to prosperity of cybersecurity, while realizing their own value.

QAX has adopted an "open talent selection and competition" mechanism for selecting managers and professionals, with the aim of promoting employees with greater management potential to managers and giving them a chance to play a part in business management. Depending on the Company's conditions, QAX has established the *QAX Management Methods for Manager Selection and Appointment*, *QAX Manager Qualification Standard*, *QAX Manual for the Five-ability Model of Managers* and other internal management regulations, which standardize manager selection and appointment, along with the establishment of a selection and appointment mechanism that "allows outstanding managers to perform well regardless of positions".

Continuously tuning up professional qualification standards for safety, R&D, product, program consultation, pre-sales support, technological service, etc., QAX helps employees improve capabilities in all areas of expertise. QAX has formulated the *QAX Management Measures for Professional Position Promotion*, defining the goals and paths for the promotion of employees in the "professional positions". The Company carries out professional position promotion reviews on a yearly basis, adhering to fair, standard, and transparent procedures and thus ensuring fairness of promotion for employees.

Talent Cultivation Framework

229,415

persons

Number of employees who received training

134,092

hours

Total training hours

With continuous effort to establish and improve its talent training system, QAX, under *QAX Training Management Regulations*, has set up a sound talent cultivation framework. The framework entails culture-driven development, manager training, business/reform support, growth of new employees, and operation management. The six training programs under the system - "Setting Sail", "Launching Out", "Sword Casting", "Sword Sharpening", "Sword Drawing", and "Flag Bearing", are tailored for employees that vary by job and professional level. In addition, QAX has also launched the "Tiger-Sec" Summer Internship Project for excellent undergraduates and graduates who are eager to carve a career in the field of cybersecurity.

Apart from the professional talent cultivation programs, QAX has also created "QAX E-School", an online occupational skill training platform that features a multitude of occupational skill enhancing programs and universal learning projects. Via a combination of "online and offline" methods, the "QAX E-School" is a platform that enables all organizations to carry out customized training projects and construct a systematic learning model integrating "lecture - learning - examination - assessment". Meanwhile, the "QAX E-School"" has set up and improved its knowledge system, and formed a platform operation team, thus systematizing business operations on their own. As of December 2024, "QAX E-School"" launched 296 training projects, encompassing 11,274 courses.

QAX Talent Cultivation Framework



New Employee Training Program

Program "Setting Sail" Program	Target New employees from campus recruitment	Particulars The "Setting Sail" training program entails cultural activities, corporate and business sharing sessions, occupational quality enhancing sessions, etc., covering four growth stages of "caring, preliminary training, advanced training, and development" and helping new employees from campus recruitment fit into career life quickly. In 2024, the Company conducted one "Setting Sail" training session. Under the competency requirements and learning maps for 9 campus recruitment positions, the training ensured the alignment of employees in achieving growth goals.
Program "Launching Out" program	Target New employees from regular recruitment	Particulars The "Launching Out" Program, revolving around industry understanding, corporate culture, and job competencies, helps new employees better understand industry development and corporate culture, so as to better adapt to the workplace. Besides, the program has strengthened the association with business development to help new key job holders carry out work effectively. In 2024, the Company conducted seven "Launching Out" training sessions. The "Launching Out" program changed and optimized its courses, so as to strengthen the association with business development and help new key job holders carry out work effectively.

Leadership Program

Program "Sword Casting" program	Target New junior managers	Particulars "Sword Casting" symbolizes "years of tempering finally create a sword". It is QAX's required elementary leadership program, with the aim of helping newly appointed managers in the latest 6 months achieve a shift in the role, unify awareness of management, and grasp basic management skills. In 2024, the Company engaged 65 persons in two "Sword Casting" training sessions. Internalization and delivery were gradually achieved, and 16 internal trainers were cultivated, effectively reducing training costs.
Program "Sword Sharpening" program	Target Incumbent junior managers	Particulars "Sword Sharpening" symbolizes "a precious sword's edge comes from grinding". It is an elementary leadership enhancement program designed by QAX for managers with over 1 year of experience, aimed at helping them promptly grasp the Company's latest management requirements and apply leadership skills in real work scenarios to solve complex management problems. In 2024, the Company engaged 571 persons in three "Sword Sharpening" training sessions via online and offline channels. The online learning in particular effectively reduced costs and augmented coverage.
Program "Sword Drawing" program	Target Middle-level managers	Particulars "Sword Drawing" originates from "a drawn sword reveals its sharpness". It is a QAX compulsory advanced leadership program. It aims to help mid-level managers shift from focusing on individuals to focusing on teams, who learn to build high-performance teams, and effectively lead teams to achieve company goals. In 2024, the Company conducted three "Sword Drawing" training sessions, with 417 persons involved and 43 Sword Drawing personal leadership development reports delivered.
Program "Flag Bearing" Program	Target Senior managers	Particulars "Flag Bearing" means "flag bearing for sailing together" and is a QAX compulsory advanced leadership program. It aims to help managers at this stage systematically learn business management knowledge, fully grasp business logic, think outside the box, improve cognitive and critical thinking abilities, and achieve a comprehensive upgrade from tactical execution to strategic planning.

Care for Employees

QAX is committed to creating an equal, warm, and respectful workplace. The Company provides convenient life services and recreational facilities for the comfort of employees in the workplace. QAX Security Center has set up such facilities as hairdressing kiosks, laundry rooms, fitness gyms, massage rooms and book bars where employees can exercise, relax, and alleviate stress from work.

The Company consistently upholds care and respect for its employees. In compliance with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Special Provisions on the Labor Protection of Female Employees*, it fully safeguards the rights of women during pregnancy and lactation. QAX grants pregnant and breastfeeding employees with maternity leave, breastfeeding leave, childbirth allowance and other rights and interests. Employees in Beijing are entitled to 158 days of statutory maternity leave and 15 days of paternity leave. Besides, QAX provides additional maternity medical insurance for pregnant employees. The Company has established independent nursing rooms in the workplace, ensuring the comfort and privacy for breastfeeding female employees. Moreover, the Company has also set up children's rooms in the workplace with childcare services provided.

In 2024, to deepen employees' exchange and engagement while creating an uplifting and vibrant atmosphere, QAX organized exciting activities on various holidays, such as Christmas, Mother's Day, Mid-Autumn Festival, Chinese Little New Year, and Programmer's Day, to enhance employees' happiness and sense of belonging.

Additionally, with diversified internal services, QAX regularly conducts satisfaction surveys, such as those on permit application, administrative reception, IT conference support, staff canteen, and HR assistant. For any problems identified in these surveys, the respective departments will immediately communicate and follow up to resolve them, thus continuously optimizing staff experience.



Gym



Nursing Room



Children's Room

*Employees working in non-Beijing areas shall follow the requirements for local maternity leave, paternity leave, and parental leave.



Chinese Little New Year Celebration

On February 2, 2024, QAX held the Chinese Little New Year Celebration in the Security Center Canteen. The event entailed selling special northern and southern delicacies for celebrating the Chinese Little New Year (such as colorful dumplings and colorful sweet sticky rice balls), organizing a DIY experience of traditional sugar painting with floats, launching an arrow-throwing game and prize giveaway, and distributing fancy festive gifts to employees. The event engaged 1,000 employees in total.



Programmer's Day Celebration

In October 2024, QAX celebrated the Programmer's Day, intriguing employees with a host of fun games. Additionally, other office areas in the capital gave out oranges to employees, a symbol of "may all your wishes come true", and sent best wishes on the occasion.

February --- Chinese Little New Year Celebration



April --- Photography Exhibition



September --- Mid-Autumn Festival



October --- Programmer's Day



SOCIAL CONTRIBUTION

PUBLIC WELFARE	79
RURAL REVITALIZATION	82
SHAPING TALENT ECOSYSTEM	85

QAX actively fulfills its social responsibilities. In response to national strategies of rural revitalization, healthy China, invigorating China through science and education, etc., it devotes itself to initiatives for public welfare in education, rural development, and healthcare. Hand in hand with various partners, it shapes the cybersecurity talent ecosystem and fully promotes the development of a harmonious society. Taking concrete actions, QAX injects its power into social development.



Public Welfare

Public welfare is a key pillar of QAX's sustainability. The Company is consistently dedicated to boosting rural revitalization and supporting social charity by leveraging resources effectively. In 2024, QAX Group donated RMB 8 million to the Beijing QAX Charity Foundation, in support of rural development, healthcare, higher education, and other key areas. With continuous effort, it advanced public welfare projects to help build a better future. Additionally, QAX Group donated a total of RMB 300,000 to the OpenAtom Foundation and Jilin University to support technological innovation and break new ground in cutting-edge technology and promote high-quality development.

Since its establishment in 2021, Beijing QAX Charity Foundation (hereinafter referred to as the QAX Foundation) has been upholding the mission of "making the world safer and lives better". Focusing on financially vulnerable groups, the Foundation contributes to social governance and rural revitalization, while stimulating sustainable development. QAX Foundation now has "Medical Assistance Project", "Educational Assistance Project", "Disaster Relief Project", and "Rural Development Project" under the "Caring Aid" public welfare system. During the reporting period, more than 140,000 persons benefited from public welfare projects launched by the QAX Foundation in over 37 institutions of higher education, 26 primary hospitals, 13 primary and middle schools and kindergartens, in 18 villages, 43 prefecture-level cities, and 23 provincial-level administrative regions.

Awarder
China Foundation Center

Award
Full Score in 2024 FTI Ratings

Educational Development

The "Educational Assistance Project - College Education Funding", launched by the QAX Foundation, focuses on developing faculty's capabilities, social practice, and student funding. It aims to enhance the engineering practice and comprehensive abilities of cybersecurity majors, bridge the gap between university talent capabilities and market needs, support the development of university programs and the growth of talents. By December 2024, "Educational Assistance Project", in a shift from the traditional "educational and poverty assistance" to "supporting student employment", entailed a variety of social practices including cybersecurity education campaigns, cybersecurity competitions, vulnerability discoveries, and study salons, enhancing students' engineering practice and comprehensive abilities in all respects.

Number of Beneficiaries of the "Educational Assistance Project - College Education Funding" in 2024

302 persons

Social practice funding

183 persons

Scholarships

79 persons

Financial Aid and Emergency Response Fund



"Educational Assistance Project" Cybersecurity Week—Universities in Action



"Nan'an e-Action" Online Public Welfare Initiative of Chongqing University of Posts and Telecommunications

During the 2024 China Cybersecurity Week, the QAX Foundation partnered with 25 domestic universities to systematically carry out cybersecurity awareness and education activities both on and off campus. Leveraging the social practice funds and cybersecurity education material packages provided by the QAX Foundation, the universities ingeniously introduced diversified social practice methods, including cybersecurity promotion lectures, cybersecurity competitions, practical drills, corporate visits, and community-based cybersecurity awareness-raising activities. These activities effectively enhanced the engineering practices and comprehensive abilities of university students and further strengthened the public's cybersecurity awareness.



Practical Cybersecurity Education Lecture at Guilin University of Electronic Technology

Healthy China

In response to the national "Healthy China" initiative, QAX Foundation is proactive in fulfilling its social responsibility by launching the "Medical Assistance Project". The healthcare aid project 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 as well as provide medical assistance and support to needy groups.

In June 2022, the QAX Foundation has funded and carried out the "Medical Assistance Project of Eye and Heart Diseases - Enhancing Diagnosis and Treatment Abilities of Blindness and Low Vision for Child Patients in Tibet" in cooperation with Beijing Bethune Charitable Foundation and Peking University People's Hospital. The project has effectively reduced the difficulty of treatment for blind children and those with poor eyesight and improved the diagnosis and treatment of ophthalmic diseases among children by taking multi-pronged actions such as free screening, volunteer diagnosis, free surgery, doctor training, etc. During the reporting period, the "Medical Assistance Project of Eye and Heart Diseases" covered 27 hospitals and 12 county- and town-level primary schools and kindergartens in 19 districts or counties of 7 prefecture-level cities in the Tibet Autonomous Region. In 2024, the project was honored as an "Excellent Case" of "Caring for Children" during the "May 20 Social Responsibility Day".



