

HUNDSUN ESG & CSR REPORT
Hundsun Environmental, Social and
Governance (ESG) Report & Corporate
Social Responsibility Report (CSR)
2021



恒生电子股份有限公司
HUNDSUN TECHNOLOGIES INC.



Technology empowers finance for a better future



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Address by the Chairman of the Board

“Perseverance, endless growth” is Hundsun's spirit, the industry expectation, the commitment to the society, and also our dream of sustainable development.

Looking back on the past 2021, we have experienced many unforgettable moments: the official opening of the Beijing Stock Exchange, the rise of green finance and the opening of digital intelligence finance. In the uncertain environment, we have made remarkable achievements in the past year. The performance of the Company has maintained steady growth. The new generation of core products such as O45 / UF3.0 / TA has been gradually launched, the IPD/LTC reform pilot and the equity incentive plan have been implemented, and the new headquarters building Digital-intelligence Hundsun Center has been initiated.

In 2021, we continued to deepen the core value of "customer first". Under the guidance of "quality first", we comprehensively improved product quality by establishing clear quality objectives at all levels. In 2021, the proportion of software defect requirements of Hundsun dropped by 43%, and product quality satisfaction continued to improve. At the same time, we always put compliance management, information security and data privacy protection in the first place, and we are committed to providing customers with safe and reliable products and solutions.

In 2021, we initiated the new headquarters building, Digital-intelligence Hundsun Center, continued to provide our employees with a good working environment and welfare guarantee, and help them achieve their self-fulfillment and personal dreams in Hundsun through a perfect growth and training system. As more young people join Hundsun, Hundsun has more than 13,000 employees in 2021.

They are in Hangzhou, Beijing, Shanghai, Shenzhen and other cities. Some of them have been working for the Company for more than twenty years and have grown together with the Company; some of them have just graduated and Hundsun is the first stop for them to formally become members of the society. We hope to create a good development platform for everyone, where everyone can continue to grow and realize dreams.

In 2021, we continued to devote ourselves to public welfare undertakings. Through Zhejiang Hundsun Public Welfare Foundation established in 2016 and Hundsun Investor Education Base put into operation in 2017, we continued to make efforts in the fields of targeted poverty alleviation, caring for autistic children, and finance business education for teenagers and jointly promoted sustainable development of enterprises and society. Furthermore, we struggled to save energy, reduce emissions and achieve green development in financial industry depending on technology.

To assist finance, boost development, and build a future –is the core concept of Hundsun in fulfilling its corporate social responsibilities, and is what we've been doing. We always believe that, while achieving our own development, we should also work hard to solve social problems and assume the responsibilities of corporate citizenship. In the future, we will continue to give full play to our technological advantages, take actual actions to fulfill corporate social responsibilities, and achieve the sustainable and healthy development of the Company and society.

Peng Zhenggang, Chairman of Hundsun Technologies Inc.

About Hundsun

Introduction to Hundsun

Hundsun is a financial technology company with the mission of "making the finance easy", headquartered in Hangzhou, China. Established in 1995 and listed on the main board of Shanghai Stock Exchange (600570.SH) in 2003.

Hundsun focuses on the financial industry and devotes itself to offering integrated solution and services to the institutions of securities, futures, funds, trust, insurance, banking, exchange and private placement. Hundsun has been listed to be top-100 Financial technology global financial IT enterprise for 14 consecutive years, ranking 38th in 2021. Hundsun currently has more than 13310 employees, among which product technology personnel account for about 65%. During these years, relying on the experience of financial IT construction and the profound insight and understanding on the internet, Hundsun encircles technical services and constantly energizes the innovative development of financial institutions by using high-quality products and services.

Meanwhile, Hundsun also actively fulfills its corporate social responsibilities and continuously contributes in the fields of investor education, poverty alleviation and extension of assistance to the needy, and caring for autistic children, realizing the common sustainable development of the Company and the society.

Mission

Make the finance easy

Vision

Become the world's leading fintech company

Core values

Customer first, integrity, professionalism & dedication
opening up & cooperation, continued growth

Hundsun 2021

Total employees
13,310

Hundsun is headquartered in Hangzhou, and has established branches in Beijing, Shanghai and Shenzhen

Turnover
RMB 5,496,578,625

Year-on-year growth
31.7%

Operating profit
RMB 1,463,538,930

Events

1995-2005 preliminary development 2006-2011 speed up

1995	8 engineers founded the Company	2007	The Company was selected as "Top 10 Enterprises with Revenue from Self-owned Brand Software Product in China in 2007" through the model evaluation of CMMI L4 software capability maturity integration
1997	Banking division was established		
1998	The influence of securities software was expanded; the bank's IT business was initially developed, and the fund management system was started	2008	Listed to be top-100 Financial technology global financial IT enterprise for the first time and listed for consecutive years since then
2001	The industry development strategy was determined, and the three major business departments of securities, banking and fund took shape	2009	Put forward "network reform industry" and began to explore the IT construction of internet finance.
2003	Listed on the Main Board of Shanghai Stock Exchange (600570.SH)	2010	Purchased Shanghai Gildata and entered the field of financial messaging.
		2011	The Company has successfully passed ISO20000 certification and has reached an internationally recognized level in terms of IT service standardization and customer service management.

2012-2017 Transformation

2018-2021 New start

2012 Undertook the construction of new generation systems of Shanghai Clearing House and NEEQ and participated in the construction of financial market infrastructures.

2016 Established partnership with the Stock Exchange of Hong Kong Ltd. for the development of Qianhai Commodity Trading Platform

PB business was rapidly developed, and Hundsun indirectly served more than 10,000 private equity and institutional end customers

Actively explored cutting-edge technologies such as blockchain and smart finance, and joined the blockchain Hyperledger project

2017 Launched eight types of AI products based on its artificial intelligence strategy and promoted the application of smart financial applications

Launched U+ Campaign, improved user experience, and created user value

2018 Fully upgraded its brand, put a new logo into use and put forward a new vision - become a leading fintech company

2019 Established a joint venture together with IHS Markit, and committed to supporting the opening-up of China's bond market depending on technology.

2020 Released O45, a one-stop solution for asset management, and launched a new generation of brokerage serving platform UF3.0

Established a strategic partnership with the world's leading fintech company Finastra

2021 Acquired Baotai Technology and entered the core field of insurance

Assisted in the construction of the national carbon emission trading system and registration system, and contributed to the realization of the dual carbon goal with financial technology power

Initiated the new headquarters building, Digital-intelligence Hundsun Center

Beijing Stock Exchange opened and Hundsun provided technical support and guarantee for the smooth operation of Beijing Stock Exchange

The new-generation asset management system O45 of Hundsun was officially launched in Hwabao WP Fund

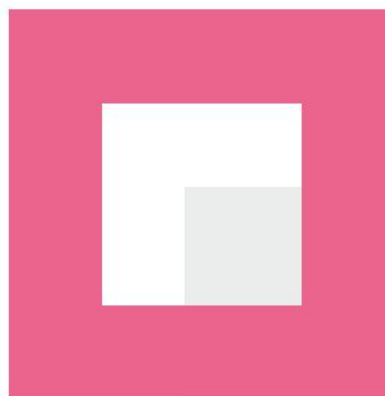


01

***CORPORATE
SOCIAL
RESPONSIBILITY
MANAGEMENT***

Corporate Social Responsibility (CSR) Management

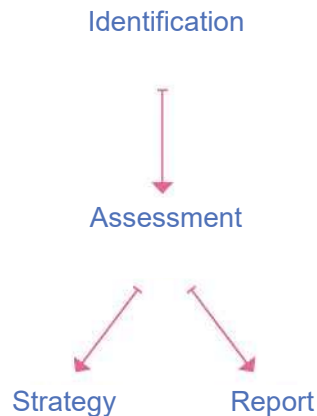
Hundsun believes that CSR practice is closely related to and inseparable from Hundsun's long-term development. This is the fourth consecutive year that Hundsun has released the CSR Report since 2018. At the same time, Hundsun incorporated *the Index of ESG Report of the Stock Exchange* into the compliance standard since 2020, adjusted the importance of relevant substantive issues, and disclosed specific CSR practices in 2021.



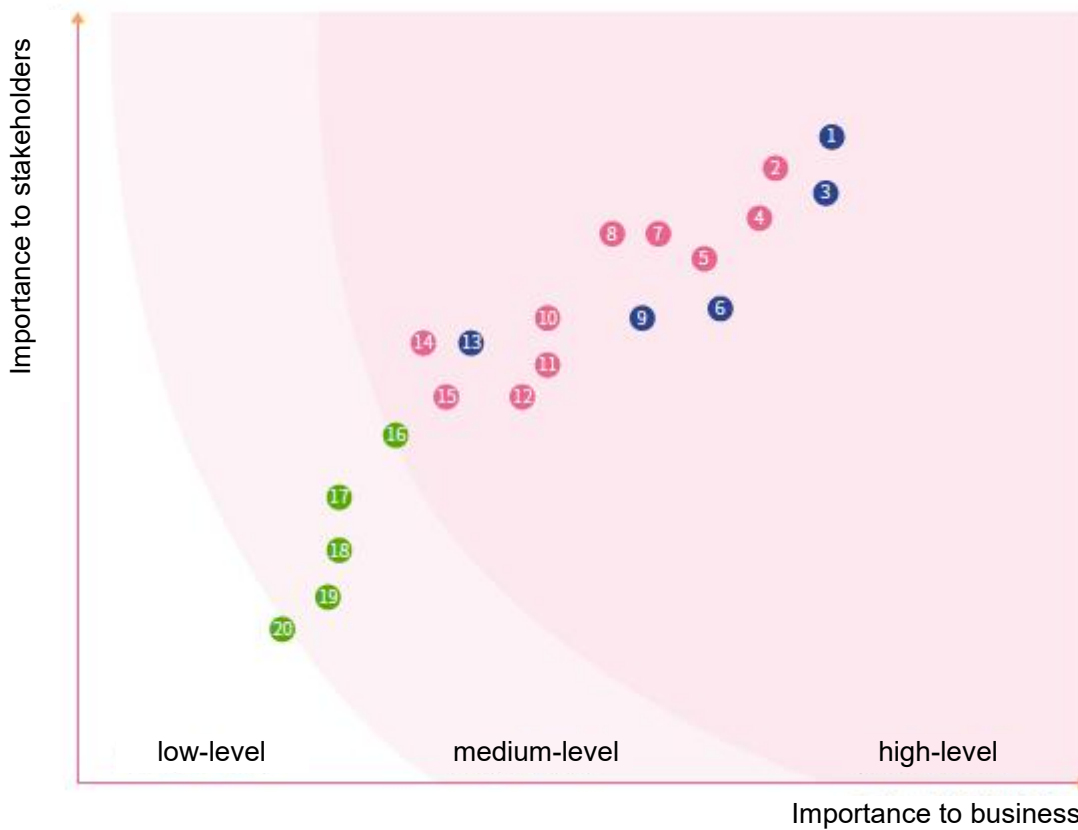
Corporate Social Responsibility (CSR) Management

Analysis on substantive issues

In the context of sustainable development, in 2021, Hundsun reviewed and sorted out CSR practices since its establishment; analyzed and benchmarked them against international standards, macro policies, industry policies and peer practices; screened out important issues through interviews and questionnaires according to the importance of assessment and decision-making of the Company and stakeholders, and the importance of the economic, environmental and social impacts, established a substantive analysis matrix of the issues and submitted it to the Company management for confirmation. Hundsun took moderately or highly related substantive issues as key disclosures of this report after assessment according to Hundsun's current CSR strategy, and confirmed its scope and boundary.



High, medium and low-level substantive issues (refer to the *Index of Environmental, Social and Governance Report of the Stock Exchange*)



- Social issues
- Corporate governance issues
- Environmental issues
- 1 Compliance operation
- 2 Information security
- 3 High-quality products
- 4 Employee compensation and benefits
- 5 Staff training and development
- 6 Stable performance
- 7 Customer services
- 8 Employee health and safety
- 9 Corporate Governance
- 10 Serve the real economy
- 11 Empower industry transformation and upgrading
- 12 Promote industry independence and control
- 13 Anti-corruption
- 14 Promote infrastructure construction
- 15 Social welfare
- 16 Clean technology
- 17 Green building
- 18 Energy saving and environmental protection
- 19 Waste management
- 20 Greenhouse gas emissions

Hundsun CSR Strategy

Hundsun has been actively fulfilling the corporate mission of "making the finance easy" and jointly achieving the corporate social responsibility of sustainable development depending on technology and with "assist finance, boost development, and build a future" as the core concept of fulfilling its corporate social responsibilities.

Based on the financial industry, Hundsun is committed to providing high-quality technology, products and services to assure the stable operation of the financial market and empower autonomous and controllable development of China's financial industry while supporting the opening-up of China's financial market, empowering the digital transformation of financial institutions, and consistently serving the real economy. In addition, Hundsun is also committed to growing together with our customers, employees and shareholders, contributing to the economy, environment and society and building a harmonious society.

Technology empowers the development of the financial industry



Stakeholder involvement

Hundsun maintains regular communication with its stakeholders such as governments, regulators, customers, employees, partners, suppliers, shareholders, investors, universities, academic institutions, media and communities.

Stakeholders	Appeal & response	Communication mechanism
Regulators	Compliance operation Risk management Active response	Regular reporting and communication on special issues Special meetings and various trainings Submit, update and maintain daily information Learn and discuss regulatory policies and regulations Cooperate with regulatory questionnaire
Governments at all levels	Obey the law and pay taxes according to law Promote social progress Guarantee safety and stability of financial market Assist in the formulation of industry strategies	Participate in government projects Visit & communication Related forum exchange activities Government visit reception Information submission
Customers	Provide high-quality products and services Provide a stable operating environment Guarantee data and information security Improve customer experience	Customer training Customer satisfaction survey Service Online / U+App Customer service hotline / Email / qq / website WeChat official account of customer service headquarters Customer complaint mechanism
Partners & suppliers	Keep good relations Cooperative development Just, fair and open Integrity, compliance and anti-corruption	Participate in research Participate in industry exhibitions, forums, etc. Procurement and bidding procedures
Employees	Rights protection Competitive compensation and benefits Good working environment Perfect training system Fair promotion and development Health and safety Communication and care	Party committee Labor union Satisfaction survey Hundsun College Hearing / OA / Community / DingTalk / Mail Performance communication mechanism Employee relations team / HR executive / visit and condolence
Shareholders and investors	Continuous and stable return on investment Healthy development of company and business	Timely, true, accurate, complete, concise, clear, easy-to-understand information disclosure Investor hotline, public investor mailbox, SSE E interactive communication Participate in the brokerage strategy meeting for roadshows Daily telephone communication, research, visit and reception Website / WeChat ID / Weibo multi-channel dissemination
Universities and academic institutions	School-enterprise joint training Promote employment	Provide internship opportunities Organize job training Integrate production, learning, research, management and use
Media	Healthy development of company and business Product and service innovation Integrity, compliance and anti-corruption	Media interview and reception Official website of the Company/ WeChat official account Daily communication and exchange
Community	Disseminate investor education knowledge Participate in public welfare undertakings Support community development	Investor Education Base Hundsun Public Welfare Foundation Hundsun Volunteer Association

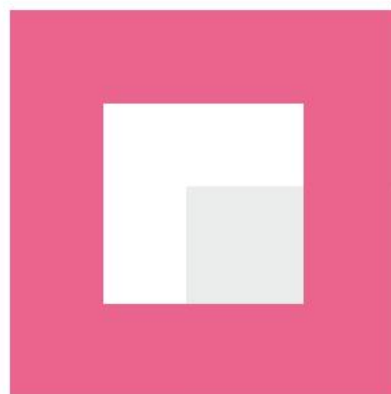


02

*CORPORATE
GOVERNANCE*

Corporate Governance

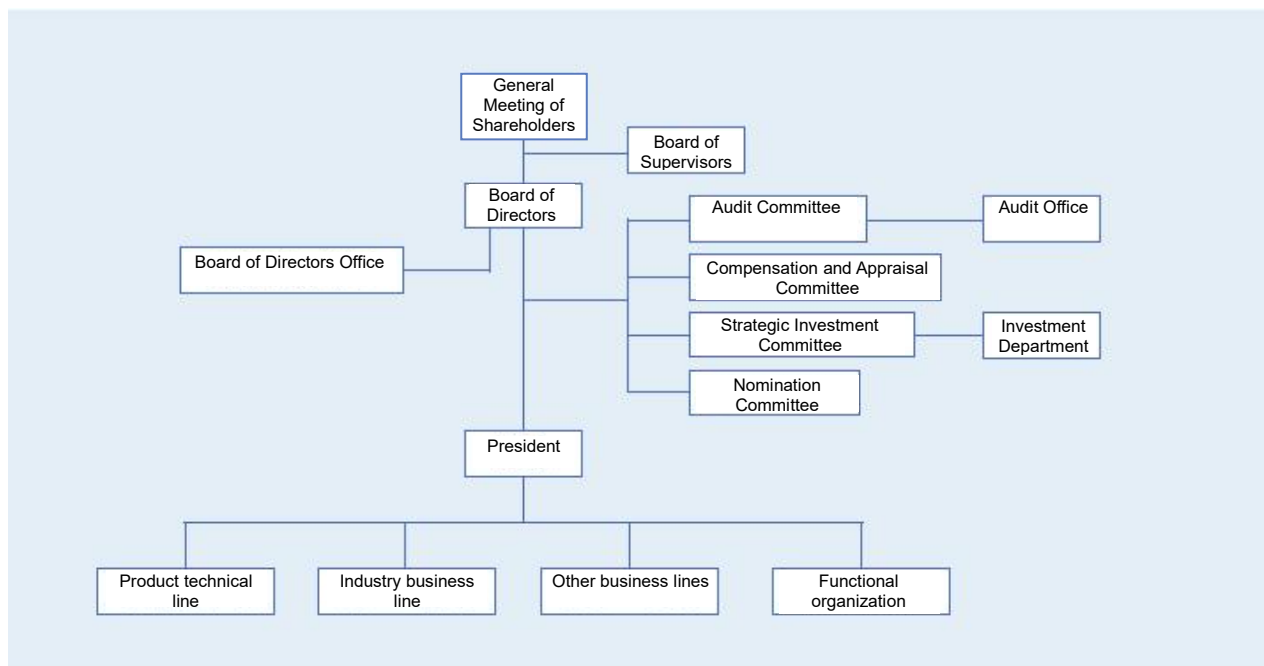
Hundsun adheres to the core values of “customer first, integrity, professionalism & dedication, opening up & cooperation, continued growth ”and the mission of “making the finance easy ”and is committed to becoming the world's leading fintech company. Since its establishment, Hundsun has been actively shouldering corporate social responsibilities, practicing corporate citizens' responsibilities, and continuously promoting the sustainable development of the Company and society.



Corporate Governance

Corporate governance framework

In accordance with relevant national laws and regulations and the Company's Articles of Association, the Company has clarified the setting of the Board of Directors, the Board of Supervisors, management and internal organizations at all levels, staffing, responsibilities, working procedures and related organizational hierarchy. The organizational hierarchy of the Company is as follows:



In strict accordance with *the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange* and other relevant laws and regulations, as well as *the Company's Articles of Association, the Rules of Procedure for Shareholders' Meeting, the Rules of Procedure of the Board of Director, the Rules of Procedure of the Board of Supervisors, the Foreign Guarantee Management System, the Internal Audit Management System* and other rules and regulations, the Company consistently improved the corporate governance structure, standardized company operations, and improved corporate governance during the reporting period.

Corporate governance

About shareholders and general meeting of shareholders

During the reporting period, the Company held a total of 4 general meetings of shareholders. The convening and voting procedures of the General Meeting of Shareholders complied with the provisions of *the Company Law, the Articles of Association, and the Rules of Procedure of the General Meeting of Shareholders* were witnessed by lawyers who issued legal opinions on their legality. The Company had smooth communication channels with shareholders, treated all the shareholders equally, and ensured that shareholders can fully exercise their rights so that they had the right to know and participate in decision-making on major issues.

About directors and Board of Directors

The number and composition of the Company's Board of Directors comply with the laws and regulations, and the Company's directors are diligent and responsible. The Company has a total of 11 directors, of which 4 are independent directors, including 2 accounting experts, 1 financial expert and 1 legal expert (female). Independent directors do not hold any positions other than directors in the Company, which meets relevant regulations.

During the reporting period, the Company held a total of 6 meetings of the Board of Directors, and the convening and voting procedures of the meetings were in compliance with the provisions of *the Company Law, the Company's Articles of Association, and Rules of Procedure of the Board of Directors*. The Company's Board of Directors has four special committees, namely the Strategic Investment Committee, the Audit Committee, the Nomination Committee and the Compensation and Appraisal Committee, and has formulated the terms of reference and detailed implementation rules for the special committees to give full play to professional advantages and effectively ensure that group decisions by the Board of Directors are legal, scientific and correct, which reduces the Company's operational risks.

The Board of Directors of the Company actively studied the documents of the CPC Central Committee. According to the recommendation of the Party Committee of the Company, during the board meeting, the Board of Directors studied the relevant documents of the 10th meeting of the Central Finance and Economics Committee, and *the Implementation Plan for Zhejiang High-quality Development and Construction of Common Prosperity Demonstration Zone*, etc.

About supervisors and the Board of Supervisors

The Company's Board of Supervisors consists of 3 members, including 1 chairman of the board of supervisors and 1 employee supervisor (female). During the reporting period, the Company held a total of 5 meetings of the Board of Supervisors, and the convening and voting procedures of the meetings were in compliance with the provisions of *the Company Law, the Company's Articles of Association, and Rules of Procedure of the Board of Supervisors*. The Board of Supervisors can conscientiously perform its duties, supervise the legality and compliance of the Company's directors and senior managers in performing their duties, and safeguard the legitimate rights and interests of shareholders.

About information disclosure and transparency

True, accurate, timely and complete information disclosure is an important manifestation of the Company's fulfillment of social responsibilities. The Company shall make regular reports and disclose interim announcements in a true, accurate, timely and complete manner and pay special attention to delivering more effective information to the market from the perspective of investors in strict accordance with the regulations on information disclosure.

Since its listing, the Company has been strengthening the construction of the information disclosure system. According to actual work needs and the relevant requirements of the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE), the Company has formulated a series of information disclosure systems and administration measures: *Hundsun's Information Disclosure Management System, Hundsun's Insider Information Registration and Filing System, Hundsun's Material Information Internal Reporting System, Hundsun's External Information Reporting, Use and Management System*, etc., under which all responsible departments and persons in charge perform their respective duties and information disclosure channels are smooth.

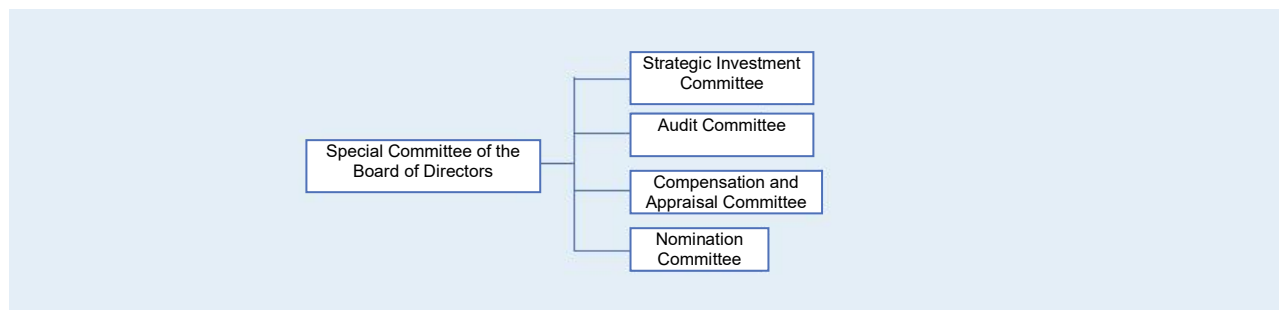
In 2021, in order to regulate the operation of listed companies and improve the level of corporate governance, a series of rules and guidelines are promulgated at the regulatory level. In response to the policies and regulations issued by the China Securities Regulatory Commission, the Company organized learning activities, and deeply studied *the Administrative Measures for the Information Disclosure by Listed Companies, the Listing Rules of Shares of Shanghai Stock Exchange*, the relevant regulatory guidelines of the China Securities Regulatory Commission, the relevant self-regulation guidelines of Shanghai Stock Exchange and templates of annual and semi-annual reports and other newly promulgated or revised rules. The Company also continuously strengthened the initiative of information disclosure, disclosed the Company's operating status, development strategies and other information to the market in a timely and complete manner, and ensured that the information disclosure was true, accurate, complete, concise, clear and easy to understand.

About investor relations management

The Company has attached great importance to investor relations management, and has formulated *the Investor Relations Management System*, and has maintained investor relations through the investor hotline, public mailbox for investors, and SSE E-interaction, reception of individual investors and institutional investors, summit for securities companies, etc. During the reporting period, the Company directly conveyed to investors the Company's strategic planning goals and confidence in future sustainable development by holding 2020 performance meeting and 2021 semi-annual performance meeting, which effectively enhanced investors' understanding of the Company and maintained the relationship between the Company and investors. Through information disclosure and exchanges, the Company strengthened communication with investors, enhanced investors' understanding and recognition of the Company, improved corporate governance, maximized the Company's overall interests, and protected the legitimate rights and interests of the investors.

Overview of Board of Directors

The composition of the special committees of the Board of Directors is shown in the following figure:



Strategic Investment Committee

Strategic investment committee is a permanent independent body under the Company's Board of Directors. It is composed of the Company's directors who are nominated by the Chairman and elected by the Board of Directors. It is responsible to the Board of Directors, accepts the supervision of the Company's Board of Supervisors. In order to ensure the strict, standard, orderly and high efficiency work of the Strategic Investment Committee, *the Organization and Working Measures of the Strategic Investment Committee of the Board of Directors* are hereby formulated. The Strategic Investment Committee shall fulfill the following responsibilities: study and formulate the Company's long-term development strategy; formulate the Company's investment policies; formulate the Company's capital operation plan; manage and direct the work of the investment development department; submit foreign investment information for the previous year and the work plan for next year to the Board of Directors for approval; deliberate the Company's asset purchase and sales of non-associated transactions, foreign investment (equity transfer), and asset mortgage, and submit to the Board of Directors for approval after approval.

Audit Committee

In order to strengthen the decision-making function of the Board of Directors of the Company, carry out relevant audit work according to law, ensure the effective supervision of the Board of Directors over the management, further improve the corporate governance structure and safeguard the rights and interests of all shareholders, the Company has set up the Audit Committee under the Board of Directors according to *the Company Law, the Code of Corporate Governance for Listed Companies, the Articles of Association of the Company* and other relevant regulations, and formulated *the Organization and Working Measures of the Audit Committee under the Board of Directors*. The Audit Committee, as a special organization under the Company's Board of Directors, is responsible to the Board of Directors and carries out its work under the leadership of the Board of Directors. It is mainly responsible for the Company's internal audit, communication with external audit institutions, annual report audit, budget and final accounts management, construction and management of internal control system.

Compensation and Appraisal Committee

In order to establish and improve the performance appraisal and assessment system for the Company's directors and senior managers, formulate a scientific and effective compensation management system, implement the Company's talent development and utilization strategy and strengthen the planning and management of the Company's overall compensation strategy, the Company has established the Compensation and Appraisal Committee under the Board of Directors, and formulated *the Organization and Working Procedures of the Compensation and Appraisal Committee under the Board of Directors*. The Compensation and Appraisal Committee is a special organization under the Board of Directors. It is responsible to the Board of Directors and carries out its work under the leadership of the Board of Directors. It is mainly responsible for formulating compensation strategies and plans for the directors and senior managers, reviewing the performance indicators of the operation management team, appraising the corresponding performance, implementing the Company's overall compensation strategy plan and working out the Company's equity incentive plan.

Nomination Committee

In order to further improve the corporate governance structure, realize the standard and scientific selection of directors and senior executives, improve work efficiency, and ensure scientific decision-making, the Company has set up the Nomination Committee under the Board of Directors and formulated *the Organization and Working Measures of the Nomination Committee under the Board of Directors* according to *the Company Law, the Code of Corporate Governance for Listed Companies, the Articles of Association of the Company, the Rules of Procedure of the Board of Directors* and other relevant regulations. The special organizations under the Company's Board of Directors are responsible to the Board of directors and carry out work under the leadership of the Board of Directors. Study and formulate the criteria and procedures for the selection of directors and senior managers, review the qualifications of directors and senior managers and make recommendations for their appointment and removal.

Performance Overview of the Past Three Years

	2019	2020	2021
Total assets	8,359,497,109.35	9,971,144,688.34	12,079,908,312.76
Net assets	4,478,963,385.36	4,554,029,323.59	5,695,031,051.05
Operating income	3,871,840,010.31	4,172,645,156.56	5,496,578,624.88
Dividend per share	0.53	0.1	0.1
Earnings per share	0.97	0.90	1.01

Unit: RMB

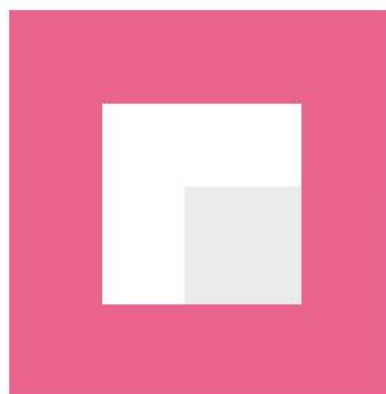


03

***TECHNOLOGY
EMPOWERS
FINANCE***

Technology empowers finance

Technology is the core competitiveness of Hundsun. Since its establishment Hundsun has taken root in the financial industry, stayed true to the mission, adhered to empowering the innovation and development of financial industry with the power of scientific technology, prevented financial risks and maintained the stable operation of the financial market. As a technology company, Hundsun has proactively leveraged its advantages to participate in the construction of financial infrastructure at the national and local levels, empowered the independent and controllable development and the digital transformation of the financial industry, helped China's financial market open to the outside world, and continued to serve the real economy.



Actively Construct Financial Infrastructure

Improving the construction of financial infrastructure and mechanism is an important link of ensuring the stable operation of the financial market. Since its establishment, Hundsun has proactively constructed the financial infrastructure and participated in the top-level design and construction of China's financial IT field to respond to the national call. Hundsun provides infrastructure institutions of the financial market with comprehensive solutions to comprehensive business such as registration and settlement, trading, risk control, and comprehensive member agency settlement. At present, Hundsun has provided software technical services for more than ten infrastructure institutions of the financial market such as Shanghai Clearing House, Beijing Financial Assets Exchange, NEEQ, Shanghai Insurance Exchange and so on.

Technology empowers finance and technology supports supervision. In recent years, Hundsun has also actively provided technical support for the construction of regulatory systems for Jiangxi, Guangzhou, Fujian, and other places. Relying on its own technological advantages and understanding of financial business, Hundsun constructs the national and local financial infrastructure platforms, which is the responsibility of Hundsun.

- ▶ In 2009, Hundsun assisted China Securities Depository and Clearing Co., Ltd. in officially launching the "New Open-end Fund System for China Clearing".
- ▶ In 2012, Hundsun undertook the construction of integrated business system of Shanghai Clearing House.
- ▶ In 2013, Hundsun undertook the construction of the National Equities Exchange and Quotations (NEEQ) to support the construction of a multi-level capital market.
- ▶ In 2016, the first batch of products on the insurance asset registration and trading platform of Shanghai Insurance Exchange Co., Ltd. was successfully launched. Hundsun provided technical support for its insurance asset registration and trading platform, which is one of the most important core platforms of the Shanghai Insurance Exchange.
- ▶ In 2017, Hundsun undertook the "Major Projects of Promoting the Development of Big Data" from the National Development and Reform Commission, constructed a "nationwide local financial big data supervision platform", conducted the monitoring of big data on 15 types of financial high-risk industries, such as local exchanges and online lending platforms across the country, and maintained the security and stability of the financial industry by making use of the financial big data supervision platform, a fundamental and key technology.
- ▶ In 2018, Hundsun undertook the development projects of the new generation registration system, custody system, and corporate behavior management system of China Central Depository and Clearing Co., Ltd. and the development projects of the new generation clearing system and settlement system.
Hundsun provided comprehensive technical support for Qianhai Bulk Commodity Trading Platform established by HKEX.
- ▶ In 2019, Hundsun undertook the building of a regulatory system for issuance and review by the China Securities Regulatory Commission.
Hundsun undertook the building of the national carbon emission trading system, to support the centralized and unified trading of national carbon emission quota, satisfy multiple trading modes, support carbon pledge, carbon borrowing and other businesses, and complete functions such as the clearing and settlement of funds and quota.
- ▶ In 2020, Hundsun participated in the construction of the custody system for underlying assets of standardized notes of Shanghai Commercial Paper Exchange Corporation Ltd.
Hundsun undertook the building of a regulatory system for the issuance and review of the registration-based IPO system for ChiNext Board.
Hundsun undertook the building of the "Bank-Insurance Link" system for the centralized agency sales business platform for insurance asset management products of China Insurance Asset Registration and Trading System Co., Ltd. (China Insurance Registration)
- ▶ In 2021, the national carbon emission trading system and registration system constructed by Hundsun were officially launched.
Hundsun undertook the CCER trading system of China Beijing Green Exchange.

Cases

► Support the opening of Beijing Stock Exchange

On November 15, 2021, Beijing Stock Exchange (BSE) officially opened, and Hundsun provided technical support and guarantee for the smooth operation of Beijing Stock Exchange.

On September 17, after Beijing Stock Exchange issued *the Measures of the Beijing Stock Exchange for Investor Suitability Management (for Trial Implementation)*, in order to meet the market demand more quickly, Hundsun established a trinity guarantee system of "Product Department-Testing Department-Maintenance Department", deployed plans in the form of special group and assist brokers in rapidly transforming IT systems to meet regulatory requirements.