Pediatric Eye Disease Screening in Tibet



In 2024, the team of the "Medical Assistance Project of Eye and Heart Diseases", including specialists from Peking University People's Hospital, collaborated with hospitals in Jomda County, Yadong County, and Biru County in Tibet to conduct extensive public pediatric eye disease screening, which covered 2,788 children. Based on extensive screening efforts, the project team compiled and authored the *Tibetan Primary and Secondary School Students' Personal Eye Health Screening Report and the Summary Report on Eye Health Screening for Tibetan Primary and Secondary School Students*, addressing the gaps in basic research on eye health status of children in Tibet.



Tibetan Ophthalmologist Capacity Enhancement



In 2024, the team of the "Medical Assistance Project of Eye and Heart Diseases" invited 11 renowned ophthalmology specialists from top hospitals, including Peking University People's Hospital, Peking University Third Hospital, Beijing Tongren Hospital, PLA General Hospital, and West China Hospital, to Nyingchi, Tibet. Through various forms such as training, practical instruction, volunteer diagnosis instruction, and surgery instruction, the team conducted volunteer diagnoses covering 572 persons, performed 12 free surgeries, and trained 112 Tibetan surgeons.



Employee Volunteers

QAX integrates volunteer service into its corporate culture, inspiring employees to actively participate in public welfare practices and contribute to creating a harmonious and beautiful society with practical actions. QAX Group initiated the "QAX Volunteer Service Project," motivating employees to focus on topics such as telecom and cyber fraud prevention, data security, and electronic data forensics, and carry out cybersecurity-related public welfare promotional activities for communities, schools, and enterprises to popularize cybersecurity knowledge.

23

Projects

Community service projects initiated

17,723

Persons

Volunteers engaged

28,489

Hours

Volunteer service hours

"Dongjian" Authentication Team Carried out Cybersecurity Knowledge Promotion Activity

In 2024, the QAX Foundation, cooperating with the Judicial Identification Office of Beijing Wangshen Dongjian Technology Co., Ltd., established the "Dongjian" authentication team to visit enterprises, schools, government agencies, and social organizations, conducting public welfare lectures on cybersecurity to circulate knowledge of data security and electronic data forensics. In 2024, the QAX volunteer team visited Beijing No. 161 High School, Beijing Police College, and other institutions to educate students and faculty on personal privacy protection practices and procedures and essentials for electronic data forensics.



"Promoting Cybersecurity Knowledge" Campaign

In 2024, the volunteer team of the QAX Foundation visited kindergartens, primary schools, and universities to give lectures and introduce cybersecurity knowledge, helping students and faculty enhance their security awareness. Tailoring their approach to students of different ages, the volunteers aimed to spark their interest in cybersecurity. In kindergartens, volunteers helped teachers identify common online scams; In primary schools, volunteers actively explained account security and anti-fraud techniques; In universities, volunteers shared cutting-edge cybersecurity developments. This campaign effectively constructed an educational cybersecurity chain from enlightenment to professional training, contributing to nurturing cybersecurity talents and enhancing public awareness in the digital era.



Rural Revitalization

supports the comprehensive revitalization of rural industries, organizations, talents, ecosystems, and cultures through the "Rural Multi-functional Soccer Field Project", the "Beautiful and Harmonious Countryside", and the "Rural Revitalization Project for Bairin Left Banner, Inner Mongolia".

Award	Awarder
Excellent Practice in Rural Revitalization	China Association for Listed Companies

Rural Development Project - Rural Multi-functional Soccer Field

The "Rural Development Project - Rural Multi-functional Soccer Field" is a public welfare project launched by the QAX Foundation in 2024, and it is also a creative practice by the QAX Foundation in response to the national rural revitalization strategy. The project focuses on developing sports infrastructure, cultivating sports talents, and supporting sports-themed cultural activities in underdeveloped areas. It aims to enrich the spiritual and cultural life of rural residents and contribute to the revitalization of rural culture.

In 2024, the "Rural Development Project - Rural Multi-functional Soccer Field" was implemented in Miyun (Beijing), Zhijin (Guizhou), Longnan (Jiangxi), and Hotan (Xinjiang). Spanning over 4,000 square meters of soccer field turf under the donation, the project covered more than 120,000 rural residents and children. Additionally, professional teams from Capital University of Physical Education and Sports were invited to cultivate more than 360 rural sports talents in these four places.

4,000+

square meters

Area of soccer field turf donated

120,000+

persons

Number of rural residents and children covered

Award	Awarder
Champion of the 4 th Beijing Public Welfare Innovation and Investment Competition	Capital Charity Federation



Children's air volleyball competition



Parent-child fun football activity on campus



Elderly gateball contest

**Rural Development Project
• Beautiful and Harmonious
Countryside Project**

4

Rural living environment improvement projects

2

Rural e-commerce infrastructure
enhancement and capacity-building projects**QAX Foundation's Innovative Practice of
Rural E-commerce Talent Cultivation**

The "Rural Development Project - Beautiful and Harmonious Countryside" is a rural revitalization project launched by the QAX Foundation in 2022. Focusing on improving human settlement, controlling environmental pollution, creating a healthy ecosystem, and utilizing resources efficiently, the "Beautiful and Harmonious Countryside" Project aims to enhance the quality of the rural living environment, promote ecological revitalization, and contribute to building a beautiful and harmonious countryside that is desirable for living and working.

In 2024, the "Beautiful and Harmonious Countryside Project" was carried out in Beijing, Inner Mongolia, Hebei, and Guizhou, entailing a total of 4 rural living environment improvement projects and 2 rural e-commerce infrastructure enhancement and capacity-building projects. The Project covered 7 villages across 4 provinces (municipalities/autonomous regions), benefiting nearly 8,000 persons.

QAX Foundation "Beautiful and Harmonious Countryside", carried out in Yanshan County, Hebei and Aohan Banner, Inner Mongolia, has enhanced digital capabilities of rural industries through a series of measures including hardware facility retrofitting, platform building, channel expansion, and talent cultivation. This initiative has promoted the high-quality development of rural e-commerce, providing new pathways and models for implementing the rural revitalization strategy.

With the support of the project, Yanshan and Aohan actively upgraded its livestreaming infrastructure. A total of 48 live streaming devices have been purchased, 1 live streaming room renovated, 2 e-commerce platforms built, and more than 10 live streaming rooms and e-commerce accounts set up. Leveraging the improved e-commerce infrastructure, a series of live-streaming commerce activities have been conducted. By the end of 2024, the two regions had organized nearly 40 special live-streaming sessions for 16 agricultural specialty product enterprises and 5 townships, helping the sales volume of agricultural specialties exceed 3.65 million yuan.

Rural e-commerce talent training in Yanshan
County, HebeiRural E-commerce talent cultivation training
in Aohan Banner, Inner MongoliaWall renovation in Xinqian Village, Baini
Town**Rural Revitalization Project
for Bairin Left Banner, Inner
Mongolia**

6

sessions

Empowerment training sessions conducted

160+

persons

Number of persons in empowerment
training

14

households

Agricultural households granted with public
industrial fund

In 2023, the QAX Foundation launched the "Rural Development Project - Rural Revitalization for Bairin Left Banner, Inner Mongolia", aiming to promote the rural economic development and increase the income of farmers and herders in Ulan Daba Sumu of Bairin Left Banner through organizational development, talent empowerment, industrial support, and social services, thereby achieving sustainability of rural industries and ecology.

For organizational development and talent empowerment, the Project, centered around the Ulan Daba Sumu Party Committee and Government and the Ulan Daba Agricultural Service Company, has formed a dedicated 3-member team, along with 6 local village liaisons. It has conducted 6 empowerment training sessions for groups including Party and government leaders, key personnel of the Agricultural Service Company, village secretaries, and herders, with a cumulative participation of over 160 persons.

The "Rural Revitalization Project for Bairin Left Banner, Inner Mongolia" placed emphasis on both production and market to help increase the income of Ulan Daba Sumu herders and the market value and industrial chain depth of grassland beef. For production, it piloted mutual aid organizations like "household alliances" and standardized production by leveraging resources exploration and other means. For market, it refined full-process management from beef selection to transportation, creating the "Ulan Daba Grassland Beef" brand, and comprehensively enhancing the industrial capabilities of Ulan Daba Sumu.

The Ulan Daba Agricultural Service Company cumulatively carried out 8 social services for daily life and production in 2024, covering all 6 villages in the township. The Project reaped over 400,000 square meters of silage for farmers and herders, provided drone "spraying to promote growth" services covering 12.67 square kilometers, and organized the collective purchase of 20 tons of fertilizer, 87 bags of seeds, over 20 tons of rice, flour, and oil, and over 200 tons of high-quality forage. Besides, it supported the construction of 2 B&Bs, assisted farmers and herders in selling 5 stocker cattle, dairy products, chili sauce, and other agricultural by-products, achieving a total increase in earnings and savings of nearly RMB 740,000.

To further help farmers and herders diversify their sources of income and enhance their risk resilience, the "Rural Revitalization Project for Bairin Left Banner, Inner Mongolia" founded a "Charity Industry Fund" to provide small grants to encourage farmers and herders to tentatively expand the scope of sectors beyond traditional animal husbandry. In 2024, the first public industrial fund selection and distribution was carried out. A total of 14 farming and herding households were granted RMB 80,000 altogether, in rewards for their active endeavors in areas such as cattle breeding, operation of snack workshops with local characteristics, earthworm breeding and manure utilization, courtyard economy development, and B&B development. In 2024, the project benefited farmers with additional income exceeding 2.6 million yuan.

In addition to talent empowerment and industry support, the QAX Foundation is actively engaged in ecological protection, dedicated to restoring the local ecological environment. In 2024, the project team conducted experimental plantings of switchgrass and karelinia in a total area of 10,000 square meters, utilizing idle river channels, grazing paths, gullies, and sandy lands in the Wuzhuhua and Haobugao villages, with a total planting length of 1,000 meters.



"Ulan Daba Grassland Beef" Brand



Herders ear-tagging growing cattle herds



Family dairy processing ranch

Shaping Talent Ecosystem

Increasing Cybersecurity Skills

2024 China Cybersecurity Week

In response to the national call, QAX has launched China Cybersecurity Week campaign, aiming to raise public awareness of cybersecurity and jointly safeguard the cybersecurity space. During the China Cybersecurity Week in September 2024, QAX organized a variety of activities including cybersecurity knowledge lectures, technological seminars, simulated attack and defense drills, and cybersecurity awareness education to enhance public understanding of the importance of cybersecurity. Meanwhile, QAX, in collaboration with the Data Security Committee of the China Institute of Communications, established an online "Scientific Literacy Initiative" to circulate cybersecurity knowledge via various channels such as comics, animations, videos, knowledge booklets, and quiz competitions.



University-Enterprise Cooperation

In 2024, QAX engaged in university-enterprise cooperation with over 70 institutions of higher education, ranging from cybersecurity laboratory construction to faculty training, instructional services, professional development consulting, customized course development, and competition support.

In terms of joint lab building, QAX has constantly deepened cooperation with Tsinghua University, Shanghai Jiao Tong University, Zhejiang University, Southeast University, etc., facilitating the development of cutting-edge cybersecurity technologies. Besides, QAX is also actively advancing cooperation with vocational colleges to build a multi-tiered university-enterprise cooperation system. In 2024, QAX signed strategic cooperation agreements with the School of Continuing Education of Harbin Institute of Technology and Hunan College of Information, among others. QAX, in collaboration with Fuyang Vocational Technological College, filed a project of *Building Applied Talent Development Model for Next-Generation Information Technology Industry in Northern Anhui and Relevant Practices*, and hereby won the Grand Prize of Teaching Achievements in Anhui Province.

The paper *ReThink: Reveal the Threat of Electromagnetic Interference on Power Inverters* jointly published by QAX Technology Research Institute and Zhejiang University, won the NDSS Distinguished Paper Award.



In 2024

96

Courses developed

As of the end of 2024

90+

Number of students enrolled in the Training Reform Project for Masters and Doctors in Engineering

In terms of curriculum design, QAX elaborately designed 96 courses in 2024, covering topics such as assessment of classified protection of information security, emergency response, cybersecurity, and system security. In cooperation with academic institutions, the Company also authored 5 course textbooks. This is in addition to QAX's efforts in designing and renewing more than 200 experiments and producing over 15,000 minutes of instructional micro-videos, which provide universities with a wide assortment of cybersecurity teaching resources.

In teaching practice, QAX has provided teaching and curriculum planning as well as consulting services to more than 40 universities and colleges. Nearly 10 courses were conducted by the Company, with length of up to 1,000 hours. Built on extensive teaching and practical experience, QAX has devised a talent development system plan jointly with universities, incorporating over 400 knowledge points and more than 300 skill points. The plan uses the Task-Knowledge-Skill (TKS) model, which revolves around the dimensions of "task-knowledge-skill."

QAX is proactive about concluding partnerships with universities, focusing on the joint cultivation of high-quality talents and jointly formulating talent training and development plans. By December 2024, QAX has jointly recruited more than 90 students for the "Masters and Doctors in Engineering" project in collaboration with 9 high-level universities in China, including 4 high-quality joint-cultivation students from the Class of 2022 who have signed employment agreements.

QAX pays consistent attention to cybersecurity faculty training, laying a solid educational foundation for cultivating cybersecurity talents. In 2024, QAX's well-designed faculty training programs of web security, cyber attack and defense drill, emergency response, cybersecurity competitions, vulnerability mining, and AI security drew over 200 primary teachers from nearly 100 higher education institutions.



Tiger-Sec Base

QAX arms enterprises and public organizations with a stream of cybersecurity professionals at multiple levels via its Tiger-Sec Base. As of December 2024, the QAX Tiger-Sec Base offered 182 training cohorts and cultivated 9,233 cybersecurity and data security talents, including 1,846 engineers assigned to QAX Group. Our customers include institutions and companies in the financial, educational, transport, communication, energy, and government sectors in more than one hundred cities, including Beijing, Shanghai, Guangzhou, Shenzhen, etc. In 2024, the Base was awarded the title of "Reliable Talent Assessment Institution in Key Industry and Information Fields" by the Ministry of Industry and Information Technology of the People's Republic of China once again.

Unlocking Innovation Potential

Innovation Funding Program for Cybersecurity College Students

Under the guidance of the Office of the Central Cyberspace Affairs Commission and the Association's Project Office, QAX, together with 10 first-class cybersecurity colleges, the Cybersecurity Association of China, and the China Internet Development Foundation, launched the "Innovation Funding Program for Cybersecurity College Students". The Program aims to connect market demands with academic research and innovation requirements, bridging the "last mile" in technology innovation transfer. As of December 2024, 120 students have been funded in two rounds of the Program.

Outcomes of 26 projects in the "Innovation Funding Program" phase I project have been commercialized. In 2024, QAX organized 25 internal technological teams to propose topics for the program's phase II project, which resulted in the selection and announcement of 42 projects. These attracted student applications from 29 institutions, and 60 finalists participated in the program's phase II project, including 22 doctoral students, 32 postgraduates, and 6 undergraduates.

Business Incubation

QAX is dedicated to supporting cybersecurity innovators and establishing a high-value cybersecurity eco-platform. With this ambition, QAX, in collaboration with the Beijing Cybersecurity Conference (BCS), Security Capital, and other institutions, has initiated a professional cybersecurity innovation and investment competition - "Safe Maker" Competition. The competition pools together top VC, PE, and state-owned institutional investors in China. Since its inception in 2016, Safe Maker has been serving as an innovation eco-platform targeting governments, corporations, investors, and startup teams, via a stream of thematic activities and services, such as the Maker Salon, Star of the Year, and Startup Training. By December 2024, Safe Maker has been successively held for nine consecutive years, drawing hundreds of security companies that enroll in the competition every year.

Cybersecurity Competition

Committed to leading cooperation through competition, QAX has organized a variety of cybersecurity and data security competitions at multiple levels to promote learning through competition. The competitions nurture students' practical abilities in cyber attack and defense, enhance their cybersecurity awareness, as well as advance practice and innovation in the cybersecurity industry. In 2024, QAX hosted or co-hosted 16 national and provincial college cybersecurity competitions.



QAX Supported the 2024 RAICOM Robot Developer Competition - CAIP Cybersecurity Contest

In 2024, QAX provided technological support to the 2024 RAICOM Robot Developer Competition - CAIP Cybersecurity Contest, which was hosted by the Talent Exchange Center, Ministry of Industry and Information Technology and organized by Hubei University. This is a Class A competition rated by the Ministry of Education, evaluating the participating teams' vulnerability discovery, attack, and defense capabilities. Since its launch, the competition has attracted over 400 teams from universities across the country, with a total of more than 1,200 participants.



QAX Co-hosted the DataCon 2024 Big Data Security Analysis Competition with Tsinghua University

Faced with the increasingly serious challenge of data security and privacy protection, QAX Group jointly hosted the DataCon 2024 Big Data Security Analysis Competition with Tsinghua University and other relevant domestic institutions. In 2024, DataCon enhanced its competition framework into five specialized tracks: AI Security, Vulnerability Analysis, Cybercrime Analysis, Software Supply Chain Security, and Cyber Infrastructure Security, attracting enthusiastic participation from university and corporate teams.

Since its inception in 2019, the competition has been held for six consecutive years, with over 5,000 teams and nearly 20,000 participants. It is a testament to the growth and breakthroughs of generations of data security elites.



Improving Vocational Skill Certification

QAX provides systematic cybersecurity industry certification training and services for students and professionals from all backgrounds. Leveraging its cutting-edge cybersecurity practices and strengths, the Company helps future cybersecurity talents become certified to work.

Industry Certification Training

As a CISP training institution authorized by the China Information Technology Security Evaluation Center, QAX persists in providing enterprises and individuals with high-quality CISP registration, examination, and attack-defense technology training. QAX's CISP certification training has been catering to customers' certification and training requirements via diversified forms of teaching. By December 2024, the QAX CISP Certification Training Program served 2,710 individuals from government agencies, companies, scientific research institutions, banks, etc., enhancing cybersecurity safeguarding in all types of organizations.

"1+X" Certification System

To implement the guiding principles from national documents on the reform of polytechnic education, IT development in education, and cybersecurity, and further integrate academic education with occupational skill training, QAX has initiated and designed the "1+X Vocational Skill Level Certificates of Cybersecurity Emergency Response". In 2024, 1,272 certificates were awarded after the elementary, intermediate, and advanced certification exams for the "1+X Vocational Skill Level Certificates of Cybersecurity Emergency Response" held in 28 educational institutions.

QAX Cyberspace Security Engineer Certification System

The optimally designed and launched "QAX Cyberspace Security Engineer Certification System" is a professional certification system based on years of practice in the information security market and technology development, in conjunction with the national cybersecurity talent development needs and the practical requirements of enterprise development. The system aims to jointly cultivate professional cybersecurity talents in cooperation with users, government agencies, enterprises, as well as universities and colleges. In 2024, QAX delegated 9 institutions to conduct QAX certification training, with over 50 trainers and over 2,000 certificates issued.

ENVIRONMENTAL
SUSTAINABILITY

RESPONSE TO CLIMATE CHANGE	91
GREEN OPERATION	97

QAX continues to promote its eco-friendly development of enterprises through operational optimization. To address climate change, the Company has continuously taken multi-pronged measures to reinforce climate resilience. Meanwhile, the Company, in response to global carbon reduction and the national "carbon peaking and neutrality" goals, reins in carbon emissions generated during its operations. The Company continues to advance the installation of green infrastructure, the intelligent management of offices, and the optimization of the workplace and data centers' energy efficiency. The Company also promotes a green office culture to reduce resource waste and contribute to the industry's green and low-carbon development and transformation.



Response to Climate Change

Amid global climate change and faster low-carbon transformation, QAX places high importance on the challenges and opportunities brought by climate change. It takes the initiative to identify various risks caused by climate change to business operations and work out and improve countermeasures to intensify its resilience and anti-risk ability to deal with climate change.

QAX, with reference to *International Financial Reporting Standard S2—Climate-related Disclosures (IFRS S2)* released by the International Sustainability Standards Board (ISSB) and the *Guideline of the Shanghai Stock Exchange on the Self-Regulation of Listed Companies, No. 4 - Compilation of Sustainable Development Reports, No.2: Response to Climate Change*, makes an exhaustive analysis of significant risks and opportunities brought by climate change to business operations from four dimensions, namely, governance, strategy, risk management, indicators & goals. QAX identifies and integrates key climate actions into its long-term development strategy, continuously refines its climate governance system, in a bid to better cope with the risks and opportunities brought about by climate change and seize the opportunity of green transformation.

Governance

QAX attaches great importance to the risks and opportunities brought by climate change and incorporates them into the Company's governance structure, adopting a top-down governance model to systematically achieve sustainable development goals. The Company's Board of Directors bears the supreme governance responsibility for climate-related issues. It regularly reviews climate change strategies, goals, and key management measures to ensure that climate-related risks and opportunities are effectively identified, assessed, and managed. The Company's management is in charge of implementing specific climate change-related policies and action plans, covering areas such as carbon emission management and climate risk prevention. It regularly reports progress to the Board of Directors or relevant committees. In addition, the Company enhances the scientific rigor and effectiveness of climate actions through a cross-departmental collaboration mechanism that integrates business units, external professional organizations, and pools of experts.

Strategy

QAX has formulated a "dual carbon" plan to achieve national carbon peaking and neutrality goals. Through structural advancement in strategic pathways for emissions reduction, phased implementation of emissions regulation and optimization of energy structure, and application of low-carbon technologies, etc., the Company pledges that the set goals will be realized as scheduled with a guarantee on quality. Furthermore, the Company will update and adjust the "dual carbon" strategy in due course to grasp the opportunity for development and transformation towards carbon peaking and neutrality.

With overall arrangements for climate strategy, QAX takes the initiative to identify the impact of climate-related risks and opportunities on the Company and works out appropriate strategies, methods, and plans based on the analysis results. At the same time, the Company continues to assess the adaptability of its existing strategies and business models to climate risks, constantly optimizing and adjusting countermeasures to enhance its ability for green transformation and sustainable development.

- 01

Work out a long-term plan and strengthen carbon emissions
- 02

Utilize energy with higher efficiency and slash emissions of carbon dioxide per unit GDP
- 03

Promote low-carbon energy and set a paradigm of low-carbon supply chain
- 04

Step up technology & innovation and develop a more efficient low-carbon tech platform through industry-university-research cooperation

Risk Identification and Assessment

Physical Risks	
Acute Risk	
Implications 	Hurricane Infrastructure damage: Hurricanes may cause damage to structures such as office blocks, and consequently affect the security of critical infrastructure such as computer rooms. Power outage: Gales and hurricanes may break power lines, resulting in long-term interruption of power and communication supply, and then affecting business operations.
	Rainstorm Flood: Floods induced by rainstorms can inundate basements or ground floors, damaging devices, documents, and other physical assets. Employee safety: Downpours may cause commuting difficulties or traffic accidents, affecting employees' attendance.
	Extreme Hot Weather Overloading air conditioners and devices: Extremely hot weather can increase the burden on refrigeration systems and reduce their cooling efficiency. Server room devices, such as servers, are sensitive to temperature; overly high temperatures may cause overheating and malfunctions. Power supply pressure: Under extreme hot weather, high-load use of air conditioners may lead to a sharp increase in power demand or cause unstable grid power supply, thus affecting company operations.
	Extreme Cold Weather Equipment failure: Extreme cold weather may cause failures of the heating systems in office blocks, such as freezing or bursting water pipes, which in turn may damage the buildings and facilities therein.
Financial Impact 	Extreme weather, such as hurricanes, heavy rain, or severe cold, can damage buildings (e.g., roofs, exterior walls, equipment, etc.), potentially requiring the Company to bear significant repair and reconstruction costs, including physical facility restoration, equipment replacement, and system recovery, increasing operational expenditures. Power outages, communication failures, or employee commuting problems may cause business interruptions or reduced production efficiency for the Company. For instance, server failures may result in breakdown of customer services, or the Company may be unable to promptly respond to customer needs, potentially leading to breaches of contract, compensation, and legal liabilities.
Countermeasures 	Under simulated climate change scenarios, develop emergency response plans for different risk scenarios and prepare emergency resources in advance (such as backup power and water sources) to enhance response capability during a crisis. Apart from forecast and notification of extreme weather, the Company may allow employees to work from home to ensure personal and property safety, if necessary. Identify potential asset damages caused by climate risks and purchase necessary insurance in advance. Take flood prevention measures for the office blocks, such as mounting waterproof walls, enhancing the waterproof level of floors, and strengthening the drainage system.