At the same time, the data transformation plan of Gildata Beijing Stock Exchange was released, which is fully compatible with the new regulations of Beijing Stock Exchange, helping financial institutions to carry out the business of Beijing Stock Exchange with low cost and high efficiency. The whole plan involves nearly 160 data forms, covering various modules such as quotation, share capital, finance, shareholders, distribution, dividends, etc. At the same time, product components such as new share subscription and investment consulting services are introduced to meet the data application of financial institutions in scenarios such as wealth management, investment and research risk control, etc.

In order to support the smooth development of follow-up business, Hundsun helped financial institutions to comprehensively transform their trading, risk control, marketing services, front-end and other aspects, forming a front-to-middle-to-back integrated solution, and laying out in advance and quickly responding to the system changes brought about by the future rules optimization of Beijing Stock Exchange.

► Provide technical support for green and low-carbon transformation

In recent years, China has paid more and more attention to energy conservation and emission reduction. In September 2020, China announced that it would increase its nationally determined contributions, strive to reach a peak in carbon dioxide emissions by 2030, and strive to achieve carbon neutrality by 2060. The national GDEA trading market is one of the core policies tools to achieve the goals of "peak carbon dioxide emissions" and "carbon neutrality". The construction of a unified national GDEA trading market is a major innovation to use market mechanisms to control and reduce greenhouse gas emissions and promote green and low-carbon development.

The innovative "two-city" model has been adopted in the construction of the national carbon emission trading market. Shanghai United Assets and Equity Exchange is responsible for trading, and Hubei Carbon Emission Trading Center is responsible for registration. As a vital infrastructure in the construction of the national carbon market, the national GDEA trading system and registration system are all assisted by Hundsun. Since it was officially launched on July 16, 2021, it has been running smoothly.

In September 2021, Hundsun once again won the bid for the construction project of the national CCER trading system of China Beijing Green Exchange. It is expected that the project will be delivered before June 30, 2022. Since the launch of the national GDEA pilot in 2013, Hundsun has successively undertaken the construction of the GDEA trading system and registration system in Hubei, Shanghai, Fujian, Shanxi, etc.

In the process of continuous development of the carbon industry, Hundsun has always been committed to supporting and empowering the development of a green economy through the organic combination of its own fintech advantages and the carbon market.

In addition, Hundsun connected enterprises at one end and financial institutions at the other end through the construction program of local carbon account management system, opening up local big data centers and various carbon account systems. On the basis of a large amount of data such as industry and commerce, justice, taxation, water, electricity, coal, carbon quota, carbon trading, credit reporting and public opinion, etc., the lending efficiency of banks and the financing efficiency of green and low-carbon projects and emission control enterprises were improved. Gildata also launched ESG index products for Chinese enterprises to help financial institutions analyze and evaluate the opportunities and risks of climate change of assets.

Participate in the Formulation of Industry Standards



Hundsun has successively participated in many projects of formulation of financial technology standards, and provided professional technical advice for the national financial standards, to escort the smooth operation of the financial system.



For more than 20 years, Hundsun has been committed to providing technical solutions in the financial field, and always adhered to the road of independent and controllable development. On the road of exploring technology, its many advanced technologies have gradually become the industry benchmark. At present, Hundsun is a member of the Securities Industry Standards Committee and the National Financial Standardization Technical Committee. It participates in the formulation of a number of financial industry technical standards, and provides professional technical advice for the national financial standards, to escort the smooth operation of financial IT and improve the security.

In 2021, the industry standards, *the Specification for Internal Application System Log in Securities and Futures Industry Operating Institutions* (JR/T 0233 - 2021) and *the Securities and Futures Industry Data Model - Part 3: Logical Data Model of Securities Companies* (JRT0176.3-2021), with the participation of Hundsun participated in the formulation thereof, were officially released. At the same time, Hundsun participated in the formulation of the "Relevant Standards for Aging of Mobile Internet Applications of the Securities and Futures Industry", as well as the development of standards related to commercial password applications in securities and futures industry, the *Technical Indicators of Core Trading Systems of Securities Companies*, and the *Guidelines for Data Security Management and Protection in Securities and Futures Industry*.

In addition, Hundsun continued to develop and declare relevant standards such as electronic evidence standard of credit business blockchain, industry standard of industry event system, and technical specification of industry mini programs.

Empower the Independent and Controllable Development of China's Financial Industry

At the 13th collective study session of the Political Bureau of the CPC Central Committee, General Secretary Xi Jinping emphasized that: "it is necessary to accelerate the construction of financial market infrastructure and steadily promote the localization of key information infrastructure in the financial industry". At the beginning of 2021, the Central Economic Working Conference took "strengthening national strategic technology capabilities, and enhancing independent controllable capabilities of industrial chain and supply chain" as a key task in 2021 for deployment. The independent and controllable core technology is related to the national strategy and plays an increasingly important role in the national financial security. In the field of fintech, independent and controllable characteristics have also become a prerequisite for building a safe and reliable financial service system. Hundsun is committed to the research, development and promotion of independent and controllable software and hardware financial business systems to empower the independent and controllable development of China's financial industry.



Independent research and development in key areas of information technology application innovation

In 2021, Hundsun launched two core self-developed technology products: Light-LDP and LightDB in independent research and development in key areas of information technology application innovation industry.

Light-LDP is a message transmission bus and application development platform with the characteristics of extremely low latency, distributed decoupling, flexibility and openness. It supports microsecond business applications of financial institutions. It is mainly for self-operated business of securities companies, and asset management and institutional business of securities companies, covering business scenarios such as strategy trading, algorithm trading, intelligent routing, data distribution and processing. LDP platform is based on the fully self-developed components of Hundsun, and it does not rely on third-party libraries, and has a solid foundation. At the same time, it fully adapts to the ecosystem of domestic hardware, and supports domestic processors such as Huawei Kunpeng and Hygon, as well as domestic operating systems including KylinOS. At present, the solutions based on LDP platform, such as rapid trading, rapid market and rapid risk control, have been launched in a number of securities companies, boosting the scale and ecologicalization of high-performance scenario applications.

LightDB is an integrative distributed database that supports online transaction processing and on-line analytical processing. It has the core features of high SQL compatibility, flexible capacity, high availability of financial grade, modern hardware convergence, pure memory computing, etc. It is mainly suitable for financial systems with high requirements for availability and consistency. As an important part of financial information technology application innovation, LightDB supports domestic operating systems such as Kyrin Linux and openEuler, and domestic processors such as Huawei Kunpeng ARM and Hygon x86 processor, and it has successfully passed the basic capability evaluation of distributed transactional database of China Academy of Telecommunication Research of MIIT. At present, LightDB has officially landed in the TA system of Soochow securities, and it has been applied to the internal efficiency platform of Hundsun and other systems.

Create an information innovation laboratory of Hundsun

Advancing the promotion of domestic basic software and hardware by using the construction of financial information technology platform is the core objective of Hundsun in financial information technology application innovation. The key information infrastructure technology innovation laboratory built by Hundsun (Hundsun Information Innovation Laboratory) is committed to continuously promoting the information technology application innovation and adaptation of core products.

Hundsun Information Innovation Laboratory uses Ali Apsara Cloud as its base, domestic chip (Kunpeng, Hygon, etc.) servers and domestic network equipment as its foundation, and self-developed distributed middleware JRES3.0 and low-latency middleware LDP as its development framework. In the domestic OS (Kylin, UOS) and domestic database environment, Hundsun made in-depth adaptation transformation of its own business system, and introduced TiDB into the information innovation test.

In terms of personnel and technical capabilities, Hundsun has set up a team of 200 business technical experts and a domestic database team to assist in solving various problems of database use, development and transformation in the project, and help customers complete the whole life cycle management from business database design, testing to deployment and delivery.

By the end of 2021, more than 30 business systems of Hundsun have completed the adaptation test of information technology application innovation, including UF3.0, TA system, investment and trading system, fund operation system, custody and valuation system, etc., and more than 20 business systems are undergoing adaptation test.

Jointly build the industrial ecology of information technology application innovation industry

In addition to its own R&D investment, in 2020, Hundsun teamed up with financial institution customers to set up a financial infrastructure application innovation alliance, aiming at opening up the technology accumulation of Hundsun and the practical experience of industry customers and eco-manufacturers, and forming a sustainable industrial ecology.

In 2021, with the joint support of innovation alliance and Hundsun Information Innovation Laboratory, Hundsun kept landing industrial information innovation cases and set an industry benchmark. At present, Hundsun has cooperated with 22 financial institutions to carry out the declaration of information technology application innovation, covering UF3.0, valuation 6.0, new generation TA, etc.

On the other hand, the cooperation between Hundsun and leading enterprises of information technology application innovation is also moving towards a deeper level. In 2021, Hundsun carried out in-depth cooperation with openEuler Community, and signed CLA to formally join openEuler Community, making good cooperation progress in low latency and lightweight secure containers. At the 2021 LIGHT Developer Cloud Conference, Hundsun officially launched the Light-Core joint solution based on openEuler system to create a new generation of information innovation cloud native PaaS technology base.

Industry-university-research cooperation is also an important form for Hundsun to promote the development of information technology application innovation. Taking the distributed database LightDB as an example, in order to ensure that the database technology is safe, reliable and self-controllable, Hundsun joined hands with East China Normal University to break through the bottleneck of database technology, research and develop financial-grade database products with independent property rights in China, and promote the establishment of testing standards for the industry database of information technology application innovation.

Benchmark case of information technology application innovation

▶ Merchants Securities

In 2021, China Merchants Securities and Hundsun, based on independent and controllable basic hardware and software, carried out pioneering practice of integrated financial platform for securities, and further cooperated in the core system UF3.0. Based on the system cloud native, high-performance and low-latency distributed development platform, the full-stack adaptation transformation of information innovation technology was carried out. After the completion of the system, it could support the trillion-dollar market volume.

▶ SOOCHOW Securities

In 2021, the project "TA System +LightDB Database" jointly built by SOOCHOW Securities and Hundsun was successfully put into operation. Through the full cooperation of this project, Hundsun helped SOOCHOW Securities to complete the comprehensive information innovation selection and adaptation transformation of TA system in terms of basic hardware and software, and realized the construction of full-stack information innovation system.

At the same time, for this project, it is also the first time that the self-developed database LightDB of Hundsun has been put into use, which is of pioneering significance to the practice and expansion of the self-developed database of Hundsun.

▶ Shanxi Securities

In 2021, Shanxi Securities and Hundsun launched a new generation of distributed securities integrated financial platform. The business system is based on distributed micro-service. With business middle ground as the core, it adapted to the reconstruction construction in information innovation infrastructure, and gradually migrated the business system to the information innovation platform. After construction, the system can support parallel expansion, and can accommodate hundreds of millions of customers. The daily capacity of single transaction core in handling entrustment can exceed 10 million.

Empower the Digital Transformation and Upgrading of the Financial Industry

Upgrading and Innovation of the New Generation Core Products



In the 27 years of development, Hundsun has emerged many star products, and has won market and industry recognition by virtue of its own strength. On the basis of fully understanding the changes in financial business needs, we have accelerated the R&D and upgrading of the new generation core products, hoping to help financial institutions gradually deepen from process digitalization to business digitalization and realize digital transformation and upgrading.



In 2021, Hundsun launched new products such as O45, UF3.0, valuation 6.0 and new generation TA based on the new generation of technical architecture, successfully and successively acquired benchmarking customers from securities, fund, bank, insurance, trust and other financial institutions, and supported financial institutions in upgrading their technical architectures.

In the field of asset management, on December 20, 2021, Hundsun's new generation asset management system O45 was first launched in Hwabao WP Fund. O45 is based on Hundsun's new generation distributed micro-service technology base. It has the characteristics of openness and stronger expansibility. It is innovated in system architecture, coupling, system performance, system capacity, interface openness, technology platform, version management, operation management and other aspects. The first launch of O45 in the fund industry also represents the start of a new round of digital transformation and upgrading of asset management.

In the field of brokerage business, Hundsun assisted China Merchants Securities in building a new generation of core business systems, leading the industry-level transformation and upgrading. In January 2021, UF3.0 was launched in over 300 branches of China Merchants Securities, covering key businesses such as margin financing and securities lending, stock options, and wealth management. UF3.0, a new generation of securities core trading system, has the characteristics of "high capacity, large concurrency and low latency", and it can support 5 trillion to 10 trillion or even larger trading volume.

In the field of valuation business, in December 2021, Hundsun's new generation valuation system 6.0 was fully switched online in Ping An Securities, and entered a stable operation period. Hundsun's new generation valuation 6.0 adopts micro-service architecture and memory operation. The system meets the requirements of high openness, fast liquidation and simple operation and maintenance, and helps Ping An Securities improve its valuation efficiency and operational efficiency. At present, Hundsun's new generation valuation system 6.0 has been launched in more than ten customers, including Huatai Securities, BITIC, China CITIC Bank, Agricultural Bank, Hangyin Wealth Management, Qianhai Alliance Asset Management and Xingyin Fund.

TA system is one of the core systems of asset management. On the basis of retaining all the business functions of the last-generation TA, Hundsun's new-generation of TA breaks the original architecture system and provides standardized service interface, which fundamentally improves the flexibility and expandability of the TA platform, and can quickly support the business innovation under the transformation in accordance with the new regulations on the asset management. At present, Hundsun's new generation TA system has reached cooperation with dozens of financial institutions.

Support the Opening-up of China's Financial Market

With the continuous advancement of globalization, Chinese-funded financial institutions have gone abroad, and foreign financial institutions have also accelerated their pace of entering China. China's financial market has become an international financial market. In the context of the ever-expanding financial opening, Hundsun, on the one hand, provides systematic and overall solutions for foreign-funded & joint venture financial institutions entering China's market; on the other hand, it empowers domestic financial institutions to connect to the international market through technological innovation.

Support the construction of core systems of foreign financial institutions

Hundsun provided system and solution support for a number of foreign-funded and joint-venture financial institutions entering the domestic financial market. Since 2016, Hundsun has successively provided system and solution support for the preparation and business development of CEPA brokers including Shengang Securities, Huajing Securities, East Asia Qianhai Securities, HSBC Qianhai Securities, the foreign-owned joint venture broker Nomura Orient International Securities, and the cross-strait joint venture broker Jinyuan President Securities. In 2021, Hundsun provided overall solutions for DBS Securities and Daiwa Securities, and exported professional consulting service capabilities in the newly-raised fields of institutions.

In the context of the continuous opening of China's financial market to the outside world, foreign institutions are also accelerating the layout of public fund business in China. In June 2021, BlackRock became the first foreign asset management company approved to carry out public fund business in China, and Hundsun provided it with IT system preparation consulting services, as well as IT overall solutions for public fund. Since then, Fidelity Fund and Neuberger Berman Fund have been approved one after another. For the approved wholly foreign-owned public offerings, both of them have chosen the overall solutions of Hundsun.

In addition, the pace of entry of foreign capital into the mainland wealth management market is also accelerating. For wealth management subsidiaries of joint ventures, they face difficulties such as short preparation time of the system after being approved for establishment. They need a set of professional, comprehensive and mature integrated solutions. The wealth management integration solution of Hundsun can provide wealth management subsidiaries with comprehensive solutions covering "planning consultation", "infrastructure construction" and "application system construction", and support customers to "use directly" and land quickly. In 2021, Hundsun prepared an integrated solution for the third Sino-foreign joint venture wealth management company, BOCOM Schroder.

Introduce the products and experiences of the world's leading financial technology companies

In June, 2020, Hundsun established a strategic partnership with Finastra, and took a key step for the internationalization strategy. The two parties announced that they would jointly develop and launch a new version of Finastra's portfolio management system, Fusion Invest, to help investment research management quickly realize the leap from How-to-buy to What-to-buy to Auto-buy.

In June 2021, Hundsun Lirong, a subsidiary of Hundsun, announced the acquisition of Opics fund management system from Finastra. Opics mainly covers small and medium-sized banks, helping them to handle trading accounts and complete a variety of financial asset transactions, such as hedging financial asset risks by using foreign exchange and derivatives, and making low-risk investments according to treasury management needs.

On November 27, 2021, CloudWing NetWork, a holding subsidiary of Hundsun, acquired the franchise and exclusive licensed development rights of Summit, a bank treasury management system of an internationally renowned financial technology company Finastra, in mainland China, Hong Kong and Macau, at the price of 65 million dollars. This acquisition has enhanced Hundsun's ability to provide complete solutions for customers in the financial market department of large and medium-sized banks.

Promote the application of financial technology abroad

Internationalization strategy is one of the long-term development goals of Hundsun, and Hundsun is actively promoting the application of advanced and efficient financial technology in China to go global.