Physical Risks

Chronic Risks

Implications



Increasing Average Temperature

Increased air conditioning and energy consumption: As a consequence of rising temperatures, the Company may need more air conditioning and cooling devices to maintain normal operations of server room equipment and office premises.

Rising Sea Levels

Infrastructure damage: Rising sea levels in coastal areas could cause saltwater to erode office blocks, affecting the lifespan of infrastructure or leading to its premature destruction.

Interruption of business continuity: The sea level rises in office building areas, forcing the Company to relocate and disrupting business.

Financial Impact



Increased consumption of energy and water resources will directly lead to a surge in operational costs, especially during the intense summer heat.

The Company requests substantial capital expenditure to repair office blocks, data centers, and other facilities damaged by floods and seawater erosion, resulting in increased capital outlays.

Business interruptions, customer attrition, and operational disruptions caused by natural disasters may lead to short-term and long-term revenue losses for the Company.

Countermeasures



In the selection of premises, the Company takes into full account the history of local natural disasters and gives priority to climate-friendly areas within the territory of operations.

The Company persists in optimizing operational efficiency, and making better use of energy-saving technology and equipment while monitoring and managing overall energy efficiency performance and seeking opportunities for clean energy development.



Risk of Changes

Policy and Regulatory Risks

Implications



More Stringent Policies on Climate Change

Governments, national or international, are tightening regulations and policies on climate change, such as carbon emission standards, renewable energy requirements, and environmental protection measures. Changes in these policies may require the Company to step up work on environmental compliance in its operations and adopt additional emission reduction measures.

More Stringent Requirements for Climate Information Disclosures

Ratings of national or international regulators and the capital market set higher standards for the disclosure of environment-related information. Under such circumstances, QAX shall secure the comprehensiveness and accuracy of climate-related information disclosure; otherwise, it will face compliance risks.

Financial Impact



The Company may need to allocate more resources for compliance reviews and develop climate response strategies to meet new regulations, which could lead to increased compliance costs, external audit fees, and retrofitting expenses.

Failure to promptly comply with climate-related regulations may result in fines and penalties imposed by the government.

Countermeasures



Keeping abreast of climate-related laws, regulations, and policies, the Company shall communicate with all business lines about the implications of regulations and policies and carry out appropriate strategies and countermeasures. Moreover, it shall strengthen communication with stakeholders and respond to the requirements of all parties.

By advancing energy conservation and emissions reduction alongside the optimization of energy structure, the Company takes aim at lessening the impact of energy consumption and carbon emissions continuously.

With a better energy management system and sound detection and analysis control system set in place, the Company has every confidence in digital energy management.

Risk of Changes

Technological Risks

Implications



Technological Changes Driven by Climate Change

As climate change becomes more visible in society, the Company may face pressure for technological innovation. Continuous R&D spending is required to ensure its products meet future climate requirements, such as higher energy efficiency and green data storage.

Financial Impact



Under the stress of transitioning to low-carbon technologies and purchasing energy-saving and environmentally friendly devices, the Company may need to increase R&D spending or retrofit existing facilities to conform to technological standards for green and low-carbon development, which may ramp up potential compliance and operational costs.

Countermeasures



The Company shall encourage and strengthen the use of green technologies by itself and value chain partners, such as cloud computing technology, and foster a green workplace while seeking paths for energy conservation as well as cuts in emissions and consumption.

The deliberation on the rationality and feasibility of any green solutions and technologies prior to the development, use, and promotion of the solutions and technologies may help lower potential risks of financial losses.

Risk of Changes Market Risks	
Implications 	Transfer of Supply Chain Risks Under a globalized supply chain, suppliers' risks may also be transferred to the Company through the supply chain. If the Company fails to effectively follow the sustainable development path, it may face the risk of market loss.
Financial Impact 	The Company's failure to effectively implement the sustainability strategy may lead to instability in the supply chain or deviation from environmental requirements, thereby affecting the partnership between the Company and its suppliers and even leading to a decline in market share, which in turn impacts the Company's revenue.
Countermeasures 	For management of risks of the like, QAX, through communication feedback mechanisms, actively tracks customers' requirements, and serves to make solid progress in low-carbon goals and green operations while promoting the development of a green workplace and green information infrastructure.

Risk of Changes Reputation Risks	
Implications 	Climate Information "Greenwashing" False or non-transparent climate and environmental statements may expose the Company to litigation and loss of trust, especially in a market environment where sustainable investment is increasingly valued.
Financial Impact 	A discredited brand may lead to customer loss and a decline in market share, while stock price fluctuations may undermine investors' confidence. Legal actions and regulatory penalties increase the Company's short-term operating costs.
Countermeasures 	In compliance with regulatory requirements, the Company shall enhance the comprehensiveness, accuracy, and transparency of environmental disclosure and communicate thoroughly with stakeholders. With clarification of its environmental impact goals, QAX shall respond to concerns and build confidence among all parties.

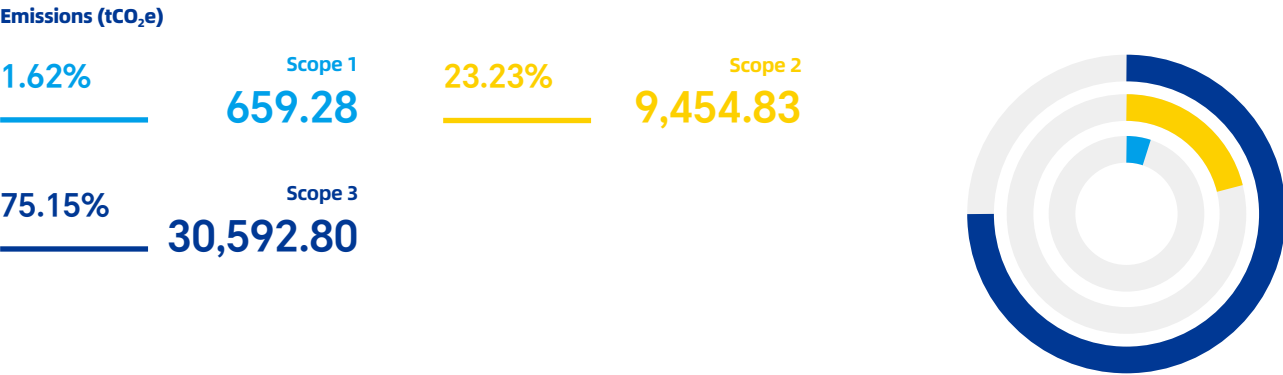
Climate Opportunities	
Energy-Saving Infrastructure Upgrade 	In the context of low-carbon transformation, there is a surge of requirements for IT infrastructure with low energy consumption in the external environment. Through continuous exploration of green innovation technologies in hardware and software, the Company enhances infrastructure energy efficiency by optimizing storage structures and strengthening virtualization technologies, thereby slashing carbon emissions.
Green Solutions 	By optimizing algorithms and other professional technological breakthroughs, the Company can reduce data transmission and energy consumption while enhancing data processing efficiency, achieving both security and green energy-saving goals.

Risk Management

Under a risk management framework, QAX sorts out potential major climate impacts and identifies the type and scope of risks by taking into account risks in its operations, characteristics of its daily operations, and internal and external expert opinions from the perspectives of daily operations, value chain, and stakeholders. Ultimately, the Company devises countermeasures based on risk assessment results, regularly follows up on work progress, and continuously optimizes work mechanisms to strengthen the Company's resilience to climate risks.

Indicators and Goals

Under the policy guidance of the national "carbon peaking and neutrality" strategy and industry trends, QAX continuously steps up work of setting climate-related strategies and goals, and strengthening the disclosure and transparency of climate-related indicators, while consistently enhancing carbon emission management capabilities. To ensure data accuracy and comparability, QAX conducts an exhaustive stocktaking of greenhouse gas emissions from business operations in accordance with the ISO 14064 and the GHG Protocol, and invites third parties for independent verification. In 2024, QAX saw total GHG emissions of 45,098.49 tons of carbon dioxide equivalent (Scope 1, 2, and 3 included) and GHG emission intensity of 2.33 tons of carbon dioxide / RMB million in revenue (Scope 1 & 2 covered).



Green Operation

In accordance with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Energy Conservation*, and other relevant laws and regulations, QAX persistently improves all regulations on environmental management, in a bid to minimize the environmental impact of its production and operation. In the Company's daily operations, QAX, focused on the energy efficiency and resource utilization of information infrastructure, actively implements a green office culture and promotes the concept of green and low-carbon office practices. Multiple measures are taken to improve energy efficiency and reduce resource waste.

As of December 2024, QAX SECWORLD was certified by the ISO 14001 environmental management system, and conducted internal audits of the environmental management system covering functional units at all levels every year, so as to take effective remedial actions against any problems found in the audits. Besides, the Company holds an annual management review meeting to assess the environmental management system's workings and ensure its continued suitability and effectiveness. In 2024, QAX received no environmental penalties, fines, or lawsuits.

Green Infrastructure

To achieve the target of building green computing facilities, QAX integrates data center planning with intelligent operation and maintenance management, actively explores energy and water conservation measures, and builds a green information infrastructure. With innovations to operation models and technology paths, the Company deepens and carries out energy conservation and consumption reduction with continuous efforts. In 2024, QAX reduced the number of online servers by approximately 10% and lowered the energy consumption of infrastructure by optimizing server deployment and storage structure, and further increasing the application of virtualization technology. In addition, QAX will prioritize suppliers with green energy-saving certifications for the Company's additional computing power needs.



Optimized Procurement

Preferably select low-power server hardware components to reduce energy consumption.



Optimized Configuration

Server configurations (such as processors, memory, storage, and network interfaces) are optimized, depending on actual usage scenarios and requirements, to avoid excessive configurations that lead to higher energy consumption. Simultaneously, the auto speed mode for server fans is set to minimize noise generation as much as possible.



Optimized Layout

Reduce cabinets and adopt an enclosed, integrative micro-module cabinet layout as well as separate cooling and heating ducts to optimize space air diffusion indoors, improve cooling efficiency, and reduce energy consumption.



Resource Pooling

Preferably, servers should be deployed using virtualization technology and pooled resources, which improves system stability, lowers maintenance costs, and reduces energy consumption.



Optimized Water Circulation

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

Green Workplace

With green development at its core concept, QAX optimizes resource utilization and ensures the compliant waste disposal by promoting energy-saving and emission-reduction measures and digital intelligent management. Meanwhile, the Company continuously enhances employees' environmental awareness, actively fosters a green workplace, and devotes itself to building a sustainable business environment.

Energy Management

Energy-saving Facilities



The central air-conditioning system in the QAX Security Center is equipped with chiller units built on integrated natural cooling technology and air-cooled heat pump units, reducing cooling energy consumption while meeting heating demands in non-municipal heating seasons.

QAX Yizhuang Factory is equipped with an air-source heat pump system to heat the aging test server room and ensure the equipment runs tests under constant temperature conditions. Moreover, with inherent characteristics, the air energy system can help with cooling the nearby automation server rooms, resulting in efficient resource allocation.

Intelligent Systems



QAX has deployed intelligent building energy management and control systems, intelligent lighting systems, central air conditioning systems, and intelligent energy systems within the office territory. Through measures such as intelligent control, periodic monitoring, and continuous optimization of operating strategies, the Company effectively optimizes the management of air conditioners, fresh air systems, and lighting in the workplace, reducing its energy consumption.

Management Enhancement



In 2024, QAX optimized lighting management measures within the territory of offices, advancing the evening light-off time and setting up a nightly system to automatically turn off lights as scheduled. Additionally, engineering staff and security personnel will conduct regular patrols and manually turn off lighting in unoccupied areas to reduce waste.

The Company arranges for engineering staff to inspect and measure temperatures every two hours on all working days throughout the year, dynamically adjusting air conditioning settings based on actual needs: ensuring air conditioning is activated as needed during summer weekday nights, weekends, and holidays; During winter weekends and holidays, the heating system is adjusted to a low-temperature insulation mode to reduce energy consumption during non-working hours.

Indicator	Unit	2023	2024
Total energy consumption	Tce	2,526.13	2,339.40
Comprehensive energy consumption intensity	Tce/million revenue	0.39	0.54
Gasoline	Liters	30,032.96	13,692.00
Natural gas	Cubic meters	80,954.00	70,638.00
Purchased heat	GJ	3,634.02	2,969.00
Purchased electricity	kWh	18,406,887.56	17,324,981.00

Recycling

For greater re-utilization of packing materials, QAX relentlessly pursues lightweight and recyclable green packaging solutions. QAX Yizhuang Factory adopts a universal last design in packing server accessories, which effectively protects servers using recycled materials. In 2024, QAX Yizhuang Factory recycled 2,250 sets of lasts of server providers.