Hundsun undertook the "going global" part of the internationalization strategy through its subsidiary Hundsun Ayers. Hundsun Ayers provided financial institutions with one-stop overseas trading solutions. The Alpha Broker system developed by Hundsun Ayers based on UF3.0 underlying technology includes three subsystems: transaction, settlement and account opening. It was launched in Donghai International in August 2020, and was officially launched in Huatai Financial, Infast Brokerage (Hong Kong) and other securities companies in 2021. At present, the majority of China-invested securities firms choose Hundsun Ayers as a provider of financial IT solutions and a long-term partner for overseas business development.

At the same time, Hundsun actively responded to the Belt and Road Initiative of China, and in April 2021, through its subsidiary Hundsun Holdings, it acquired 23.8% share of N2N Connect Berhad. N2N Connect Berhad is a Malaysian listed company serving the Asia-Pacific region, mainly providing comprehensive front-end and back-end solutions based on the transaction management service model of financial institutions, as well as network and infrastructure related services.

Through the investments and development in the co-building countries along the Belt and Road Initiative, Hundsun promoted its existing advantageous products to the local financial market, exported China's "soft power" of financial technology, and helped overseas financial institutions accelerate their digital transformation with more advanced technology and better products.



Consistently Serve the Real Economy

At the 13th collective study session of the Political Bureau of the CPC Central Committee, General Secretary Xi Jinping stressed that: "we should deepen supply-side structural reform of the financial sector and enhance the ability of finance to serve the real economy". The bulk commodity is the blood of the real economy. Hundsun has continued to provide supply chain products and solutions for bulk commodities and other real economy fields for many years, and has penetrated its technology into all links of the real economy, promoting the integration of finance and real economy, and supporting the supply-side reform.

After more than 20 years of industrial finance business, Hundsun has built a series of products and solutions for banks and industrial customers, serving more than 150 bank customers and over 200 industrial customers from more than 20 industries, helping more than 100,000 enterprises to realize innovation and development.

In view of the problems of fund shortage, difficult and expensive financing of upstream and downstream enterprises in the supply chain of the real economy, Hundsun independently researched and developed a supply chain financial service platform. Through the application of big data, blockchain, intelligent risk control and other technologies, it connected the supply chain assets and the resources of financial institutions, built an online supply chain financial service platform for enterprise groups, three-party service organizations, etc., and provided a variety of scene and digital financing modes to meet the financing service needs in the supply chain business. At present, the supply chain financial service platform of Hundsun has been applied to many large groups of industrial entities such as chemical industry, energy, and steel.

In addition to supply chain finance, Hundsun also kept expanding the breadth of technology empowerment, extending its technical capabilities to all aspects of industrial digital transformation, and assisting core supply chain enterprises and upstream and downstream small and micro enterprises with professional digital solutions to construct the industry-finance ecology of "co-construction, co-management, sharing, and win-win".

In addition to the industry side, Hundsun also provided banks with corporate integration solutions including cash management, payment and settlement, bill business, trade finance, supply chain finance, asset pools, investment and wealth management, and capital supervision, connecting the industrial ecology with the financial ecology and creating an ecological service platform of "scene+technology+finance", and forming an open ecology of synergy, interconnection, integration and empowerment.



Cases

▶ Jinneng Holding Yingshida Supply Chain Platform

"Jinneng Supply Chain Management Platform" is a comprehensive industrial supply chain service platform. The platform helps the group to solve the problems of poor strategic synergy, high transaction costs, difficult financing, and expensive financing in various industrial sectors such as coal, fertilizer, chemical, and ore. It covers production, circulation, consumption and other links in the entire industrial whole value chain and builds an industry-finance ecology of "co-construction, co-management, sharing, and win-win".

▶ Yuntianhua Tiantai E-commerce Supply Chain Financial Service Platform

Yuntianhua is a comprehensive large-scale state-owned listed company with core resource advantages, ranking among the top three listed companies in China's chemical industry for many years. Yuntian digital supply chain financial platform provides a variety of financing modes for the upstream and downstream enterprises in the industry. Through the credit penetration of core enterprises, superposition of the credit of block chain, assets such as accounts receivable, bills, and inventories were digitized, thus providing credible and traceable assets for the bank and solving the difficulties in financing and expensive financing of small and medium-sized enterprises.

▶ Core business system of International Far Eastern Leasing Co., Ltd.

In April 2021, Hundsun joined hands with Far East International Leasing Co., Ltd. to build a management system for financing lease collection. The system realized the business connection among the capital system, the financial system, the core business system, and the post-leasing management system, and achieved the goal of 80% of the automatic write-off rate for total collection of financing projects. Its main functions included customer information management, collection management, mail management, letter management, telephone service, etc., and provided real-time interface data reporting for the big data statistics platform, helped other business systems to obtain real-time and accurate collections of each project.

▶ Smart Debt Management Platform of YCIC

The Smart Debt Management System of Yunnan Communications Investment & Construction Group Co., Ltd. built by Hundsun was successfully launched in June 2021. The system satisfies the "five-precision" management requirements of planning, financing, use, settlement, and data, and realizes comprehensive management of debt varieties, full-life-cycle management of debt, intelligent debt risk warning, debt stress testing, real-time state-owned assets supervision data reporting, intelligent robot application, contract OCR identification application, and many other business functions, as well as meets the comprehensive and unified debt management requirements of YCIC.

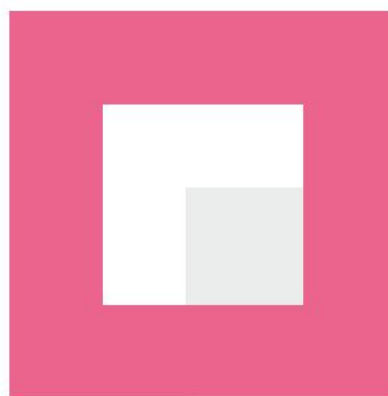


04

***PRODUCT
AND
SERVICE***

Products and services

“Customer first ”is Hundsun's consistent value, and close attention to customer feedback and continuous process improvement are the cornerstone of Hundsun's development. Better and higher-quality technologies, products and services are the goals we have been striving to pursue, and are also the direction we must strive for in fulfilling the mission of “making the finance easy”.



Continuously Improve Product Quality

Quality policy

Continuously improve the process, improve process performance and product & service quality, and realize customer satisfaction.

Customer-centric quality culture

Attention to customer feedback and continuous process improvement are the cornerstone of Hundsun's development. Hundsun has an industry-recognized excellent management services, and is one of the first batch of software enterprises that have passed the ISO9001 international quality certification in China. In recent years, the Company has enriched and improved the management system based on the Company's core value of "customer first" and "quality first", as well as the advanced theoretical system in the industry to ensure that the management systems have been effectively implemented and continuously improved in an institutionalized way.

In terms of IT service standardization and customer service management, Hundsun has reached the recognized domestic leading level, established a sound business process and management system, provided high-standard technology and products, and made continuous improvement. Hundsun has established a product technology management system for the entire life cycle, and maintained its core competitiveness through efficient product management, technology management, software asset management, and technical capability improvement, and ensured the safety of software assets.

Hundsun kept optimizing the whole R&D management system and delivery management system, including the management of the whole product life cycle and service life cycle, such as product establishment, R&D, release, delivery, operation and maintenance, after-sales service, etc. According to the key nodes of the internal R&D management process, it iterated from demands, design, development, integration, testing, release, operation and feedback.

In order to provide its customers with better products and services, Hundsun has conducted customer satisfaction surveys in each 4rd quarter for 20 consecutive years (refer to the ACSI Customer Satisfaction Index model), listen to its customers in multiple dimensions, including quality, implementation, maintenance, market, marketing and solutions based on core corporate culture of "customer first, market oriented". Arrange satisfaction improvement plans, and review and follow up such plans regularly in response to customer opinions.



U+ Customer Services

Hundsun always adhered to the core value of "customer first", constantly improved the end-to-end management system and innovative working methods, took the promotion of customer satisfaction as the starting point, adopted a number of measures, put through products, services and organizations, carried out comprehensive promotion, and implemented the principle of customer first.

Hundsun has established a professional, standardized and efficient customer service system, and has passed ISO20000 management system certification. Adhering to the service concept of "high-efficiency, professionalism and transparency", Hundsun is committed to providing timely, high-quality and innovative IT services to its customers. Provide its customers with software implementation, maintenance and training services through about 1,000 Hundsun engineers across China, provide professional technical support services through 7×24h customer service hotline and all-round interactive customer services by online means such as U+ APP, customer service website Service Online and WeChat official account.



Construct a perfect end-to-end customer satisfaction management system

Construct and improve the customer service management system, classify and grade events and service requests, establish a customer voice processing mechanism, and implement the same to process tools to ensure that the processing of each customer voice can be closed-loop. The customer service hotline is 7*24 hours, and the customer demands shall be answered within 2 working days; the definition of abnormal events is in line with industry standards and even stricter than the industry standards. A complete processing process has been established for the handling of abnormal events. The corresponding responsible department implements emergency plan/solution to ensure that customer business can be restored as soon as possible; In response to customer complaints, it communicates with customers within 0.5 working days and report the same internally to ensure that customer problems can be solved in a timely and effective manner.

Optimize the customer satisfaction model, incorporate customer satisfaction into the Company's strategy and organizations, and decompose the dimensions of the customer satisfaction model into the KPI assessment indicators of each organization. At the same time, at the beginning of 2021, each department formulated corresponding management measures to improve customer satisfaction to strengthen customer service awareness and cognition of various departments, and improve customer satisfaction by enhancing product quality and service quality.

Carry out the duty system of senior executives, and arrange a senior executive of the Company to be in charge of promoting the handling of major events and participate in the review of major events.

Regularly convene special meetings on customer satisfaction, analyze and summarize the daily voices from customers, identify key, typical and systemic problems to promote solutions, and continue to optimize the related internal system processes and systems of the Company.

Build a U+Online platform and construct online service ecosystem

Through the U+Online platform, Hundsun has made the internal software delivery process online and transparent, so that customers can directly enter demands, and can check the demands realization process, problem handling progress, project delivery plan and progress in real time. At the same time, the customers having intention may participate in each node of demand realization, and improve the whole scheme in the process of demand realization.

Empower customers and grow with them

Hundsun has accumulated abundant product knowledge, industry knowledge and operation knowledge, and formed a huge knowledge base. They are open to customers in the whole industry through U+Online. At the same time, Hundsun regularly shared the interpretation of new industry regulations, introduced new businesses, organized systematic business/technical operation and maintenance training, etc. for customers through systematic short videos and live broadcasts, regularly conducted offline customer business technical training activities, and established an industry business technical exchange circle.

Carry out customer satisfaction survey and dig deep into the demands for products and services

In order to fully understand customers' demands for products and services of Hundsun, Hundsun conducts regular customer satisfaction surveys every year. In 2021, Hundsun conducted semi-annual and annual general customer satisfaction surveys. Besides the original customer service hotline satisfaction evaluation and complaint channels, Hundsun added an evaluation channel for daily important customer contact points. Customers could directly evaluate each service record, processing of each demand and delivery of each project through U+ APP. It truly achieved end-to-end, collection and analysis of customer opinions and suggestions, thus promoting the continuous improvement of products and services.

Significant improvement in customer satisfaction

In 2021, the U+ studio conducted hundreds of live broadcasts to customers, covering industry policy interpretation, new business introduction, product launch training, technical knowledge training of product business, etc.; U+Online online classroom opened more than 2,500 courses to customers. A total of over 4200 users have experienced online classes in 2021, with the cumulative learning volume of nearly 170,000 person-times.

The new evaluation channel of daily customer contact points in 2021 has received more than 90,000 customer evaluation data throughout the year. The satisfaction rate reached 99.48%. Customers have good comments on products, project delivery and after-sales service.

The annual customer satisfaction survey of Hundsun in 2021 showed that Hundsun's satisfaction in product quality, implementation and delivery, continuous service, marketing service, corporate image dimension and overall satisfaction of the Company had all improved to a certain extent compared with that in 2020. Customers fully affirmed Hundsun's products and services, and at the same time, they put forward many valuable opinions and suggestions. Each product and service organization has formulated improvement measures according to the opinions and suggestions put forward by customers, and would continue to push forward the implementation of these measures in the future.

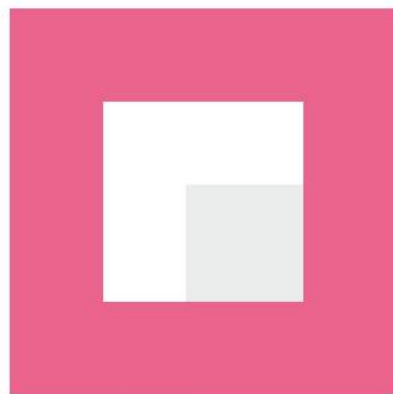


05

***COMPLIANCE
AND
SAFETY***

Compliance and safety

Hundsun always puts compliance management, information security and data protection in the first place, and it is committed to providing customers with safe and reliable products and solutions. In terms of protection of intellectual property rights, Hundsun strictly complied with the laws and regulations on intellectual property rights, and actively publicized and implemented the protection of intellectual property rights, including trade secrets. As for responsible procurement, Hundsun conducted procurement according to the principles of fairness, openness and justice, and signed and performed contracts with suppliers according to the basic principles of honesty and trustworthiness.



Compliance Management

As a fintech company, Hundsun has been serving the financial market, keeping in mind the principles of "embrace supervision and make prudent innovation", and actively promoting the healthy and efficient development of the financial market.

As technical services are supervised, Hundsun has been consistently embracing supervision, paying close attention to changes in supervisory policies, and actively promoting the implementation of relevant supervisory policies. The Company has established a perfect legal risk prevention system, and has set up a special legal risk prevention department - the Legal Compliance Department. The Company has been approved by the judicial department to establish the Company's legal department, and has professional legal workers. In December 2020, Hundsun completed the filing of information technology service organizations as one of the first batch of enterprises.

Hundsun always maintains compliance sensitivity, maintains communication and interaction with relevant government authorities, industries and partners, disseminates compliance concepts, shares compliance practices, and works with the regulators and partners to create a good ecological environment that is conducive to industry development.

Focus on the construction of compliance risk control system

In order to effectively identify and manage compliance risks in businesses, Hundsun actively prevents the violations and promotes the compliance and safety development of the Company. Hundsun has set up the Legal Compliance Department to fulfill compliance functions, and takes the lead in the domestic financial technology field. The operating mechanism of compliance risk control & management and compliance supervision has been established and implemented, and the compliance risk control system has been established. The compliance of business units and subsidiaries can be monitored and managed in a timely manner to promote compliance management and ensure steady operation.

Integrate compliance operations into various business scenarios

During the entire life cycle of the planning, approval and online operation of new businesses, Hundsun provides compliance guidance, assessment, monitoring and auditing, clarifies compliance requirements, promptly and effectively identifies and prompts potential internal and external risks, so as to ensure that the business units and subsidiaries operate in compliance, and continuously promote the industry development with safe and compliant services.

Clarify and implement customer access standards

In some immature emerging industries, the organizations' operating capabilities and compliance awareness are inconsistent, easily leading to risk events. Hundsun's integrated business involves relevant factors such as regulatory requirements, required qualifications, customer operating capabilities, user risk credit status and background, and customer access requirements are sorted out and clarified. The existing businesses of all business units and subsidiaries have access standards, and those groups that fail to meet the access requirements after review would be resolutely rejected. Examined whether the access standards were in line with the business change and development by means of compliance audit year by year, and continuously updated the same.

Carry out compliance publicity, and the awareness of compliance is deeply rooted in people's hearts

The Legal Compliance Department of the Company set August as the "Legal Compliance Culture Publicity Month" every year, signed the "Compliance Commitment Letter" on the electronic signing platform, invited external professional lawyers to provide on-site legal consultation, and conducted a series of legal compliance lecture courses about "Legal Courses at Work". In order to improve the employees' knowledge of legal compliance, it conducted the examination about employees' knowledge of legal compliance. In addition, the Legal Compliance Department of the Company publishes four issues of "Compliance Watch" every year, inviting experts from the Company or industries to discuss about legal issues related to financial technology and innovative business forms.



Intensify efforts to fight corruption and advocate integrity

Fighting corruption and advocating integrity is an important guarantee for the stable development of an enterprise, and integrity is Hundsun's corporate value. At the institutional level, the Company has issued *the Anti-fraud Management System* to clarify the employee code of conduct based on *the Management System for on-the-Job Employees* and *the Administrative Measures on the Receiving of Gifts by Employees*.

In 2018, 40 managers signed the *Integrity Undertaking* issued by the Company's Legal Compliance Department and Audit Office. In 2019, the Company continued to strengthen the promotion of legal and compliance culture (including online anti-corruption course training and examinations) and enhance the anti-corruption awareness of the staff. In 2020, based on the Company's actual conditions, we continued to strengthen the construction of compliance culture of anti-corruption and anti-fraud, implemented the complaint reporting mechanism, and further promoted the establishment of good corporate images of fair competition, honesty and trustworthiness. In 2021, the signing of the *Employee Compliance Commitment* of all employees, including senior executives, was completed, further implementing the implementation of anti-corruption and anti-fraud related systems.

Hundsun encourages employees to make real-name or anonymous reports on corruption and fraud clues, and provides internal and external anti-corruption/fraud reporting channels. Employees of the Company and all social parties that have direct or indirect economic relations with the Company can make complaints and reports on fraud to the Legal Compliance Department of Hundsun by telephone, email, letter and interview and other forms. Hundsun implements strict confidentiality measures for informers. If the reported matters are verified, the Company will give rewards to informers as appropriate.

Boost supervision and maintain financial security

While embracing regulatory compliance operations, Hundsun also paid close attention to changes in regulatory policies, actively assisted supervision and provided financial institutions with anti-money laundering systems and overall solutions relying on its own technological advantages and industry experience.

Cases

► Technology empowers anti-money laundering

Anti-money laundering is of far-reaching significance in dissolving financial risks and safeguarding national financial security, and financial institutions are the first line to implement anti-money laundering policies. Actively promoting the implementation of regulatory policies is an important measure for Hundsun to fulfill its corporate social responsibility. Hundsun pays close attention to the changes in regulatory policies, assists financial institutions in anti-money laundering and maintains financial market stability by immediately interpreting the policies, providing corresponding system support and quickly releasing new versions.

As early as 2007, Hundsun began to focus on the construction of anti-money laundering systems for financial institutions, covering securities, funds, insurance, asset management, futures, trusts, third-party payments, wealth management subsidiaries and other financial industries. After years' exploration and practice, Hundsun promoted the comprehensive upgrade and reconstruction of the new generation of anti-money laundering management system in 2020, which focused on quality and quality, so as to adapt to the new regulatory situation and help financial institutions continuously improve the anti-money laundering efficiency.

At present, Hundsun' new generation anti-money laundering management system has reached cooperation with more than 300 financial institutions in multiple industries such as securities, funds, insurance asset management and trusts, to help financial institutions further improve their anti-money laundering efficiency.



Information Security and Privacy Protection

Hundsun attaches great importance to information security and regards information security as one of the Company's core competitiveness. By establishing a complete information security assurance system, Hundsun has set an industry security benchmark, provided professional security technical support for the Company and its customers, and created a safe and credible business platform.

In the financial industry, information security is also the top priority in enterprise information construction. As a key unit of the "Large Internet Enterprises for Special Network Security Protection in Zhejiang Province", Hundsun has been implementing the national security work and national security strategy requirements, fully protecting the enterprise information security and data security, and fulfilling the compliance requirements and major issues necessary for the State. Hundsun has hired a third-party assessment institution every year to comprehensively assess information technology risk, control mechanism of each risk point and the effectiveness of the control mechanism. In 2019, Hundsun participated in the Zhejiang Information Security Administrator Knowledge and Skills Competition and won the provincial-level third prize.

In 2008, Hundsun passed the testing certification of ISO27001 information security management system for the first time. ISO27001 is currently a representative information security management system standard in the world, and an important reference for the enterprises to build an information security management system. After certification, Hundsun accepts supervision and audit every year and is re-certified every three years. The latest certificate is valid until December 2023, thus guaranteeing that the Company has sufficient and targeted security control options.



By the end of 2021, six major business systems of Hundsun and its holding subsidiaries have passed the three-level assessment and filing under equal protection and were regularly retested. The relevant business systems have passed more than 300 items of detailed requirements for information protection, data security and confidentiality technology, including the *Classified Criteria for Security Protection of Computer Information System*, the *Baseline for Classified Protection of Information System Security*, the *Common Security Techniques Requirement for Information System*, the *Security Techniques Requirement for Server* and so that its customers can enjoy the highest level of security in the industry in terms of resources, data and property. The products of its holding subsidiaries have passed the Payment Card Industry Data Security Standard (PCI DSS) security certification, including security management, security policies, processes, network architecture, software design requirements and data security protection requirements, to fully guarantee transaction data security.

In addition, Hundsun has established leading security technical means and a comprehensive information security management system to ensure that information assets and important data are safe. The Company has established multiple layers and sets of security detection and protection systems such as firewall, threat intrusion detection, threat detection and threat discovery to protect business information and core data from malicious attacks. The core data are protected by security protection mechanisms such as Virtual Desktop Infrastructure and Data Leakage Prevention. Sensitive data is regularly review through threat intelligence and Internet risk monitoring. And real-time hot backup, redundant storage, multi-site backup of master-slave data and emergency drills are applied to ensure the safety, reliability and continuous availability of business data.

In 2021, in response to the requirements of *the Personal Information Protection Law of China*, Hundsun carried out the special governance inspection of privacy protection, and organized the interpretation and training of special laws to effectively strengthen the legal compliance management of the Company. At the same time, in order to strengthen the implementation of security management and control, the Company regularly carried out security audits of the headquarters and subsidiaries, analyzed and improved existing problems, and further improved the overall information security level of the Group.

In terms of company rules and regulations, Hundsun has formulated *the Hundsun's Electronic Information Security Management System* for its employees, which clarifies information security policies, strategies and goals and controls the human resources safety, information assets safety, physical and environment security, communication safety, software development and maintenance safety and operation safety. Hundsun has formulated responsibilities and ability requirements related to information security and service management, and conducted information security skills training for personnel involved in information technology services and information security management every year. The Company formulated information security training plans and courses for all employees, and organized all employees to conduct online training and examinations, such as employee code of conduct and software asset security awareness training. At the same time, through the forms of safety tips, safety tweets, safety cartoons, etc., the information security publicity work was regularly carried out to further enhance employees' awareness of information security.



Data security protection

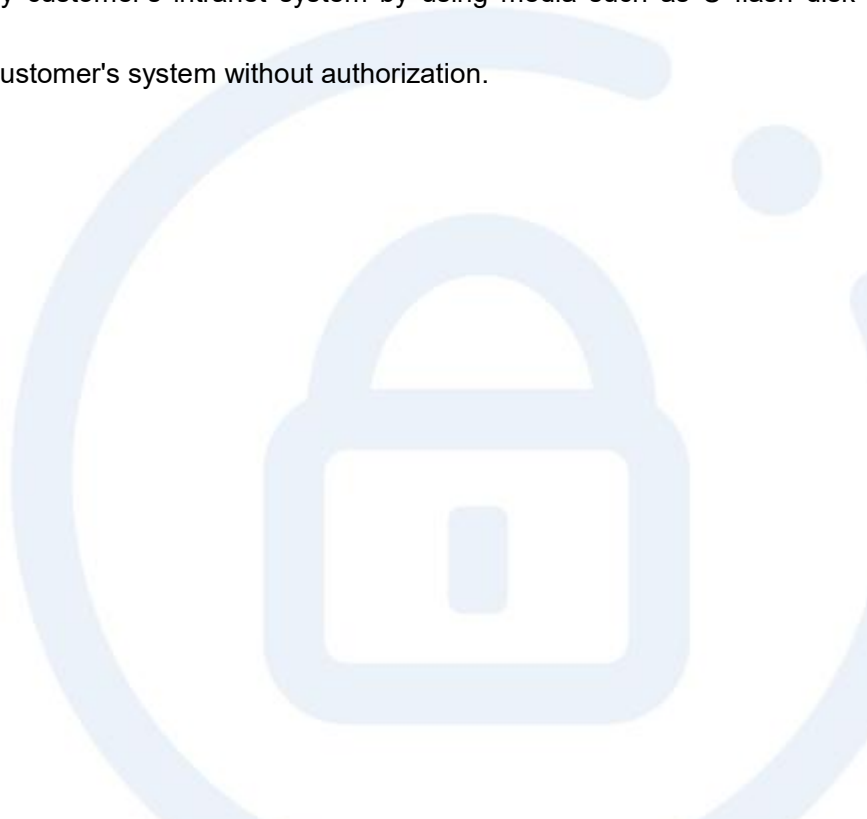
Hundsun has been committed to protecting customers' privacy and data security. In order to standardize employees' professional behavior, improve service safety and compliance awareness, and ensure customers' information security, Hundsun formulated *the Work Specifications on Customer Service Security and Compliance* in 2016, covering package release specification, on-site implementation specification, and remote operation specification. In 2021, Hundsun revised *the Work Specifications on Customer Service Security and Compliance*.

As a holding subsidiary of Hundsun, Gildata strictly complied with the relevant regulations on information security by the national competent authorities, departments of securities, press and publication, radio and television, post and telecommunications, public security, industry and commerce and other administrative departments. The data information processed by Gildata includes: information about the issuance, trading and related activities of securities issued by securities authorities, stock exchanges, listed companies or other legal institutions according to legal procedures; information such as analysis reports and comments on the prediction of the securities market trend and other aspects made by securities institutions, securities consulting service institutions and stock analysts, etc. that may affect the price of the securities market; macro-economic and industrial economic information released by national departments or professional institutions. Gildata advocates the purpose of rational investment, and the information released always adheres to the principle of not making, believing, or spreading rumors, and never spreads all kinds of rumors and false information.

In terms of ensuring data security, "Gildata Application Data" has established a disaster recovery operation system after analyzing various abnormal events, consisting of two sets of production and application database systems that are mutually backup (the data of the two systems are subject to real-time synchronization) and three sets of managed server groups in Shanghai and Beijing (used to synchronize users' application databases). Once any uncontrollable local abnormal disaster (such as earthquakes, plagues, etc.) occurs, the remaining system can still operate normally, so as to ensure the continuous updating of users' information.

Data security policy

- ▶ It is forbidden to modify customer environment data without authorization.
- ▶ It is forbidden to access customer data without authorization.
- ▶ It is forbidden to spread any information obtained from customers.
- ▶ It is forbidden to modify the source code of the release package without authorization.
- ▶ It is forbidden to conduct remote access to any customer's environment.
- ▶ It is forbidden to log in to any customer's intranet system by using media such as U flash disk without authorization.
- ▶ It is forbidden to change any customer's system without authorization.



Protection of Intellectual Property Rights

Hundsun strictly complied with the laws and regulations on intellectual property rights, and actively publicized and implemented the protection of intellectual property rights, including trade secrets. The Legal and Compliance Department coordinated and managed the Company's intellectual property protection, and actively took various legal measures to severely crack down on unfair competitions such as infringement of company trademarks, copyrights and trade secrets. While safeguarding its own intellectual property rights, Hundsun also strictly prevented, controlled, reduced the risk of infringement and prevented infringement of others' intellectual property rights by formulating and implementing the systems and procedures for the identification, investigation and use of infringement risks of third-party intellectual property products.

In order to strictly manage and effectively protect the independent intellectual property rights of the Company, encourage technological innovation and invention, Hundsun issued *the Intellectual Property Management System, the Regulation on the Management of Software Copyright, Third Party Test and Patent, the Guidelines for Intellectual Property Transfer and Licensing* and other related systems. The intellectual property management of Hundsun aims at "promoting the preservation and appreciation of the Company's intellectual property and ensuring security", and conducts classified management over copyrights, patent rights, trademark rights, trade secret rights, network domain name rights, enterprise names, etc. in the principle of "centralized and classified management and standardized use".

In 2018, Hundsun successfully passed the audit of intellectual property management system and obtained the Intellectual Property Management System Certificate. Since the certification, Hundsun has been subject to supervision and audits every year. Re-certification is carried out every three years. The latest certification is valid until July 2024, which indicates that Hundsun has been fully recognized in the field of intellectual property rights. Hundsun attaches great importance to trademark protection and patent protection. In 2021, Hundsun applied for 21 new invention patents, 94 software copyrights, and 25 trademarks.



Responsible Procurement

Hundsun conducted procurement in accordance with the principles of fairness, openness and impartiality, and concluded and performed contracts with suppliers based on the basic principles of honesty and trustworthiness. During the whole procurement, it always abides by relevant national laws and regulations.

According to the policy of "unified management and centralized procurement", Hundsun has formulated *the Procurement Management System*. The Procurement Demand Department initiate a purchase requisition in the Company's collaborative system according to the Company's business demands for different procurement types (contract project equipment procurement, self-use IT equipment procurement, self-use non-IT equipment procurement, service procurement, outsourcing procurement, gift/welfare procurement, etc.). Hundsun has refined the procurement into 12 processes, including procurement demand application, procurement demand review, procurement demand approval, procurement method determination, supplier selection, signing of procurement contract, execution of procurement contract, procurement contract modification, product acceptance, supplier evaluation, equipment returns and exchange, payment for procurement, and conducted management and control in the process.

Hundsun performed strict management of suppliers' warehouse-in to ensure that the products and services provided by suppliers are "responsible" and to avoid related liability risks. For procurement demands, it is necessary to investigate and verify the qualification of the supplier to be selected, and the supplier shall provide the Supplier Credit Investigation and Evaluation Form to ensure that the supplier possesses the relevant qualifications. The Procurement Management Department would evaluate the credit rating of suppliers every year. Suppliers need to sign the *Commitment Letter of Anti-Commercial Bribery* at the time of warehouse-in, and the Procurement Management Department needs to sign the *Commitment Letter of Integrity of Purchasing Personnel* every year to avoid interest exchange and transfer in the purchasing process.



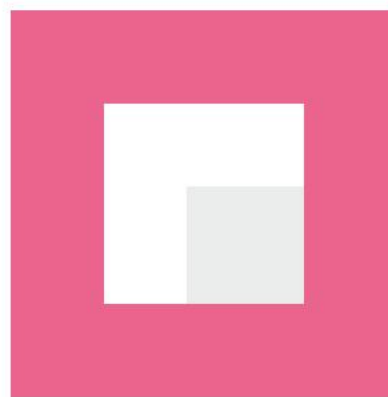


06

*TALENTS
AND
DEVELOPMENT*

Talents and development

As a technology-driven fintech company, Hundsun regards talents as its most valuable asset. We always adhere to the talent concept of "equal stress on integrity and ability", and are committed to providing a broad career platform for employees to realize their self-fulfillment and personal dreams. It is our commitment to every employee to constantly improve talent strategy, safeguard the basic rights and interests of employees, build a sound salary and welfare system, care for the physical and mental health of employees, and create a comfortable office and living environment. We hope to create an environment where the young struggles happily, inspire employees' enthusiasm for work and innovative spirit, so that employees can combine their self-fulfillment with corporate value, and develop and progress together with Hundsun.



Talent Introduction

In order to attract more outstanding talents to forge ahead together with the Company, Hundsun formulated a series of policies to attract talents, always adhered to the principle of equal employment and actively carries out industry-university-research cooperation and training with major universities, and provided a competitive salary and welfare system in the industry. It was committed to building a "young and innovative" talent team of Hundsun.

Equal employment

Hundsun strictly abide by *the Labor Contract Law of the People's Republic of China* and other relevant laws and regulations, pursue the employment policy of "open, fair and equal", and eliminate the discrimination on the grounds of race, color, religion, gender, nationality, ethnicity, age, disability, marital status in the recruitment, selection, promotion, punishment, staff development, benefits and termination of labor contract.

Hundsun has formulated a complete *Recruitment Management System and Qualifications Standards*, formulated clear screening standards and qualifications for each post, made corresponding requirements and explanations on the position, core responsibilities, professional skills, general abilities and experience of the post, and strictly controlled the recruitment of talents. At the same time, it stipulated the screening requirements of interviewers, and formulated different interview methods and interviewer selection criteria according to the post level to ensure the applicability and fairness of interviewers.

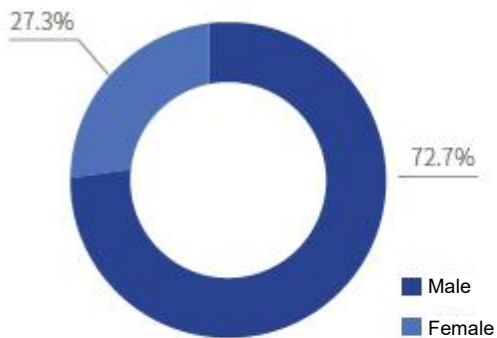
As at December 31, 2021, Hundsun had a total of 13,310 employees, of which female employees accounted for 27.3%. The team continues to be young and professional, with an average age of 29.7 years. 65.0% of the employee engage in technical work, and more than 90.8% of employees have the education background of bachelor degree or above.

In order to optimize the staff structure and accelerate the development of the workforce, we carry out the industry-university-research cooperation with Zhejiang University, Fudan University and many other universities, and recruit fresh graduates from major universities every year. In 2021, Hundsun recruited a total of 1045 fresh graduates and 298 interns.