QAX Builds a Full Life Cycle Management System for IT Assets

377

Servers reassembled

110

CO₂ emissions reduced

Under the strategic framework of promoting a green and low-carbon development, QAX Group has established a green management system throughout the full life cycle of IT assets. In June 2024, QAX's intelligent asset management system identified thousands of to-be-scrapped test servers with a service life of over five years and a net book value of zero. After the technological evaluation, a technological path of "disassembly testing—component screening—modular reassembly" was adopted to implement hardware upgrades. Through technological renovations such as memory expansion and storage capacity expansion, 377 servers with up-to-standard performance were successfully reassembled.

The reassembled servers underwent stress tests, with better performance indicators than before the renovations. They met the operational requirements of the demonstration environment platform and IT infrastructure resource pool, extended the average remaining life cycle of the equipment, and are expected to cut IT infrastructure procurement costs by more than RMB 20 million and decrease carbon dioxide emissions by approximately 110 tons.

Waste Management

100%

The percentage of waste under harmless disposal at QAX

In compliance with the *Beijing Municipal Regulations on the Management of Domestic Waste*, QAX promotes garbage sorting across all premises in Beijing. To be specific, the Company has put in place garbage cans in four colors and a crack team of full-time sorters, thus ensuring accurate garbage sorting. In addition, QAX also puts forth efforts to strengthen employees' awareness of garbage sorting. Through regular training and publicity, the Company has successfully increased rate of sorting implementation. In cooperation with local garbage collection service providers, QAX disposes of domestic waste in a compliant and environmentally friendly manner according to national and local regulations. In addition, QAX also endeavors to strengthen employees' awareness of garbage sorting. Through regular training and publicity, the Company has successfully increased rate of sorting implementation.

QAX produces hazardous waste during workplace operations, including toner cartridges, ink cartridges, and photosensitive drums. For hazardous waste, the Company adopts centralized collection and independent storage and mandates a qualified third-party agency to dispose of the waste harmlessly. For electronic waste management, the Company commissions a professional service provider to place all scrapped devices into closed-loop disposal, thus ensuring that the electronic waste is disposed of in accordance with environmental protection requirements and avoids adverse impacts on the ecological environment.

Water Resource Management

64,958

tons

Total water consumption

The Company's water supply mainly originates from the municipal water system, which complies with relevant municipal water supply and consumption regulations, involved in no problems related to the applicability of water sources. For drainage, the wastewater generated by the Company is primarily domestic sewage within the territory of the offices, which is collected and disposed of through the municipal sewage network.

To further promote the Company's water conservation, QAX has installed water-saving sanitary products in pantries and washrooms, thus remarkably reducing water consumption. Moreover, the 4,000 m2 green area on the roof of our security center is furnished with a water-saving micro-irrigation system, which enables the Company to achieve maximum water efficiency.

Green Culture

QAX consistently advocates green office culture. Through conservation tips, posters, public accounts, and other forms, the Company continuously promotes the green office concept and raises staff awareness of environmental protection and electricity and water conservation. As part of its green mobility initiative, the Company has installed 21 EV charging stations at its Security Center and added 20 more in 2024. The “move after charging” signs in the QAX EV charging space remind employees to move their vehicles once fully charged, thereby improving the utilization of charging piles.



AWARDS AND CERTIFICATIONS

Annual Awards

The annual awards are in reverse Chinese alphabetical order by awarding organization.

Award	Awardee	Awarder
Second Prize of National Science and Technology Progress	Key Technology and System Project of Hyperscale Multi-Domain Integrated Federated Range (Pengcheng Cyber Range)	State Council of the People's Republic of China
Certificate of Evaluation for Security Capabilities of Large Language Model Systems – Mature Level	QAX-GPT	Ministry of Public Security of the People's Republic of China, National Engineering Research Center for Classified Protection of Cybersecurity and Security Protection Technology
2024 Award of Best Use Case of Cybersecurity Technology	Integrated Collaborative Security Defense System	Ministry of Industry and Information Technology of the People's Republic of China
Certificate of Evaluation for Foundational Cybersecurity Capabilities of Security-Oriented Large Language Models	QAX-GPT	China Academy of Information and Communications Technology, China Telecommunication Technology Labs
2024 Award of Outstanding Case of AI+Digital Security Application	AISOC	China Academy of Information and Communications Technology
Certificate of Security Testing for Large Language Model Products - Grade A	QAX-GPT	Data Security Committee of China Computer Industry Association, China Software Testing Center
Outstanding Case of Large Model Security Practice	QAX-GPT	Committee of Data Security, China Computer Industry Association
Qualification Certificate for Security Service Capabilities of Large Language Models - Level 2	QAX-GPT	Artificial Intelligence Committee of China Computer Industry Association, China Software Testing Center
Golden Flash · China Internet Innovation Competition – Second Prize for Artificial Intelligence	QAX Group	Internet Society of China
2024 Top 10 World-Leading Scientific and Technological Achievements	High-Efficiency Dynamic Protection-Cloud Security Protection and API-based Accurate Detection Technology	Organizing Committee of China International Big Data Industry Expo
Outstanding Case of Large Language Model Security Practice in 2024	QAX-GPT	China Center for Information Industry Development, China Software Testing Center
2024 China International Exhibition on Public Safety and Security - Special Award for Outstanding Innovative Products	QAX-GPT	China Security & Protection Industry Association
2024 ESG Excellent Fulfillment Cases	QAX Group	Xinhuanet.com
2024 "Value Co-creation" Excellence Award	QAX Group	CCM CSR Promotion Center (CCM)
2024 Digital China Summit - "Top 10 Hardcore Technology" Award	QAX Tiandun Data Security Protection System	Organizing Committee of Digital China Summit
Award of Outstanding Contributor	QAX Group	World Internet Conference
2024 World Internet Conference Wuzhen Summit – Award of "Light of Innovation Products"	AISOC	World Internet Conference
2024 World Internet Conference - Award for Pioneering Science and Technology	Key Technology and Application of Efficient Detection and Dynamic Flexible Layout for Encrypted Traffic	World Internet Conference
2024 Shanghai "Little Giant" Enterprise in Science and Technology	Pangu Lab	Shanghai Municipal Commission of Science and Technology
First Prize of Hunan Provincial Science and Technology Progress	Automatic Computing Platform for Multi-Source Heterogeneous Data Circulation and Intelligent Decision-Making with Large-Scale Industrial Applications	People's Government of Hunan Province
Outstanding Vulnerability Management Enterprise of the China National Vulnerability Database of Information Security (CNNVD)	QAX SECWORLD	China National Vulnerability Database of Information Security (CNNVD) / China Information Technology Security Evaluation Center
2024 CNNVD Vulnerability Award - Level 1 Contribution Award	QAX SECWORLD	China National Vulnerability Database of Information Security (CNNVD) / China Information Technology Security Evaluation Center
2024 CNNVD Vulnerability Award - Level 2 Contribution Award	QAX SECWORLD	China National Vulnerability Database of Information Security (CNNVD) / China Information Technology Security Evaluation Center
3-Star Tech Supporter	QAX SECWORLD	MIIT Network Security Threat Information Sharing Platform (NVDB) - General Network Product Security Vulnerability Database
Contribution Award of Science and Technology for Good	QAX Group	Yicai.com
2024 Top 100 Beijing Private Enterprises in Social Responsibility	QAX Group	Beijing Federation of Industry & Commerce
2024 Top 100 Beijing Private Tech Innovators	QAX Group	Beijing Federation of Industry & Commerce
2024 Top 100 Beijing Private Enterprises	QAX Group	Beijing Federation of Industry & Commerce
"Top 100 ESG Best Practices" Listed Companies in China	QAX Group	Wind
Most Responsible Enterprise Brand	QAX Group	CSR China Education Award
3-Star Social Responsibility Evaluation on Data Security and Personal Information Protection	QAX SECWORLD	CCIA Data Security Working Committee

Company's Certification and Qualifications

Enterprise qualifications are listed in reverse alphabetical order by the pinyin of their qualification names.

Certification	Entity certified	Issuing Authority
Intellectual Property Management System Certification	QAX SECWORLD	Kaixin Certification (Beijing) Co., Ltd.
Information System Construction and Service Capability Assessment (CS4)	QAX SECWORLD	China Information Technology Industry Federation
ITSS Compliance Certificate - Operation and Maintenance Level 2	QAX SECWORLD	China Information Technology Industry Federation (CITIF)
Information Security Service Certification (Data Security Level 1)	QAX SECWORLD	China Information Technology Security Evaluation Center
Information Security Service Certification (Security Operation Level 2)	QAX SECWORLD	China Information Technology Security Evaluation Center
Information Security Service Certification (Security Development Level 2)	QAX SECWORLD	China Information Technology Security Evaluation Center
General Network Product Security Vulnerability Database of MIIT Network Security Threat Information Sharing Platform - 3-Star Tech Supporter	QAX SECWORLD	China Academy of Information and Communications Technology
Software Security Development Service Certification (CCRC - Software Security Development Level 1)	QAX SECWORLD	China Cybersecurity Review, Certification and Market Regulation Big Data Center
Tech Supporter of National Network and Information Security Reporting Mechanism	QAX SECWORLD	National Network and Information Security Reporting Center
Emergency Response Supporter to Industrial Information Security Monitoring	QAX SECWORLD	China Industrial Information Security Development Research Center
Tech Supporter of China Automobile Vulnerability Database	QAX SECWORLD	CATARC Data
NISIA Industrial Information Security Industry Development Alliance - Industrial Information Security Testing and Evaluation Certification (Level 2)	QAX SECWORLD	Industrial Information Security Industry Development Alliance
ISO 9001 Quality Management System Certification	QAX GROUP	China Quality Certification Center (CQC)
ISO 9001 Quality Management System Certification	QAX SECWORLD	BCC Inc.
ISO 45001 Occupational Health and Safety Management System Certification	QAX SECWORLD	BCC Inc.
ISO 45001 Environmental Management System Certification	QAX SECWORLD	BCC Inc.
ISO 28000 Supply Chain Security Management System Certification	QAX SECWORLD	China Quality Certification Center (CQC)
ISO 27701 Privacy Security Management System Certification	QAX SECWORLD	BCC Inc.
ISO 27001 Information Security Management System Certification	QAX SECWORLD	BCC Inc.
ISO 22301 Business Continuity Management System Certification	QAX SECWORLD	China Quality Certification Center (CQC)
ISO 20000 Information Technology Service Management Certification	QAX SECWORLD	BCC Inc.
GB/T 39604 Social Responsibility Management System Certification	QAX SECWORLD	China Quality Certification Center (CQC)
GB/T 27922 After-sales Service Evaluation Certification	QAX SECWORLD	China Quality Certification Center (CQC)
2024 Key Pilot Tech Supporter for China National Vulnerability Database of Information Security	QAX SECWORLD	China National Vulnerability Database of Information Security (CNNVD) / China Information Technology Security Evaluation Center
CNCERT Cybersecurity Emergency Service Supporter (Level A)	QAX SECWORLD	National Computer Network Emergency Response Technical Team/Coordination Center of China
CMMI DEV & SEC V3.0 Maturity Level 5	QAX SECWORLD	Capability Maturity Model Integration (CMMI)
Tech Supporter of China Information Technology Innovation Vulnerability Database (CITIVD)	QAX SECWORLD	China Industrial Information Security Development Research Center
Member of Tech Team, China National Industrial Cyber Security Vulnerability Database (CICSVDB)	QAX SECWORLD	China Industrial Information Security Development Research Center
CCRC Data Security Management Certification	QAX SECWORLD	CCRC