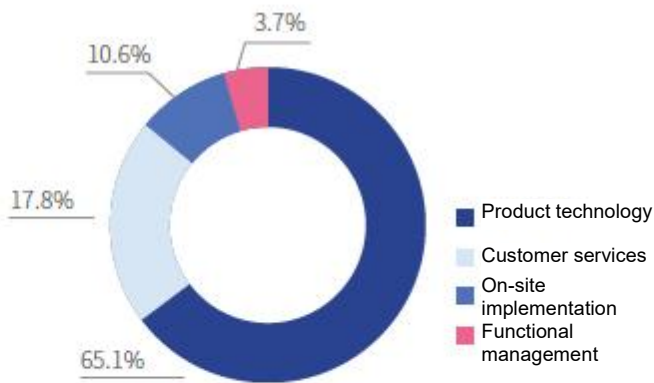
► Realize the informatization reform of human resource management

Hundsun launched the recruitment management system in 2013, which made the recruitment module get rid of the traditional paper document transmission mode, and ushered in systematization. The whole process, including recruitment demand proposal, vacancy release, resume screening, interview arrangement, recruitment process and job release, was operated online systematically, with smoother nodes and clearer processes, which ensured the implementation of the recruitment system, saved the management cost of the enterprise, improved the work efficiency, and significantly improved the recruitment satisfaction. In 2021, Hundsun launched a brand-new human resource management system, and opened the first phase of functions, including organizational structure, personnel, attendance, employee self-assistance and other related basic data and business processes.

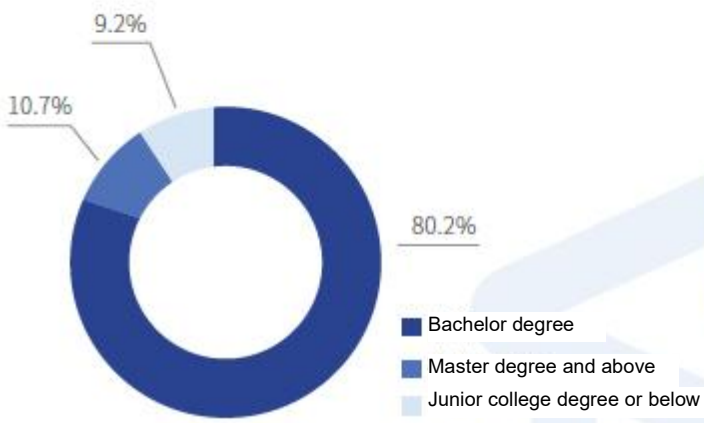
Sex distribution of Hundsun employees



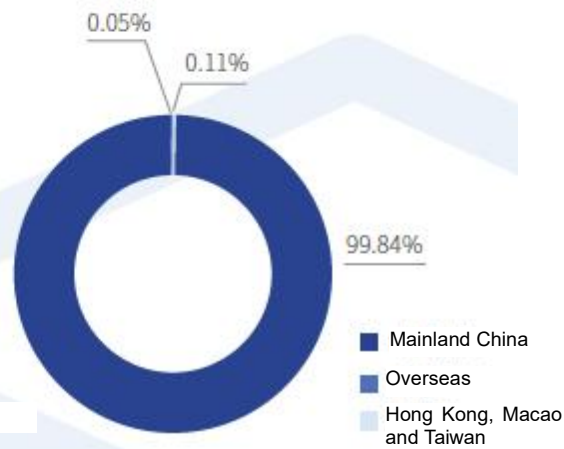
Post distribution of Hundsun employees



Degree distribution of Hundsun employees



Regional distribution of Hundsun employees



Salary and welfare system

Hundsun sincerely thanks all employees for their every contribution, and hopes to share the results of corporate development with them. We have established a sound salary and welfare system, and provide competitive salary in the industry according to employee posts. In addition to fixed wages, we also provide long-term incentive plans and rich welfare policies and items, such as holiday benefits, special gifts, health examination, commercial insurance, group building funds, love funds, entry anniversary celebrations and so on, to enhance employees' sense of belonging, achievement and happiness.



Salary

Fixed salary, performance bonus, special incentive, long-term incentive, and multiple subsidies



Employee Benefit

Five Social Insurance and One Housing Fund, Commercial Insurance, Holiday Benefits, Special Cash Gifts, Health Examination, Park Shuttle, Staff Restaurant.....

Reconstruction of a new generation post rank system

In 2021, in order to build a "first-class organization and first-class team", Hundsun started to restructure a new generation of post rank system and optimize the compensation structure system, so as to improve the division of labor based on specialization and professional level of the organization, and then improve the overall professional ability and organizational efficiency of the Company.

The reconstruction of the new-generation post rank system reorganized the Company's business objectives and organizational capacity requirements, and focused on the business value link, sorted out post responsibilities, and formed specific job descriptions. The new generation post rank system reconstructed the top-level design of the position sequence, added new business and operation sequences, and optimized each sequence. As a whole, a number of career development paths were designed, and expert paths were added. It advocated continuous professional improvement and opened up career development channels for employees. The reconstruction of the new generation post rank system of Hundsun has completed the switching of the new rank system for all employees in 2021, and has been steadily implemented in the rank adjustment work.

The post rank system and the qualification standards for each sequence form an important link between organizations and individuals. The reconstruction of the new generation post rank system provides a clearer direction for the continuous growth of employees.



Talent Motivation and Retention

Hundsun regards talents as the core resource for the future, and is committed to retaining key talents with sound management system and reasonable incentive measures, and constantly expanding the team of high-quality talents in the enterprise. Currently, Hundsun has established a relatively complete growth sharing plan.

Equity incentives for the parent company

In order to establish and improve the benefit sharing mechanism for its employees and shareholders, improve corporate governance, enhance the cohesion of its employees and the competitiveness of the Company, mobilize the enthusiasm and creativity of its employees, and promote the long-term, sustainable and healthy development of the Company, the Company has formulated the employee stock ownership plan for 2020 which was deliberated and approved by the 15th Meeting of the 7th Board of Directors and the 3rd General Meeting of Shareholders in 2020. Please refer to the Company's No.2020-062 announcement for details. Participants of the current employee stock ownership plan are the Company's directors (excluding independent directors), supervisors, senior managers, middle management of the Company and its holding subsidiaries, key employees, and other employees that should be motivated in the opinion of the Company's Board of Directors. The total number of employees participating in this employee stock ownership plan does not exceed 5,500, including 16 directors (excluding independent directors), supervisors and senior managers.

On June 28, 2021, among the 8,395,740 company shares held in the Company's special securities repurchase account, 7,979,300 shares were transferred to the Company's account for employee stock ownership plan in 2020 via non-trading method on June 25, 2021. The transfer price was RMB 45.32 per share. The non-trading transfer of shares for the Company's employee stock ownership plan in 2020 has been completed.

The Company held the First Meeting of the Holders of 2020 Employee Stock Ownership Plan, reviewing and approving *the Proposal on Establishing the Management Committee of the 2020 Employee Stock Ownership Plan of Hundsun Technologies Inc.* The meeting of holders agreed to set up a management committee, and authorized the management committee to be the management organization of the employee stock ownership plan, to supervise the daily management of the employee stock ownership plan, and exercise shareholders' rights on behalf of the holders. *The Proposal on Electing Members of the Management Committee of 2020 Employee Stock Ownership Plan of Hundsun Technologies Inc.* was deliberated and approved. *The Proposal on Authorizing the Management Committee of 2020 Employee Stock Ownership Plan of Hundsun Technologies Inc. and Its Delegated Related Persons to Handle Matters Related to the Employee Stock Ownership Plan* was deliberated and approved. In order to ensure the smooth implementation of the Company's 2020 employee stock ownership plan, it was agreed to authorize the management committee of employee stock ownership plan of the Company and its delegated persons to handle matters related to this employee stock ownership plan.

Based on the confidence in the Company's future development prospects and high recognition of the Company's value, in order to safeguard the interests of the investors, enhance investor confidence, establish a sound long-term incentive mechanism, fully arouse the initiative of middle and senior management and core backbone personnel, as well as support the long-term development of the Company, the Company announced on February 15, 2022 that it planned to buy back some public shares with its own funds of not less than RMB 100 million (inclusive) and not more than RMB 150 million (inclusive) by means of centralized bidding transaction for equity incentive or employee stock ownership plan, by taking into account the Company's financial status and future profitability, in accordance with relevant regulations.

Equity plan of innovation subsidiaries

In order to guide the Company to enter the financial innovation business field, stimulate the entrepreneurial spirit and combat effectiveness of front-line core employees, continue to introduce Internet and innovative talents, and enhance the Company's long-term core competitiveness, the Company has launched the equity incentive plan.

In accordance with the Company's *Articles of Association*, the *Administrative Measures for Subsidiaries of Hundsun Technologies Inc.*, as well as relevant laws and regulations such as *the Company Law*, *the Securities Law* and *the Partnership Enterprise Law of the People's Republic of China*, the Company hereby has formulated *the Measures of Hundsun Technologies Inc. for the Investment and Management of Employee Stock Ownership in "Innovation Subsidiaries" (2015 Edition)* and *the Operational Measures for Employee Stock Ownership Plan of Innovation Subsidiaries (2017 Edition)*. The employees participating in the subsidiary-level equity incentive plan include the Company's core management, core employees of business division, key front-line employees and core employees of its subsidiaries (including innovation subsidiaries), as well as ordinary employees of the Company and its subsidiaries; the stock ownership plan is mainly applicable to the employees who have significant values and roles on the development of the Company and its subsidiaries.

Keep plan

Hundsun attaches great importance to the retention of core talents. The "Keep Personnel Retention Plan" is a talent retention plan developed by Hundsun for the purpose of retaining core employees under the situation of increasingly fierce competition for talents. The plan helps Hundsun to increase the retention rate of core employees by identifying "key", "excellent", and "high potential" employees, and continuing to focus on and motivate them, so as to achieve the goal of building corporate talent competitiveness and promoting corporate sustainable development. In 2021, we finally achieved the retention rate of key employees of nearly 95% by personnel inventory, regular communication, continuous attention, resource incline, key point intervention, and other ways, helping Hundsun retain core talents.

HRBP system

To better empower the business department, the Hundsun HR team adopts the HR three-pillar model of Dave Ulrich to build the HRBP system, which serves as a bridge between the business department and the various modules of human resources. Hundsun HRBP system serves Hundsun's business, and empowers the business through the rebuilding of organizational capabilities, better creating value for the organization.

Retention of employees from mergers and acquisitions

For merger and acquisition companies newly joined in Hundsun, Hundsun would develop personalized and comprehensive solutions according to the business characteristics and organizational characteristics of the new companies, focusing on cultural integration, product integration, technology upgrading and other aspects.

In terms of cultural integration, in the initial stage of joining the Company, the management of the Company attended the welcome meeting of the new team in person, interpreted the essence of Hundsun culture, and adhered to the Company's culture in dealing with differences in organizational integration, and carried out cultural traction and shaping from top to bottom, and made the new team build a sense of identity and belonging. Meanwhile, in terms of products and technologies, relying on the scientific and mature management platform of Hundsun, Hundsun conducted comprehensive upgrade and empowerment. In addition to ensuring smooth transition, Hundsun helped the merger and acquisition company to further develop in a healthy and orderly manner.

Performance management




Hundsun formulated *the Performance Management System*, and organized the performance assessment as "KPI assessment". Performance grade is directly linked to bonus distribution coefficient, promotion and honor, so as to effectively motivate employees. In the performance management system, at the beginning of each year, the Company formulates annual and semi-annual KPIs at all levels according to its strategic objectives, and decomposes them down to each employee. In the semi-annual period, the performance plan can be adjusted according to the actual situation. The Company incorporated values into performance evaluation, and comprehensively evaluated personal performance grades (A/B/C) based on personal performance and values. After the completion of the performance evaluation of an employee, supervisor needs to have an interview with the employee. The employee can submit whether to accept the evaluation results through the performance system. If there is any objection to his or her own performance, the superior will provide timely feedback. At present, the performance management system of Hundsun has achieved comprehensive information management, and all online system operations such as performance plan filling, performance evaluation, performance result inquiry and result feedback.

Training and Growth

Hundsun pays attention to the growth of employees, and supports the diversified development of employees. We provide employees with a sound growth training system, and employees can choose corresponding courses to learn according to their actual needs. We support employees in freely choosing their career development paths based on their interests, and provide them with a dual-channel employee career development system, so that employees on the management and professional posts can find the path most suitable for their own development in Hundsun, maximize their potential, and continuously improve job satisfaction and sense of happiness through personal growth. Starting from level 5, employees can choose different development direction of the professional channel or management channel in light of their own abilities, interests and career plans.



Training system

Training level	Training group	Training project
 Training of young talents	New employee Campus recruitment of high-potential employees Grassroots team leaders	First-level training for new employees, intensified training for fresh graduates A Plan E2M
 Cadre leadership improvement	Department Manager BU Directors	Leadership Acceleration Program BU captain class and youth training class
 Professional quality improvement	All staff	"Cheese Class" Knowledge Sharing Column HSPMP Financial Literacy Improvement Reading Festival of Hundsun

Hundsun is committed to extracting excellent organizational practical experience for Hundsun, accumulating valuable knowledge wealth, empowering internal employees while exporting advanced concepts to the outside world, and promoting the development of fintech talents and the improvement of the overall ability of the industry. Hundsun has developed a series of courses with five major themes, including more than 300 sub-courses, more than 50% of which are professional and technical courses, covering financial business, leadership development, professional quality, cultural life and other fields at the same time.

In 2021, Hundsun continued to provide targeted training services for employees at different growth stages, optimized and upgraded classic programs, including first-level training for new employees, A plan for high-potential employees, E2M for grassroots team leaders, leadership acceleration for department managers, BU captain class for mid-level managers and youth training class, etc.

On the other hand, Hundsun kept bringing forth the new through the old. In order to improve the professional ability and financial literacy of all employees, Hundsun set up a certification center in 2021, opened the first HSPMP certification program, introduced a strong application policy, built a wealth of learning resources, and encouraged all employees to obtain various financial qualification certificates.

In 2021, Hundsun upgraded the online learning platform E-learning, explored learning data and training results of all employees, and opened the PC and mobile terminals at the same time, realizing a comprehensive grasp of employees' learning and training needs and all-process tracking and management of learning and training situation. In order to meet the challenge brought by the epidemic, a live broadcast center was built simultaneously. It was equipped with powerful authority control function and convenient editing and playback function. It flexibly supported the business departments to launch exclusive live broadcast training according to personalized demands and carry out later precipitation use, thus helping Hundsun enter the digital learning 2.0 era of "online learning anytime and anywhere".

In order to accumulate and summarize the experience of personnel training, improve the quality of personnel training and promote the systematization, normalization and standardization of training, in 2021, Hundsun started the reconstruction and upgrading of training system, and built a training system with three modules including system guarantee, platform support and product core, so as to provide employees with more scientific, efficient and practical learning experience through more standardized systems, stronger platforms and abundant products.

In 2021, the Company encouraged employees to obtain relevant financial qualification certificates. For those who pass the corresponding financial qualification certificate examinations (related to securities, fund, futures or banking practice), the examination fees will be reimbursed in full. The Company encourages employees to increase financial business knowledge and improve financial literacy through examinations, and help them build a basic financial knowledge structure.

In 2021, all training programs had a total of 2360 courses, covering more than 40,000 person-times, with a total of class hour of more than 20000 hours. The average offline satisfaction was over 4.7 points. As of the end of December 2021, a total of 359 employees served as "lecturers" to teach and share knowledge, creating a good knowledge learning atmosphere for the Company, ensuring and improving the training quality, and cultivating high-quality talents in the fintech industry.



Annual training data display of 2021

2360 courses of learning resources

359 lecturers

Employee Care

Hundsun provides employees with a harmonious and comfortable office environment, and creates a free and open working atmosphere. It promotes employees to form a healthy and happy working style, balance work and life, and develop in coordination with the Company through carrying out regular and diverse employee care activities.

Security and benefits

Hundsun pays attention to the actual needs of employees and actively protects the rights and welfare of employees. The Company provides security benefits for employees, including endowment insurance, medical insurance, unemployment insurance, work injury insurance and maternity insurance, as well as housing provident fund. At the same time, the Company configures commercial insurance benefits for regular employees (covering outpatient and serious illness compensation), and also sets up stepped commercial insurance benefits for employees' families according to the employees' service time in the Company. In addition, in order to meet the diversified and personalized choices of employees, Hundsun continues to deliver cost-effective holiday benefits to employees, including Spring Festival cash gifts, red packets for opening, and Mid-Autumn Festival benefits.

Establishment of subsidies and consolation money for employees in need: Hundsun Labor Union has effectively guaranteed employee benefit and established subsidies and consolation money for employees in need. Since its establishment in 2000, Hundsun has granted a total of RMB 640,000 of subsidies and consolation money, benefiting 402 people.

Hundsun Charity Fund: It was spontaneously established by Hundsun's employees and led by the Hundsun Labor Union in conjunction with the human resources department of Hundsun in 2014 under the supervision by all employees of Hundsun. It is specifically used to subsidize the regular employees who have medical or family difficulties caused by death, serious illness, accidental injury and other events. Since its initiation, the Hundsun Charity Fund has provided relief for 19 employees suffering from malignant tumor and other serious diseases, with a total of RMB 1.36 million of charity funds used.

Care for Female Employees: We pay attention to promoting women's employment, strictly implement the provisions on female employees' leave during pregnancy, childbirth and lactation, and ensure that female employees have equal salary and welfare as well as career development opportunities. We have elevators and fast track for meals for pregnant women, and set up love parking spaces for pregnant women in the parking lot and exclusive mother-and-baby rooms in the office building.