Key Performance

Topic	Primary Index	Secondary Index	Unit	2023	2024
Economic Performance	Economic Performance	Operating revenue	RMB ten thousand	644,248.73	434,924.93
Business Ethics	Anti-corruption and Business Ethics	Confirmed number of corruption incidents	/	13	9
		Number of disciplinary incidents involving employees for corruption	/	13	9
		Accept and pass the integrity review to promote or award personnel	/	168	115
		Anti-corruption training sessions	Session	5	2
		Anti-corruption training coverage rate - Board level	/	100%	100%
		Anti-corruption training coverage rate - management level	/	100%	100%
		Anti-corruption training coverage rate - employee level	/	100%	100%
R&D and Innovation	R&D and Innovation	R&D investment	RMB ten thousand	148,562.31	141,143.90
		R&D personnel	/	3,501	2,536
		By Educational Background			
		Number of employees with PhD	/	22	21
		Number of employees with a master degree	/	660	525
		Number of employees with a bachelor degree	/	2,545	1,820
		Number of employees with a college degree and below	/	274	170
	Intellectual Property Protection	Number of invention patents granted	/	158	251
		Number of utility model patents granted	/	1	0
		Number of design patents granted	/	7	17
		Number of software copyrights granted	/	98	106
Product and Service Quality	Customer Service	Number of customer complaints	/	186	284
		Customer satisfaction rate ⁵	/	99.18%	98.51%

Topic	Primary Index	Secondary Index	Unit	2023	2024
Privacy and Data Security	Data Security Management	Sensitive data encryption coverage	/	100%	100%
		Access control coverage	/	100%	100%
		Number of information security incidents	/	0	0
		Number of privacy breaches incidents	/	0	0
		The specific amount involved in the customer privacy breach incident	RMB	0	0
		Losses caused by laws and regulations related to customer information leakage incidents	RMB	0	0
		Number of verified complaints of violation of client privacy and loss of client information	/	0	0
	Privacy and Data Security Training	Investment in data security training	RMB ten thousand	/	19
		Coverage rate of training related to data security/customer privacy protection	/	100%	100%
Supply Chain Management	Supply Chain Management	Number of employees receiving information security training	Attendance	15,260	14,983
		Total number of suppliers	/	152	170
		Number of suppliers in Chinese mainland	/	149	167
		Number of suppliers in other regions	/	3	3
		Supplier sunshine agreement signing rate	/	100%	100%
	Supplier Training	Supplier training sessions	/	10	16
Protection of Employee Rights and Interests	Protection of Employee Rights and Interests	Signing rate of employment contract	/	100%	100%
		Social insurance coverage	/	100%	100%
	Composition of Employee	Total number of employees	/	9,353	7,570
		By Gender			
		Number of male employees	/	7,129	5,829
		Number of female employees	/	2,224	1,741

⁵ The rate of customer satisfaction is the average of telephone service, online service and help-desk requests.

Topic	Primary Index	Secondary Index	Unit	2023	2024
Protection of Employee Rights and Interests	Composition of Employee	By Age			
		<30	/	3,868	2,835
		30-50	/	5,394	4,649
		≥ 50	/	91	86
		By Educational Background			
		Ph.D.	/	45	38
		Master degree	/	1,134	929
		Bachelor degree	/	6,697	5,406
		College degree and below	/	1,477	1,197
		By Region			
		Chinese Mainland	/	9,346	7,564
		Hong Kong, Macau and Taiwan, China	/	5	4
		Overseas	/	2	2
	Composition Of Management Team	Number of management personnel	/	1,162	937
		By Age			
		<30	/	86	48
		30-50	/	1,045	861
		≥ 50	/	31	28
		By Job Level			
		Senior executives	/	58	51
		Male senior executives	/	46	42
		Female senior executives	/	12	9

Topic	Primary Index	Secondary Index	Unit	2023	2024
Protection of Employee Rights and Interests	Composition of Management Team	Middle-level managers	/	271	229
		Male middle-level managers	/	241	200
		Female middle-level managers	/	30	29
		Junior-level managers	/	833	657
		Male junior-level managers	/	731	561
		Female junior-level managers	/	102	96
	Employee Turnover	Overall employee turnover	/	2,398	2,852
		Total number of employees hired this year	/	1,794	1,069
		Employee Turnover Rate	/	20.39%	27.36%
		By Gender			
		Male employee turnover rate	/	/	27.05%
		Female employee turnover rate	/	/	28.40%
		By Age			
		Employee turnover rate under 30 years old	/	25%	31%
		Employee turnover rate for employees aged 30-50 years old	/	18%	25%
		Employee turnover rate for employees aged 50 and above	/	22%	27%
	Diversity and Equal Opportunities	Proportion of female employees engaged in STEM related positions ⁶	/	22.74%	21.49%
		Number of employees from ethnic minorities	/	481	368
		Number of employees with disabilities	/	91	80
		Number of employee nationalities	/	3	3

⁶ STEM related positions *refer to positions related to science, technology, engineering, and mathematics, and the scope of calculation for this year is the company's R&D personnel. The number of female researchers is 545.

Topic	Primary Index	Secondary Index	Unit	2023	2024
Protection of Employee Rights and Interests	Occupational Health and Safety	Employee physical examination coverage rate	/	100%	100%
		Number of occupational disease cases	/	0	0
		Number of work-related injuries	/	8	11
		Total number of days lost due to work-related injuries	Day	158.50	164.5
Employee Training and Development	Employee Training	Investment in training	Ten thousand yuan	183.7	14.6
		Employee training coverage rate	/	100%	100%
		Total number of training attendance	Attendance	119,612	229,415
		Number of training attendance of male employees	Attendance	91,453	176,650
		Number of training attendance of female employees	Attendance	28,159	52,765
		Total training hours	Hour	165,683	134,092
		Total training hours for male employees	Hour	128,165	103,251
		Total training hours for female employees	Hour	37,518	30,841
	Performance Appraisal	The total number of employees who regularly receive performance and career development assessments	/	9,259	7,489
		Men who regularly receive performance and career development assessments	/	7,070	5,783
		Women who regularly receive performance and career development assessments	/	2,189	1,706
		Senior management who regularly receive performance and career development assessments	/	57	50
		Middle management who regularly receive performance and career development assessments	/	269	229
		Front-line employees who regularly receive performance and career development assessments	/	8,100	6,553
Social Contribution	Public Welfare	Total amount of donation	Ten thousand yuan	874	830
		Number of employee volunteer activities	/	6	23
		Number of employees participating in volunteering services	Attendance	99	17,723
		Number of volunteering hours	Hour	7,512	28,489
	Rural Revitalization	Total investment amount for rural revitalization	Ten thousand yuan	147.76	426.88
		Number of beneficiaries of rural revitalization	/	17,902	141,321

Topic	Primary Index	Secondary Index	Unit	2023	2024
Response to Climate Change	Greenhouse Gas Emissions	Greenhouse gas emissions of operations	tCO2e	11,635.04	10,114.11
		Scope 1	tCO2e	737.85	659.28
		Scope 2	tCO2e	10,897.19	9,454.83
		GHG emission intensity of operations	tCO ₂ e / million revenue	1.81	2.33
		Scope 3 ⁷	tCO2e	29,402.79	30,592.80
Energy and Resource Management	Energy Management	Comprehensive energy consumption	Tce	2,526.13	2,339.40
		Direct energy consumption	Tce	139.93	108.86
		Indirect energy consumption	Tce	2,386.20	2,230.54
		Comprehensive energy consumption intensity	Tce / million revenue	0.39	0.54
		Gasoline consumption	Liter	30,032.96	13,692.00
		Natural gas consumption	Cubic meters	80,954	70,638.00
		Purchased electricity consumption	kWh	18,406,887.56	17,324,981.00
		Purchased heat consumption	GJ	3,634.02	2,969.00
	Water Resources Management	Total water withdrawal	Ton	71,620.55	64,958.00
	Recycling Usage	Recycled lasts of servers	Set	3,695	2,250
Green Operation	Waste Management	Domestic waste ⁸	Ten thousand liter	208.80	208.80
		Kitchen waste	Ten thousand liter	32.95	29.95
		Toner	Piece	/	128
		Waste powder box	Piece	/	65
		Photosensitive drum	Piece	/	28

⁷ QAX expanded the scope of greenhouse gas inventory in 2024, increased the inventory content of purchased goods and services and the categories of capital goods, and further improved the greenhouse gas inventory work.

⁸ The quantity of household waste is estimated and counted based on the annual third-party garbage collection agreement.

Reporting Index

GRI INDEX

Contents		Disclosure Location
GRI 1: Fundamentals 2021		
GRI 1	Introduction, Key Concepts, and Requirements	Regarding this report
GRI 2: General Disclosures 2021		
2-1	Organizational details	About QAX
2-2	Entities included in the organization's sustainability reporting	Regarding this report
2-3	Reporting period, frequency and contact point	Regarding this report
2-4	Restatements of information	Regarding this report
2-5	External assurance	Independent Verification Report
2-6	Activities, value chain and other business relationships	About QAX
2-7	Employees	Protection of Employee Rights and Benefits
2-8	Workers who are not employees	Protection of Employee Rights and Benefits
2-9	Governance structure and composition	Board Governance
2-10	Nomination and selection of the highest governance body	Board Governance
2-11	Chair of the highest governance body	Board Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Governance
2-13	Delegation of responsibility for managing impacts	Sustainable Development Governance
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Governance
2-15	Conflict of interest	Investor Rights and Interests
2-16	Communication of critical concerns	Communication with Stakeholders
2-17	Collective knowledge of the highest governance body	Sustainable Development Governance
2-18	Evaluation of the performance of the highest governance body	Sustainable Development Governance
2-19	Remuneration policies	Salary System and Performance Evaluation
2-20	Process to determine remuneration	Remuneration and Performance Assessment
2-21	Annual total compensation ratio	/
2-22	Statement on sustainable development strategy	Chairman's speech
2-23	Policy commitments	Operation Compliance, Anti-corruption, Supplier Management
2-24	Embedding policy commitments	Operation Compliance, Anti-corruption, Supplier Management
2-25	Processes to remediate negative impacts	Risk Management and Compliance Operations, Business Ethics
2-26	Mechanisms for seeking advice and raising concerns	Business ethics
2-27	Compliance with laws and regulations	Compliant operation
2-28	Membership associations	Driving Industry Development
2-29	Approach to stakeholder engagement	Communication with Stakeholders
2-30	Collective bargaining agreements	Protection of Employee Rights and Benefits
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Materiality Assessment
3-2	List of material topics	Materiality Assessment

Contents		Disclosure Location
3-3	Management of material topics	Materiality assessment
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	/
201-2	Financial implications and other risks and opportunities due to climate change	Response to Climate Change
201-3	Defined benefit plan obligations and other retirement plans	Support and care for employees
201-4	Financial assistance received from government	/
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
202-2	Proportion of senior management hired from the local community	/
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Social Contribution
203-2	Significant indirect economic impacts	Social Contribution
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	/
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	/
GRI 207: Tax 2016		
207-1	Approach to tax	/
207-2	Tax governance, control, and risk management	/
207-3	Stakeholder engagement and management of concerns related to tax	/
207-4	Country-by-country reporting	/
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	Green Operation
301-2	Recycled input materials used	Green Operation
301-3	Reclaimed products and their packaging materials	Green Operation
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	Green Workplace
302-2	Energy consumption outside of the organization	Green Workplace
302-3	Energy intensity	Green Workplace
302-4	Reduction of energy consumption	Green Workplace
302-5	Reductions in energy requirements of products and services	Green Workplace
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Green Operation
303-2	Management of water discharge-related impacts	Green Operation
303-3	Water withdrawal	Green Workplace
303-4	Water discharge	Green Workplace
303-5	Water consumption	/
GRI 304 Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	/
304-2	Significant impacts of activities, products and services on biodiversity	/

Contents		Disclosure Location
304-3	Habitats protected or restored	/
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	/
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Response to Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	Response to Climate Change
305-3	Other indirect (Scope 3) GHG emissions	Response to Climate Change
305-4	GHG emissions intensity	Response to Climate Change
305-5	Reduction of GHG emissions	Response to Climate Change
305-6	Emissions of ozone-depleting substances (ODS)	/
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	/
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Green Operation
306-2	Management of significant waste-related impacts	Green Operation
306-3	Waste generated	Green Workplace
306-4	Waste diverted from disposal	Green Workplace
306-5	Waste directed to disposal	Green Workplace
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supplier Management
308-2	Negative environmental impacts in the supply chain and actions taken	Supplier Management
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	/
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Support and Care for Employees, Care for Employees
401-3	Parental leave	Care for Employees
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	/
GRI 403: Occupational and Health Safety 2018		
403-1	Occupational health and safety management system	Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety
403-3	Occupational health services	Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety
403-5	Worker training on occupational health and safety	Health and Safety
403-6	Promotion of worker health	Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
403-8	Workers covered by an occupational health and safety management system	Health and Safety
403-9	Work-related injuries	Health and Safety
403-10	Work-related ill health	Health and Safety
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Talent Cultivation Framework
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Cultivation Framework
404-3	Percentage of employees receiving regular performance and career development reviews	Remuneration and Performance Assessment
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Protection of Employee Rights and Benefits
405-2	Ratio of basic salary and remuneration of women to men	/
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Support and Care for Employees
GRI 407: Freedom of Association and Collective Bargaining 2016		