Total number of employees on maternity leave



2019

151



2020

114



2021

185

Safety and health

The Company pays attention to employees' physical and mental health, strives to provide a harmonious and comfortable office environment for employees, creates a free and open working atmosphere, provides professional physical and mental health care services, and it is committed to building a healthy workplace so that employees can work with peace of mind and confidence.

► Provide a healthy and safe working environment

In order to protect the health and safety of employees and create a good office environment, Hundsun have formulated a series of standardized processes in terms of ensuring drinking water safety, air quality, and catering safety. In 2021, Hundsun initiated its new building, Digital-intelligence Hundsun Center. Before entering the building, it invited a third party to carry out air quality testing and issue a certified air testing report. After the testing point met the air quality requirements of GB50325 (national standards), Hundsun entered the building, and equipped the office area with air purifiers and activated carbon to create a healthy air environment for employees.

In 2019, we also set up a leading working group for the work safety to build a top-down work safety standardization system. 100 floor emergency and safety administrators were recruited via the party committee and labor union organization, in order to prevent and reduce various safety hazards such as sudden illnesses of Hundsun's employees or sudden fire disasters in Hundsun homeland, and to protect the personal and property safety of employees.

The Company also pays great attention to employees' physical health and assists employees in health management. Every year, all employees are provided with physical examination, and medical examination report interpretation service is arranged to let employees be familiar with their own health status; At the same time, Hundsun provides expert health consultation, free expert clinic, etc. In addition, the opening of "Hundsun" Green Link provides professional medical consultation and related medical services for employees, provides health protection and support for employees, and enables employees to meet the workplace with better physical conditions.

► Provision of professional physical and mental health care services

In 2021, the Company kept upgrading the "Perseverance" EAP project, providing employees with professional physical and mental health care services. Based on the needs of the enterprise and employees, EAP project helped employees improve their physical and mental health by regularly publishing physical and mental health knowledge, carrying out carnival activities of psychological care, and organizing physical and mental care training salons with different themes (such as happiness psychology, parent-child education, OH card courses, etc.). In addition, through the internal hotline and external 7*24 hours consultation and appointment hotline, Hundsun answered employees' confusion in stress management, parent-child relationship, marriage and family, interpersonal relationship, career development, work-life balance, etc. The internal EAP ambassador team established by the Company would also regularly promote publicity projects, and give timely attention and support to employees at specific stages. At the same time, the project team regularly provides empowerment training for managers and HR groups every year to improve HR and grassroots managers' ability to identify common psychological problems of employees and related handling methods and skills, so as to support enterprise management and the construction of a "high-quality workplace".

From the aspects of popular science propaganda, thematic training, psychological counseling, and activity organization, EAP project helps employees to shape a positive attitude, establish good interpersonal relationships, and achieve personal growth. Meanwhile, EAP project assists the enterprise in optimizing human resources management, improving organizational efficiency, and creating a healthy and harmonious workplace ecological environment.

Employee activities

Hundsun is committed to creating a happy workplace. Starting from the needs of employees, it organized and carried out classic activities such as parent-child activities, Micro-Charity, "Hundsun Good Voice", youth fellowship, Halloween, summer condolences, and Christmas fellowship. Affected by the epidemic in 2020, some activities were mainly carried out online, and the "Hundsun Employee Health Season" activity was added to give care to employees in all aspects, enhance their sense of belonging, and create a happy and positive working atmosphere.

Inherit classic brand activities and push employee activities to all employees every month. The parent-child activity "Childhood is Different & YOUNG", classic birthday celebration activity, summer condolences, Hundsun Good Voice - "Music for Love", Halloween activity and other activities were held this year. Create a workplace atmosphere that employees like with all kinds of classic activities, and jointly feel the company atmosphere in the activities to create a harmonious and friendly company environment.



Parent-child Activities

Hundsun has held parent-child activities every year since 2004. It hopes to increase the connection between employees and their families through parent-child interaction. In the past two years, affected by the epidemic, parent-child activities were mainly carried out online, and promoted through multiple online channels such as video / TV / community. In 2021, Hundsun presented Children's Day gifts to more than 3,120 employees, which promoted parent-child interaction, strengthened the care for employees' families, and tightened the relationship between employees and the Company.





Birthday Activities

Since 2012, in order to motivate and care for the old employees, Hundsun held work anniversary celebrations for old employees. In 2021, Hundsun sent blessings to its employees for their 10th anniversary (10 years of youth), 15th anniversary (Time without regret), 20th anniversary (20 years of fragrance) and 25th anniversary (golden years) in various forms such as special birthday party, departmental birthday party and birthday luncheon. The senior management of the Company attached great importance to these activities, and colleagues and partners actively participated in these activities, thus greatly enhancing the cohesion of employees.



Fellowship Activity

Youth Christmas fellowship activities have been a tradition in Hundsun for about 15 years, and they are widely welcomed by employees. In 2021, in order to meet the needs of more single youth in the Company for making friends, the Company launched the "Heart-to-heart Encounter in Hundsun" project to provide employees with dating services in multiple forms and dimensions. In 2021, Hundsun held a number of youth fellowship activities, including Heart-to-heart Encounter in Hundsun - Cloud Fellowship, Stand by me & make friends with movies, Make friends with music for love, Sweet Qixi Festival, Elope to the moon game fellowship, Halloween dance and Christmas fellowship.



Circles

In order to enrich employees' spare time life and create a happy and healthy corporate culture atmosphere, Hundsun has gathered Hundsun partners with the same interests to set up their own distinctive circles. The Company has movie circle, running circle, board game circle, music circle, photography circle, animation circle, U-point creative circle, parent-child circle and pet circle, etc. By organizing regular activities, each circle has become an information exchange platform for Hundsun's friends, a haven for relaxation and a link for communication and friendship. In 2021, the Company organized the Rose Run & Online Marathon in the running circle, Friday Cinema & Film Critic Sharing in the film circle, Four Seasons Theme Photo Contest in the photography circle, Dried Flower DIY & Graffiti Contest in the U Circle, Honor of Kings & Werewolves of Miller's Hollow in the board game circle, online cloud chorus & good voice in the music circle, June 1 & Halloween activities in the parent-child circle, home party in the animation circle, pet competition in the pet circle, etc. All of them were very popular among employees.



Corporate Culture Official Account HSTV

Operate the official account HSTV, as Hundsun's own TV station, to provide timely and high-quality reports on news and convey corporate culture. Carry out topics and interactions related to employees' work and life, pay attention to employees' real feelings and ideas, create a warm and positive atmosphere, and enhance their sense of happiness. Reach out to employees through various forms such as videos, pictures and texts, and online and offline activities, making the cultural communication and employee care of Hundsun more interesting and appealing.



Annual Challenge Series

The challenge series is Hundsun's incentives for the Company's grass-roots teams. We set up an annual challenge theme every year to encourage employees to challenge the goal of exceeding KPI. From challenging Tesla in 2014 and challenging Hawaii in 2015 to challenging Himalaya in 2021, the challenge series has gone through 8 years. To challenge Himalaya in 2021, we assembled 553 teams with more than 6,000 participants.



Company Annual Meeting

At the beginning of each year, employees of Hundsun gather together. Most of the programs are choreographed and performed by employees. The Company's annual meeting also conveys the corporate strategy and business layout to employees, commends outstanding teams, encourages employees to keep up high morale, and motivate employees to make persistent efforts in the New Year.





Communication Channel

Hundsun



Community

Hundsun has transparent and efficient communication channels, listens to employees' suggestions on all aspects of the Company, and gives timely feedback to improve employee satisfaction in all aspects.

Hundsun has built an internal community - Hundsun E Community, which pays attention to the voice of employees and creates an open, equal and transparent communication atmosphere within the Company. The forum covers all aspects of employees' work and life, with clear positioning and bright spots, increases internal sharing channels and platforms, provides a platform for company information retention and sharing, thus linking employees all over the country.

Hundsun has been conducting functional satisfaction surveys since 2007, inviting all employees to rate and make suggestions for each functional department. In 2021, over 3,000 employees participated, and 3,109 comments and suggestions were received. The comments and suggestions fed back by employees were analyzed by relevant functional departments, and improvement measures were formulated and absorbed into the annual work plan, which promoted the optimization of the overall functional work of the Company.



Engineering Culture

Technology is the core competitiveness of Hundsun. Since its establishment, Hundsun has been committed to building a company with engineering culture. Hundsun believes that "engineers define the future". We encourage employees to innovate and change the world with codes.



Technological culture

In 2021, in order to practice the principle of "quality first" in depth, the Company launched the LIGHT technology competition, carefully designed the programming competition questions around the product quality model, and made employees pay more attention to code quality and improve product quality through team competition. At the same time, the Company selected the Quality Star and the Quality Red List, so that excellent role models can infect every employee around them.



Technical evangelism

The Company released a series of special trainings of "evangelism plan", focusing on the improvement of technical ability, and launched excellent courses including architecture design, technical development, testing, cutting-edge technical insight and technical platform analysis, which formed a professional technical training output platform of the Company. In 2021, the evangelism program launched a series of courses on "quality improvement" around the theme of "quality first" in the Company. Meanwhile, a series of courses of "LIGHT Master Talk" was launched. LIGHT Master Talk focused on frontier technology exploration and insight, and brought high-quality sharing of technical experts in various fields from the Company. The evangelism plan opened 85 courses in 2021, covering 5 online learning groups, with the total number of students of nearly 5,000, the cumulative learning person-time of more than 100,000, and the cumulative learning time of over 7761 hours.



Developer community

In order to support the growth of developers, Hundsun has established an open community of financial technology - LIGHT Cloud Community. Hundsun was committed to building it into a comprehensive technology community in the financial industry. The LIGHT Cloud Community provides financial developers with services including professional original articles, free courses, exchange forums, events, etc., connects technical products, technology platforms and technical experts in the financial industry, and conducts technology opening, knowledge sharing, experience exchange and new technology research through the community.

The LIGHT Cloud Community has been online for more than one year, and has served over 30,000 financial developers to communicate and learn in the community. It has also launched light source program and lecturer recruitment activities to support developers to grow in the community and create personal influence.

In the future, we would continue to provide online multi-skill certification and professional certification through online interaction of technical masters, offline summits, programming competitions, etc., to online development of the financial knowledge of Hundsun for more than 20 years, in order to provide developers with professional and authoritative knowledge, series and free financial course training and help developers quickly join the industry.

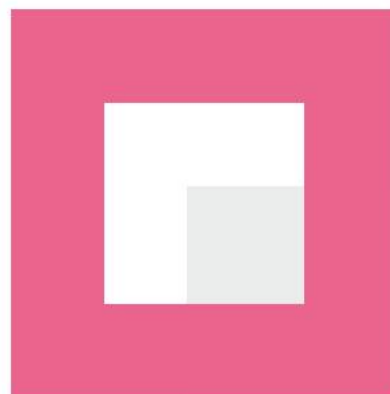


07

***COMMUNITY
AND
CHARITY***

Community and charity

As a corporate citizen, Hundsun hopes to assume social responsibility better in the community. Zhejiang Hundsun Public Welfare Foundation was formally established in 2016; Hundsun Investor Education Base was put into operation in 2017.....Since its establishment for more than 20 years, Hundsun has been based on sustainable development, and has made continuous contributions in areas such as targeted poverty alleviation, caring for autistic children, finance business education for teenagers and green and environmental protection. At the same time, Hundsun actively expanded cooperation in Industry-University-Research, and united universities to carry out various school-enterprise cooperation modes to realize the joint sustainable development of enterprises and society.



As a fintech company, Hundsun devotes its expertise to inclusive finance and investor education. In 2017, it built and operated the Hundsun Investor Education Base, opened investment education classes to the public for free, and implemented investment education activities.

Investor Education

In recent years, investor education and protection issues have become a hot topic, and government departments are actively promoting the investor education to be included into the national education system. Relying on its technological advantages and accumulation in the financial field, Hundsun not only uses technology to facilitate the development of online investment education activities, but also establishes an investor education base to provide "Future Financier" FQ education courses, and open up new ideas for promoting investor education through online and offline empowerment.

Hundsun Investor Education Base is a free and open investor education public welfare venue for the public and was approved in May 2017 to become the first batch of provincial investor education bases in Zhejiang. The Base is characterized by technology and interactive experience. It has more than 100 investment and education products, has held hundreds of investment and education activities since its establishment, and has received tens of thousands of investors. At the same time, the Base also originally developed excellent investment and education products such as the "Future Financier" youth FQ investor education class, intelligent investment, education robots, one-stop simulation investment software and investment and education cartoons.

In 2021, the Hundsun Investor Education Base held 26 investor education activities, covering 5284 participants, including lectures on financial risk prevention, live public welfare lectures "Guarding Wealth from Investment Trap", "Shareholders Are Coming" and 2021 answering questions and going through event, etc. for middle-aged and elderly people in the community. In addition, the Hundsun Investor Education Base carried out a total of 80 reception activities in 2021, with a total of 622 participants.

History of Hundsun Investor Education Base

December 2016

The Hundsun Investor Education Base was officially established and put into operation

May 2017

Hundsun Investor Education Base was approved as the first batch of provincial investor education bases in Zhejiang

August 2018

Hundsun Investor Education Base was rated as excellent in the first assessment

August 2019

Was rated as excellent in the provincial investor education base assessment for the second successive year

cases

▶ **"Future Financier" FQ Education Classroom**

The "Future Financier" FQ Education Classroom jointly initiated by the Zhejiang Hundsun Public Welfare Foundation, the Hundsun Investor Education Base and FinTech New Youth began to deliver the public welfare courses to the key primary and secondary schools in Hangzhou from 2017. The courses are developed around four aspects: understanding money, learning to save, understanding investment and understanding risks for the purpose of helping teenagers establish correct outlook on wealth, popularizing basic financial knowledge and basic financial management skills, and raising awareness of risk prevention.



In 2021, the "Future Financier" FQ Education Classroom covered 9 schools from Hangzhou and Guizhou, namely, Hangzhou Changhe Primary School, Binjiang Primary School, Gaoxin Experimental School, Danfeng Primary School, Wentao Middle School, the Attached Primary School of Teaching and Research Office of Zhejiang Provincial Department of Education, Guizhou Guanling County Puli Ethnic Primary School, Liangmao Primary School and Jiangxiping Primary School; covering 7 grades, namely, the first to the sixth grade of primary school and the first grade of junior high school; a total of 22 courses were delivered, covering 3709 teenagers.

In addition, in December 2021, the "Future Financier" FQ Education Classroom entered Guanling, a county in Guizhou, and through in-depth cooperation with Dishui Commonweal, it helped local primary school students learn basic financial knowledge, enlightened local FQ education, and actively promoted educational public welfare undertakings. The lecturer brought a wealth of stationery and gifts to the students of local primary schools, and taught them the basic financial knowledge of "How to manage pocket money" in the series of financial and business education courses.

▶ **"Evergreen Project" - Financial risk prevention education for middle-aged and elderly people**

According to the statistics of the United Nations, China's aging degree will be the highest in the world in 2030, and almost one out of every three people is an old person. China is entering an aging society. With the increasing number of letters and complaints and sudden risks arising from financial services for the elderly, the relationship between improvement in financial services for middle-aged and elderly consumers and effective prevention of risks cannot be ignored.

In order to remind middle-aged and elderly people to "safeguard their money bags", the Hundsun Investor Education Base cooperated with the Zhejiang Hundsun Foundation to invite professional lecturers to explain financial risk prevention knowledge to the middle-aged and elderly in the community in a clear and intelligible way, and focus on analysis of influential cases in real life, so as to help the elderly identify financial risks and defend against financial fraud. At present, the Hundsun Investor Education Base has completed training seminars for more than 700 people from 9 communities.



Hundsun Volunteer Services

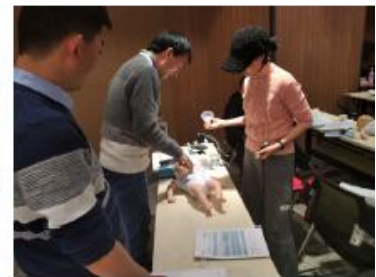
On December 1, 2015, the "Sunshine Hundsun Volunteers Association", a non-profit organization spontaneously formed by employees of Hundsun, was established. Adhering to the concept of "Sunshine in Hundsun, warming the world", they are daily active in various public welfare fields such as voluntary blood donation, first aid training, charity sales, low-carbon environmental protection and so on.

Since its establishment in 2015, the Hundsun Volunteers Association has organized and participated in 125 charity events, with a total of more than 3908 volunteer service participants and more than 15806 hours. Affected by the epidemic, in 2021, the Hundsun Volunteers Association has supported a total of 18 events, helping 167 persons through volunteer service during 1023 hours. Currently, the Hundsun Volunteers Association has 136 full members and 252 associates.

In 2016, China hosted the G20 Summit for the first time. Hundsun volunteers participated in a three-month volunteer service for traffic guidance on community street traffic lights. During the period of the G20 Summit, 198 volunteers worked with high intensity every day and won the honorary title of "Servicing and Guaranteeing G20 Hangzhou Summit Advanced Collective".