Contents		Disclosure Location
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Protection of Employee Rights and Benefits
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Protection of Employee Rights and Benefits, Supplier Management
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Protection of Employee Rights and Benefits, Supplier Management
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	/
GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	/
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution
413-2	Operations with significant actual and potential negative impacts on local communities	Social Contribution
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supplier Management
414-2	Negative social impacts in the supply chain and actions taken	Supplier Management
GRI 415: Public Policy 2016		
415-1	Political contributions	/
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Development Security, Security Operation Guarantee
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Development Security, Security Operation Guarantee
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Quality Service
417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Service
417-3	Incidents of non-compliance concerning marketing communications	Quality Service
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Security and Privacy Protection

Shanghai Stock Exchange Listed Companies Self-Regulatory Guidelines

No. 14- Guidelines for Sustainable Development Reporting (Trial)

Chapter			Guide	Disclosure Location
Chapter I General Provisions			Article 1-10	Regarding this report
Chapter II Disclosure of Sustainability Framework			Article 11-19	Sustainability Management
Chapter III Disclosure of Environmental Information	Section 1 Addressing Climate Change	Addressing climate change	Article 20- 28	Response to Climate Change
	Section 2 Pollution Prevention and Ecosystem Protection	Pollutant Emissions	Article 30	Green Workplace
		Waste Disposal	Article 31	Green Workplace
		Ecosystem and Biodiversity Conservation	Article 32	Rural Revitalization
		Environmental compliance management	Article 33	Green Workplace, Response to Climate Change
	Section 3 Resource Utilization and Circular Economy	Energy Utilization	Article 34-35	Green Workplace
		Water Resource Utilization	Article 36	Green Workplace
		Circular Economy	Article 37	Green Workplace
Chapter IV Disclosure of Social Information	Section 1 Rural Revitalization and Social Contribution	Rural Revitalization	Article 38-39	Rural Revitalization
		Social Contribution	Article 40	Educational Development, Healthy China, Employee Volunteers
	Section 2 Innovation- Driven and Technology Ethics	Technology Ethics	Article 42	R&D Innovation
		Technology Ethics	Article 43	Ethics of Science and Technology
	Section 3 Suppliers and Customers	Supply Chain Risk Management	Article 44-45	Supply Chain Management
		Equal Treatment of Small and Medium- Sized Enterprises	Article 46	Supplier Management
		Product and Service Safety and Quality	Article 47	Develop security, Security Operation Guarantee, and Quality Services
		Data Security and Customer Privacy Protection	Article 48	Cybersecurity and Information Security, Data Security and Privacy Protection
	Section 4 Employees	Employees	Article 49-50	Support and Care for Employees, Talent Training and Development, Care for Employees
Chapter V Disclosure of Sustainability Governance Information	Section 1 Sustainability Governance Mechanism	Corporate Governance	Article 51	Sustainability Management, Board Governance
		Due Diligence	Article 52	Materiality Assessment, Supply Chain Management
		Communication with Stakeholders	Article 53	Communication with Stakeholders
	Section 2 Business Conducts	Anti-Commercial Bribery and Anti- Corruption	Article 54	Anti-corruption, Whistleblowing and Handling
		Anti-Unfair Competition	Article 56	Anti-corruption
Chapter VI Supplementary Provisions and Interpretation			Article 57	Indicators and Goals
			Article 58	Independent Verification Report

Analysis of ESG Topics and Impacts, Risks, and Opportunities

Topic

Response to Climate Change

Duration of Impact

ShortMediumLong Term

✓

✓

✓

Impact

Through stocktaking, regulation, and control of greenhouse gas emissions, the Company aims to drive oversight of emissions across the value chain, contributing to the national "carbon peaking and neutrality" goals.

Scope of Impact

Upstream Value ChainOwn OperationsDownstream Value ChainCommunities

✓

✓

✓

Corresponding SDGs

13CLIMATE ACTION

Risk

Disastrous weather conditions may imperil infrastructure, servers, and other facilities in QAX and all of its affiliates, leading to direct or indirect economic losses, such as asset damage or skyrocketing maintenance costs and premiums.

Opportunity

With continuous effort in driving technological innovation, cybersecurity-integrated green, low-energy products and services are developed to increase the commercial value of solutions

Scope of Impact

Energy and Resource Management

Duration of Impact

ShortMediumLong Term

✓

✓

Topic

Upstream Value ChainOwn OperationsDownstream Value ChainCommunities

✓

✓

Corresponding SDGs

7AFFORDABLE AND CLEAN ENERGY

13CLIMATE ACTION

Risk

The energy efficiency transformation and resource management upgrade of digital infrastructure may bring higher costs in the short term, such as the procurement and operation of high-efficiency equipment.

Opportunity

A progressive surge in the energy demand of digital infrastructure may lead to an unstable power supply, which in turn may lead to business instability.

Opportunity

By actively improving energy-saving technologies, a long-term stable energy supply can be achieved, thus enhancing business stability and market competitiveness.

Topic

Green Operation

Duration of Impact

ShortMediumLong Term

✓

✓

Scope of Impact

Upstream Value ChainOwn OperationsDownstream Value ChainCommunities

✓

✓

✓

Corresponding SDGs

12RESPONSIBLE CONSUMPTION AND PRODUCTION

Risk

Promote a green office and scientific waste disposal. In conjunction with digital and intelligent management, it enhances office management efficiency in all aspects, creating a green workplace.

Opportunity

No major risks are identified regarding this topic.

Opportunity

Long-term and compliant emissions, waste disposal, and the promotion of a green culture can help enhance the Company's reputation and image of sustainability.

Topic	Duration of Impact	Impact
R&D and Innovation	Short Medium Long Term ✓ ✓ ✓	By continuously strengthening the capabilities of R&D innovation, the Company meets the diverse cybersecurity service needs of the nation and customers, and supported by a sound intellectual property protection system, the Company actively engages with relevant organizations., and contributes to the protection and innovation of industry knowledge.
Scope of Impact		
Upstream Value Chain Own Operations Downstream Value Chain Communities	✓ ✓ ✓	
Risk		
		The development of artificial intelligence poses more challenges to cybersecurity, and the ever-changing demands for cybersecurity services may lead to significantly higher R&D costs and longer R&D periods.
Corresponding SDGs		
9 INDUSTRY INNOVATION AND INFRASTRUCTURE		Against the backdrop of augmenting cybersecurity demands, proactive R&D innovation can expand business scope, raise market position, and strengthen business resilience.

Topic	Duration of Impact	Impact
Product and Service Quality	Short Medium Long Term ✓ ✓ ✓	The Company's high-quality cybersecurity products and services effectively reduce economic losses and social instability caused by cyber attacks, protect public privacy, and provide a stable operating environment for digital economy and society.
Scope of Impact		
Upstream Value Chain Own Operations Downstream Value Chain Communities	✓ ✓	
Risk		
		Any incident affecting product and service quality may result in the loss of customers and orders, as well as increased litigation costs.
Corresponding SDGs		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		With more demand for quality and services, the Company will enhance customer loyalty and expand market share.

Topic	Duration of Impact	Impact
Technology Ethics	Short Medium Long Term ✓ ✓ ✓	A sound governance system of ethics of science and technology can reduce ethical problems, such as data bias caused by technology abuse, and create a fair and favorable environment for digital development.
Scope of Impact		
Upstream Value Chain Own Operations Downstream Value Chain Communities	✓ ✓	
Risk		
		Owing to the inconsistency of international regulations and ethical standards, ethical conflicts in cross-border cooperation may affect the Company's international market expansion and could lead to regulatory penalties.
Corresponding SDGs		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		By implementing transparent and robust practices in ethics of science and technology, the Company can enhance trust across stakeholders and domains, and help improve global AI governance.

Topic	Duration of Impact	Impact
Privacy and Data Security	Short Medium Long Term ✓ ✓ ✓	Sound information security and data security management systems, and improved IT infrastructure development can prevent information leakage, and protect the legal rights and interests of individuals and organizations, thereby ensuring the healthy development of the digital economy.
Scope of Impact		
Upstream Value Chain Own Operations Downstream Value Chain Communities	✓ ✓ ✓	
Risk		
		Technology increases the risk exposure of information and data leakage.
		Customer privacy or data leakage can lead to legal and regulatory risks, reduce the Company's credibility, affect customer trust in the Group, and lower customer retention. This not only results in hefty fines but also damages the Company's image and leads to declining stock prices.
		Suppliers' insufficient data security capabilities may disrupt the Company's daily operations.
Corresponding SDGs		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		

Topic	Duration of Impact	Impact
Product and Service Quality	Short Medium Long Term ✓ ✓ ✓	Compliance and protection is fully tapped to unveil sophisticated data security products and services, while searching for business opportunities
		Upholding businesses as data, data as assets, and assets as businesses, data solutions are developed to stimulate the development of the data element market on the basis of data security

Topic	Duration of Impact	Impact
Driving Industry Development	Short Medium Long Term ✓ ✓ ✓	By diversifying activities of talent development, scientific research, and industry exchange, the Company helps bring technologies of the cybersecurity industry to a new level, foster industry professionals, and raise the social recognition and value of cybersecurity.
Scope of Impact		
Upstream Value Chain Own Operations Downstream Value Chain Communities	✓ ✓ ✓	
Risk		
		Unveiling talent training programs, funding R&D innovation projects, and conducting related cybersecurity activities may result in the Company facing a surge in additional financial costs.
Corresponding SDGs		
4 QUALITY EDUCATION 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS		By establishing an open cooperation ecosystem, the Company can attract more partners and institutions to participate, jointly promoting the advancement of cybersecurity technologies and services.
		By cultivating industry talent and incubating business innovators, the Company can help narrow the talent gap in the industry and effectively promote the sustainability sustainable development of the national cybersecurity sector.

Topic	Duration of Impact	Impact
Supply Chain Management	Short Medium Long Term ✓ ✓	Ensure the engagement of high-quality, compliant suppliers by developing a comprehensive package of management practices and processes for supplier introduction, evaluation, and supervision. Additionally, the Company helps suppliers improve operational efficiency, build a mutually beneficial supply chain system, enhance industry compliance, and foster healthy industry development through supplier training.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓	Risk
Corresponding SDGs	17 PARTNERSHIPS FOR THE GOALS	Potential ESG problems in the supply chain (such as forced labor and corruption) affect business operating costs and efficiency.
		Incompetence in supply chain risk management leads to a non-resilient supply chain, resulting in risks such as discontinuity of hardware supply and price fluctuations.
		Opportunity
		By setting higher bars for supply chain compliance and ESG, the Company can attract more high-quality partners. Effective supply chain management contributes to the sustainability of product and service delivery, fostering a stable and efficient supply chain ecosystem.

Topic	Duration of Impact	Impact
Support and Care for Employees	Short Medium Long Term ✓ ✓ ✓	Provide guarantees for legitimate and fair rights and a favorable working environment. This enhances staff's sense of happiness and belonging and thereby promotes social employment and labor stability.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓	Risk
Corresponding SDGs	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	Violations of human rights and labor rights (e.g., forced labor) may bring about compliance risks, and the lack of protection for staff rights and interests may lead to employee turnover risks, reducing company productivity.
		Opportunity
		By creating a good corporate culture and a caring environment, the Company can enhance its synergy and staff loyalty, further increasing social recognition of its image.

Topic	Duration of Impact	Impact
Employee Training and Development	Short Medium Long Term ✓ ✓ ✓	Through fair promotion and vocational training, the Company effectively increases employees' professional skills, and helps improve talent quality in society.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓	Risk
Corresponding SDGs	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	An incomplete training system or uneven distribution of resources may pose barriers to talent promotion due to a lack of skills, resulting in internal talent loss and reduced company productivity.
		Opportunity
		By improving skills, employees can better adapt to an ever-changing business environment and enhance the Company's market competitiveness
		Establishing an all-around staff development system can attract more high-quality talents, providing a solid talent foundation for the Company's growth.

Topic	Duration of Impact	Impact
Social Contribution	Short Medium Long Term ✓ ✓	By engaging in public service initiatives such as student aid, disaster relief, and rural revitalization, the Company directly improves the living conditions of disadvantaged groups and promotes social equity and stability.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓	Risk
Corresponding SDGs	1 NO POVERTY 4 QUALITY EDUCATION 10 REDUCED INEQUALITIES 11 SUSTAINABLE CITIES AND COMMUNITIES	Risk incidents during the implementation and execution of public welfare projects may trigger public challenges and legal compliance disputes, thereby imperiling the Company's reputation and foundation.
		Opportunity
		Building an Industry Ecosystem and Enhancing Reputation: By proactively taking on social responsibilities (such as caring for vulnerable groups, rural development, disaster relief, etc.), the Company can take part in public service initiatives to deepen its bond with communities and society, enhance brand image, and create a favorable community environment for long-term, stable operations.
		Market Competitiveness: Using platform models and civil volunteer efforts, the Company can shift from passive cyber defense to active management, build up industry experience and talents, and seize more opportunities for cooperation.

Topic	Duration of Impact	Impact
Serving National Strategies	Short Medium Long Term ✓ ✓ ✓	By innovating cybersecurity products and services, QAX facilitate the development of New Quality Productive Forces, enhance the cybersecurity assurance capabilities of critical national infrastructure, and provide cybersecurity support for major national events, thereby strengthening social stability and public security.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓ ✓	Risk
Corresponding SDGs	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	No major risks are identified regarding this topic.
		Opportunity
		While serving national strategies, the Company is entitled to policy incentives, R&D subsidies, and resources, which inject momentum into its long-term development.
		By undertaking state-level projects and supporting major events, the Company can further consolidate its industry position, enhance brand recognition, and expand its footprints on both domestic and international markets.

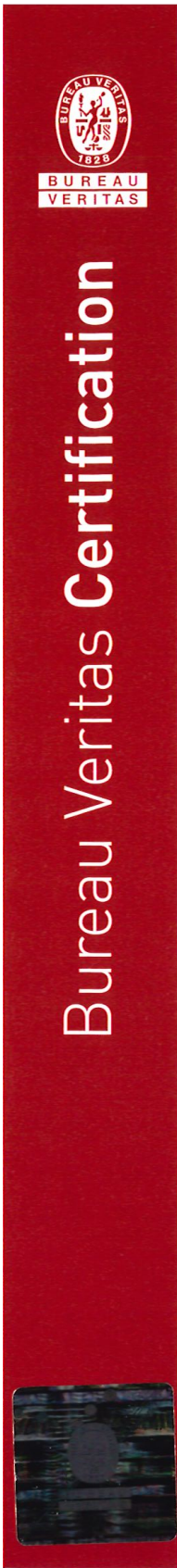
Topic	Duration of Impact	Impact
Corporate Governance System	Short Medium Long Term ✓ ✓ ✓	By establishing an efficient, diversified, and professional corporate governance system, the Company ensures transparent and credible operations, sets an industry paradigm, and helps elevate governance standards within the sector, fostering a favorable business environment.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓	Risk
Corresponding SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Opportunity
		With greater diversity and professionalism in governance, the Company can establish an exemplary image in both domestic and international markets, attracting more opportunities for investment and collaboration.

Topic	Duration of Impact	Impact
Risk Management	Short Medium Long Term ✓ ✓ ✓	In compliance with relevant laws, the Company builds three lines of defense for risk management. Besides, it enhances its risk prevention capabilities through employee training, thus reducing the negative impact of related accidents or market fluctuations on the social and economic order.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓	Risk
Corresponding SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Opportunity
		No major opportunities are identified regarding this topic.

Topic	Duration of Impact	Impact
Operation Compliance	Short Medium Long Term ✓ ✓ ✓	The Company actively complies with national and international laws and regulations, regularly conducts compliance reviews and internal audits, creating a compliant environment for domestic and cross-border cooperation and promoting fair international competition and collaboration.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓ ✓ ✓	Risk
Corresponding SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Opportunity
		In-depth tracking and analysis of laws related to compliance operations, national or international, helps reduce compliance costs during business expansion and creates more opportunities for business development.

Topic	Duration of Impact	Impact
Business Ethics	Short Medium Long Term ✓ ✓ ✓	The implementation of business ethics and anti-corruption policies helps maintain market fairness, reduce the damage to allocation of social resources induced by corruption, advocate for honest collaboration, and drive the development of a healthier business ecosystem.
Scope of Impact	Upstream Value Chain Own Operations Downstream Value Chain Communities ✓ ✓ ✓	Risk
Corresponding SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Opportunity
		A robust business ethics management system ensures stable corporate compliance, increases the trust of customers and partners, and helps foster long-term cooperation and profit growth.

Independent Assurance Statement



INDEPENDENT ASSURANCE STATEMENT



Objectives of Work

Bureau Veritas Certification (Beijing) Co., LTD ("BUREAU VERITAS") has been engaged by Qi An Xin Technology Group Inc. (hereafter referred to as "Qi An Xin") to conduct an independent Assurance of its 2024 Environmental, Social and Governance Report (the "Report"). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of Qi An Xin. Our sole responsibility was to provide independent assurance on the accuracy and reliability of information included, and on the underlying systems and processes used to collect, analyse and review it.

Scope of work

Qi An Xin requested Bureau Veritas to verify the accuracy and reliability of the following:

- Data and information included in the Report from 2024.1.1 to 2024.12.31.

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by Qi An Xin) and statements of future commitment;
- Financial data and information that has been audited by a third party.

Level of assurance: reasonable assurance level

Assurance standard

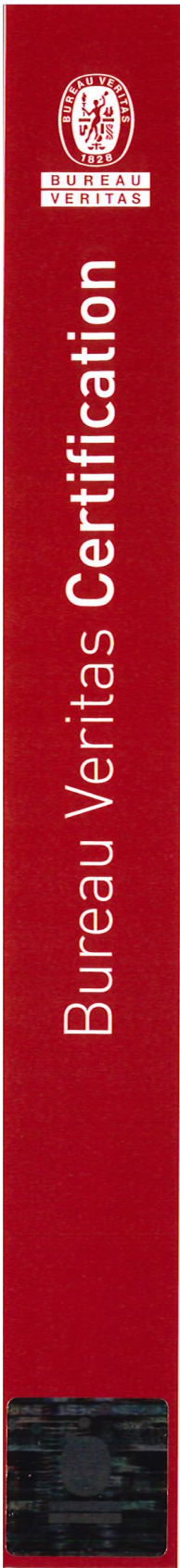
- International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board
- GRI Sustainability Reporting Standards (2021), published by the Global Reporting Initiative
- Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), issued by the Shanghai Stock Exchange

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

- Interviews with relevant personnel of Qi An Xin;
- Review of documentary evidence produced by Qi An Xin;
- Evaluation of information against Global Reporting Initiative (GRI) principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability;
- Audit of performance data, tracing and checking the sample data according to the sampling principle;
- Review of Qi An Xin data and information systems for collection, aggregation and analysis.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Non-financial Reports, based on current best practice in independent assurance. The work was planned, carried out and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.



Assurance Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the scope of our assurance are accurate, reliable and free from material mistake or misstatement;
- The information is presented in a clear, understandable and accessible manner;
- The information of the Report provides a fair and balanced representation of related ESG management activities during the period from 2024.1.1 to 2024.12.31;
- Qi An Xin has established appropriate systems for the collection, aggregation and analysis of relevant information. The performance data for 2024 has been disclosed with Comparability.

Accuracy

The information and data disclosed in the report are objective and reliable. Qi An Xin has established appropriate systems for the collection and arrangement of quantitative data on environment, social and governance. Through on-site assurance, the evidence provided by Qi An Xin is relatively reliable and the report is of objectivity.

Materiality

Qi An Xin identified and disclosed material ESG issues and related information in accordance with the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) and GRI Sustainability Reporting Standard (2021).

Completeness

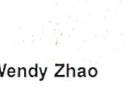
The report of Qi An Xin focuses on the aspects of "Sustainability governance", "Environmental responsibility", "Social responsibility". The report discloses data and information related to Steady Operation, Value-driven Development, Security Guarantee, Talent Development, Social Contribution and Environmental Sustainability, which are of concern to the stakeholders of Qi An Xin. The disclosed is of relative Completeness.

Based on the work conducted, we recommend Qi An Xin to consider the following:

It is recommended that the report be further enriched with detailed case studies related to material topics to enhance the comprehensiveness and persuasiveness of the report in order to enrich the work of ESG governance.

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with Qi An Xin. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.

	
Director of Greater China Region	Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., LTD	Bureau Veritas Certification (Beijing) Co., LTD
2025-04-28	2025-04-28

Greenhouse Gases Verification Opinion



Bureau Veritas Certification

Greenhouse Gases Verification Opinion

is awarded to

QI AN XIN TECHNOLOGY GROUP INC.

Bureau Veritas Certification (Beijing) Co., Ltd. was engaged to conduct an independent verification of the greenhouse gases (GHG) emissions reported by QI AN XIN TECHNOLOGY GROUP INC. for the period stated below. This verification opinion applies to the related information included within the scope of work described below.

Boundaries covered by the verification:

- Verification site name: QI AN XIN TECHNOLOGY GROUP INC.
- Verification site address: Building 1, No.26 Xizhimenwai South Road, Xicheng District, Beijing, China (HQ)
- Reporting period covered: 01/01/2024 to 31/12/2024

Organizational boundaries: Activities and facilities of QI AN XIN TECHNOLOGY GROUP INC. under operational control approach.

Reporting boundaries: GHG emissions generated in providing network information security service and product and related management activities within the organizational boundaries, as well as significant indirect greenhouse gases emissions.

Emissions data verified under reporting boundaries:

- Category 1: Direct GHG emissions: 659.28 tCO₂e
 - Category 2: Indirect GHG emissions from imported energy: 9,454.83 tCO₂e
 - Category 3: Indirect GHG emissions from transportation: 10,676.28 tCO₂e
 - Category 4: Indirect GHG emissions from products used by organization: 19,916.52 tCO₂e
 - Category 5: Indirect GHG emissions associated with the use of products from the organization: Non-significant indirect emissions and not quantified
 - Category 6: Indirect GHG emissions from other sources: Non-significant indirect emissions and not quantified
- Total quantified emissions: 40,706.91 tCO₂e

Limitations and exclusions: Excluding other non-significant indirect GHG emissions

GHG verification protocol used to conduct the verification:

- ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Level of assurance:

- Reasonable assurance

GHG verification methodology:

- Interview for relevant personnel;
- Review of the documentary evidence;
- Evaluation of the methodology and information systems for data collection, aggregation, analysis and review;

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
To check this opinion validity please call: +86 10 59683663



Bureau Veritas Certification

- Audit of sampled sites and data to verify source.

Verification conclusion:

Based on the verification process and findings, the GHG emission data in the GHG inventory report from QI AN XIN TECHNOLOGY GROUP INC. is in compliance with ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

Statement of independence, impartiality and competence:

Bureau Veritas Group is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with over 190 years' history in providing independent assurance services.

No member of the verification team has a business relationship with QI AN XIN TECHNOLOGY GROUP INC. and its directors or managers beyond that required by this assignment. We conducted this verification independently and to our knowledge there has been no conflict of interest.

Bureau Veritas Group has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities.

Lead verifier: Pin Tian

No.: EMICN100584A

Version No.: No.1

Verification date: 11/04/2025

Issue date: 28/04/2025

Signed on behalf of
Bureau Veritas Certification (Beijing) Co., Ltd.

Certification body address: Room 02, 9 / F, West Office Building 1, Oriental Economic and Trade City, Oriental Plaza, No.1 East Chang'an Street, Dongcheng District, Beijing, China. 100738
Further clarifications regarding the verification scope of this opinion may be obtained by consulting the organization.
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**Make the Cyberspace Safer and
Make the World a Better Place**



Investor Service Hotline: 010-56509268

Investor Service Email: ir@qianxin.com

Address: 7/F, New Actuation Fintech Center, Xicheng District, Beijing