In 2018, Sunshine Hundsun First-aid Team was established. As of the end of 2021, Hundsun has held 10 first-aid trainings, more than 400 employees have obtained the ambulanceman certificates issued by the Red Cross, and 34 members have obtained the AHA (American Heart Association) ambulanceman certificates.

In 2019, we established a team consisting of 100 floor safety administrators to provide first-aid services to protect the personal safety of the building and the nearby residents. In 2021, floor safety administrators continued to stick to their posts to prevent and reduce various potential safety hazards such as sudden illnesses of Hundsun's employees or sudden fires in Hundsun Homes, and protect everyone's personal and property safety.



Party Committee and Labor Union

Consolidate grass-roots Party building

Hundsun took the lead in establishing the party organization and labor union organization as early as 2000. At present, party members account for nearly 20% of the total employees, and the proportion of party members in the management reaches 48%. Hundsun party committee was organized. Currently, there is 1 party committee, 13 general party branches, and 45 party groups, with the management accounting for more than 35%. Employees actively participated in the life of the party organization and have carried out a total of 82 party member activities.

By combining corporate culture and party building, Hundsun party committee has created the characteristic brand of "red index" and promoted the Company to achieve strong Party building and development with the multi-dimensional indicators of "five major indexes". We highlight the promotion by assistance with the corporate "development index"; strengthen position construction with the organization "vitality index"; perfect the point management by "vanguard index" of party members; lead the cultivation and incubation with the talent "growth index"; and achieve cultural guidance with the employee "happiness index".

The Hundsun party committee has been established for 20 years, and has successively won the honorary titles such as Hangzhou Two-New Party Building Demonstration Unit, Hangzhou Demonstration Unit of Double Brands of "Strong Party Building and Strong Development", Hangzhou Advanced Enterprise of Harmonious Labor Relations, Advanced Grassroots Party Organization in Binjiang District, National May 1st Labor Medal, Zhejiang Outstanding Communist Party Member, Zhejiang Women Civilization Post, Hangzhou Model Women's Home and Medal of dedication of Red Cross Society of China.

Since the outbreak of the epidemic in 2020, the secretary of the Hundsun party committee took the lead in organizing a donation of RMB 2 million to the District Red Cross to fight against the COVID-19, and mobilized party members and all employees to donate more than RMB 760,000 later. At the most difficult time of the national epidemic, the senior executives of Hundsun were mobilized to purchase epidemic prevention supplies through various channels, and donated medical and epidemic prevention and control supplies (masks, protective clothing, etc.) worth more than RMB 270,000 through Zhejiang Hundsun Foundation to Zhejiang Provincial Hospital of Chinese Medicine, the Children's Hospital, Zhejiang University School of Medicine, Wuhan Tianyou Hospital Affiliated to Wuhan University of Science & Technology, the First Affiliated Hospital of Zhejiang University School of Medicine, the First Affiliated Hospital of Zhejiang Chinese Medical University, and other hospitals, assisting hospitals, community frontline medical workers, and community epidemic prevention and control workers in improving the critical shortage of protective materials.

On April 16, 2021, Hundsun held the first women's congress and elected the first executive committee of the Women's Federation of the Company. In order to further strengthen the construction of women's organizations, according to the requirements of reforms of mass organizations, Hundsun established the Women's Association of Hundsun Technologies Inc.

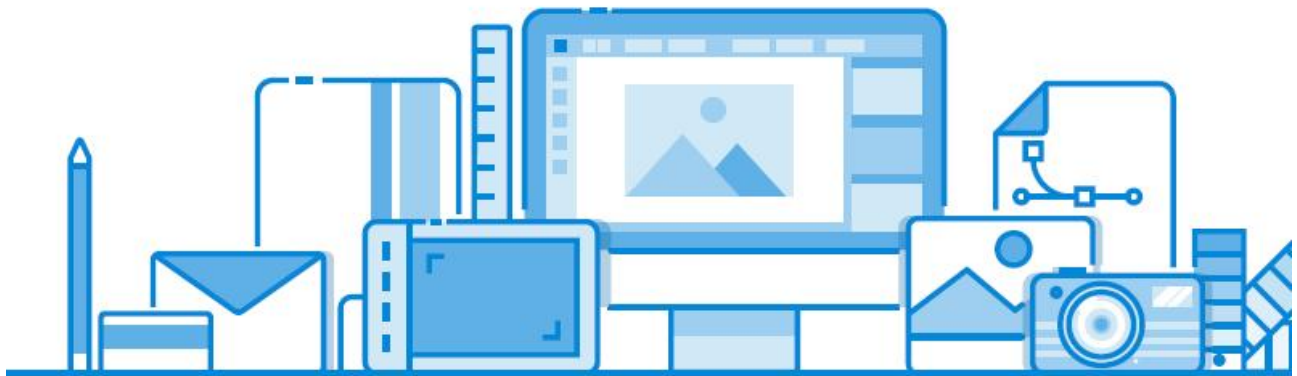


Employee activities of the Labor Union

As a young and dynamic fintech company, Hundsun helps employees balance work and life by regularly organizing various employee activities.

At present, Hundsun has 11 employee clubs, covering basketball, football, badminton, table tennis, tennis, billiards, cycling, calligraphy and paintings, parent-child, fishing and yoga; it has accumulated 1,100 club members, so that employees can also find their favorite activities and like-minded friends in Hundsun. Each club holds or participates in 1-2 large-scale activities every year to interact with various enterprises on behalf of the Company. The football players of Hundsun struggled courageously on the pitch, and were united as one and positive, showing the good spirit of the Hundsun people, and interpreting the team spirit and Hundsun strength. It won the runner-up of the 2021 Internet Town Cup.

In addition, Hundsun also has a service association (Hundsun Sunshine Volunteers Association). There are couples of activities, such as fixed party member activity day, first aid skills training, photography exhibition, employee painting exhibition of trade union, weekend cinema, Latin dance troupe, baking class, tea art classroom, flower arrangement class, jazz dance troupe, parent-child interactive class, light color class, and primary nursery teacher training, thus satisfying the full range of interests and hobbies of employees, and stimulating their vitality and creativity. In 2021, a total of 18 employee interest courses were opened, covering 810 employees, focusing on improving employee skills, cultivating personal interests and hobbies, and enriching spare time life of employees.



Industry-university-research Cooperation

In order to deeply cultivate high-level applied engineering and technical talents needed by the development of digital economy and society, Hundsun united universities to actively develop various university-industry cooperation modes, including setting up postdoctoral workstations, customizing exclusive training programs, and building vocational education platforms.

Financial Technology Innovation Training Camp

The "Financial Technology Innovation Training Camp" plans to select outstanding students from colleges and universities, customize the exclusive training programs according to the design concept of compound talent training integrating industry with university, stimulate students' interest in the financial technology industry, enhance students' awareness of the financial technology industry, improve students' innovative practice ability, and finally cultivate the new era financial technology talents with deep integration of technology and business.

In 2021, the university-industry cooperation of Hundsun was approved as "the first batch of supply-demand matching employment and education projects of the Ministry of Education". Applications from 43 universities and 52 project applications were received. At the same time, Hundsun strengthened the construction of the "Youth Talent Development Center", and cooperated with 985 and 211 universities such as Xidian University to hold a financial technology innovation training camp, and it was successfully selected into the "2021 Provincial Key Support List of Modern Industrial Colleges in Zhejiang Province".



"FinTech New Youth" Vocational Education Platform

In 2021, Hundsun initially built the "FinTech New Youth" vocational education platform, focusing on talent training in the field of financial technology, aiming to help college students learn professional knowledge in the field of financial technology, improve IT skills and financial literacy, and expand their career development path.

The FinTech New Youth launched a series of popular science works named "This is Financial Technology", and conducted in-depth interviews and live sharing with experts in various technical fields within the Company, so as to export professional knowledge and experience for college students and empower their future career life.

In addition, Hundsun also jointly carried out talent training with customers. The newly recruited personnel of customers were entrusted to be trained by Hundsun. Through the entrusted training and subsequent learning of open knowledge, they can serve customers better.

Establish a post-doctoral workstation

Hundsun officially established a post-doctoral workstation in 2017, and jointly recruited and cultivated postdoctors with the post-doctoral mobile station of Zhejiang University, delivering talents and innovation forces to the State. In addition to carrying out a number of research projects in the fields of artificial intelligence, big data, blockchain, high-performance computing and other cutting-edge technologies, the station were also equipped with a strong lineup of leading experts in the financial industry. In December 2021, the post doctor assessment and defense at Hundsun Postdoctoral Workstation was held, and Lou Dongfang from Hundsun Research Institute successfully passed the assessment and became the first post doctor departed from the station.



Hundsun Foundation is committed to deeply integrating technical expertise with public welfare, actively exploring new sustainable public welfare models, participating in public welfare practices, and influencing more people to participate in public welfare undertakings.



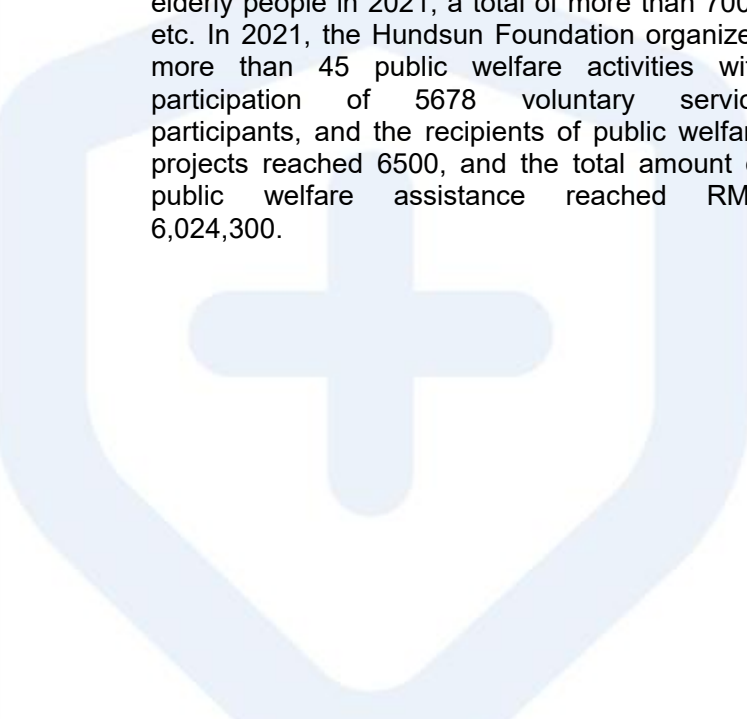
Public Welfare Foundation



Hundsun Foundation was established on December 26, 2016 under the administration of the Zhejiang Civil Affairs Bureau and is a non-public charitable organization. Hundsun Foundation is committed to deeply integrating technical expertise with public welfare undertakings, through active public welfare practices, to influence more people to participate in public welfare undertakings to promote sustainable development. In 2019, Hundsun Foundation passed the provincial social organization evaluation by the Zhejiang Civil Affairs Bureau and was rated as an AAAA-level social organization.



In recent years, the public welfare projects that the Hundsun Foundation has focused on include continuous targeted poverty alleviation, "Future Financier" FQ education public welfare classes (benefited 3709 teenagers in 2021, a total of more than 10000), and caring for autistic children rehabilitation projects (benefited 40 families with autism difficulties in 2021, a total of 160 families), financial risk prevention for middle-aged and elderly people (benefited 254 middle-aged and elderly people in 2021, a total of more than 700), etc. In 2021, the Hundsun Foundation organized more than 45 public welfare activities with participation of 5678 voluntary service participants, and the recipients of public welfare projects reached 6500, and the total amount of public welfare assistance reached RMB 6,024,300.



cases

► Caring for autistic children

Hundsun Public Welfare Foundation has been paying attention to the education and life of disadvantaged groups for many years. It launched the "Stars Lighting Project", cooperated with social rehabilitation institutions to give attention to the children with autism, hoped that the children of the stars would be seen and accepted by the world, and helped them realize their shimmering dreams. Since 2012, Hundsun Public Welfare Foundation has begun to pay attention to autistic children, and care for this vulnerable group every year through charity bazaar, companionship, establishment of rehabilitation classrooms and run for charity. In 2021, Hundsun Public Welfare Foundation launched "U Public Welfare" on the U+app, inviting customers and employees to participate in the interaction. A total of over 4,500 people participated in lighting up the stars, which opened a new charity model for caring for autistic children. In 2021, Hundsun Public Welfare Foundation held a micro-charity event named "Micro-Love Action—Children Who Guard the Stars". Through online auction of children's paintings and 2 offline charity bazaars, the event increased the attention of employees and caring people from all walks of life to children with autism. attention, spread the concept of public welfare, and created an atmosphere of love and dedication in the Company.



► Continuous targeted poverty alleviation

Hundsun Foundation actively responds to the call of the CPC Central Committee, earnestly implements the relevant requirements of "targeted poverty alleviation and targeted poverty elevation", leverages its comprehensive advantages in capital, technology, industry and talents, aggregates resources, strengthens the team, innovates methods, and actively invests in the process of poverty alleviation. In 2021, Hundsun Public Welfare Foundation donated to the Agricultural Industry Infrastructure Construction" in Maotou Village, Batang Township, southeast of Guizhou Province and the construction of canal, with a cumulative aid fund of RMB 300,000, and continued to help 15 impoverished college students in Jianshi County, Enshi, Hubei Province to go to school and find jobs.

► Public Welfare Mountain Cleanup Action

The public welfare mountain cleanup action, "Clean Mountain Forest", was initiated by Cheng * zhu, an employee of Hundsun. This public welfare activity aimed to awaken people's awareness of environmental protection, guide more people to enter nature responsibly, enjoy nature, and cultivate responsible civic awareness. In 2021, 15 public welfare mountain cleanup activities were carried out, with 477 participants, walking distance of 202 kilometers, and outdoor garbage collected of 604 kilograms. Hundsun sponsored garbage bags and other related cleanup materials for the public welfare mountain cleanup activity to ensure the smooth development of the activity. Hundsun hoped to call on more people to protect and cherish nature by supporting the public welfare mountain cleanup action.



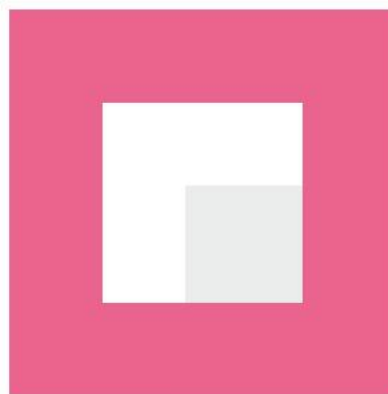


08

*GREEN
OPERATION*

Green operation

Hundsun pays more attention to the harmonious progress of economic development and ecological balance while seeking its own business development. By embracing clean technologies such as cloud computing and blockchain, we help customers reduce energy consumption and save resources, actively apply electronic contracts and other measures, and practice the environmental protection policy. In terms of energy conservation and emission reduction, we actively promote green office, practice low-carbon and environmentally-friendly life, and advance resource recycling and sustainable development.



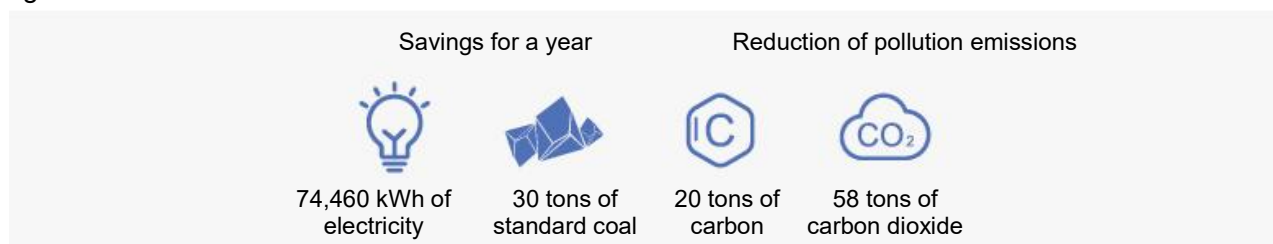
Clean Technology

Embracing cloud computing

Today, when enterprises are undergoing digital transformation, the full embracing of cloud computing is becoming the choice of more and more enterprises. Cloud computing can not only help customers save IT infrastructure investment costs and shorten the project launch cycle, but also has impressive performance in terms of energy conservation and environmental protection. In the initial stage of the construction of traditional IT systems, enterprises usually choose to build their own Internet Data Center (IDC). Since IDC is designed with peak value, the system does not operate at full capacity most of the time and the resource utilization rate is low, resulting in a lot of waste of computing power and energy consumption, while the elastic expansion of cloud computing solves properly the problems in this regard (need-based operation).

Take the counter industry cloud disaster recovery system built by Kaiyuan Securities with the assistance of Hundsun as an example. If the energy consumption of the IDC machine room built by customer is about 18kw/h, while the energy consumption of the machine with the use of cloud technology is only about 9.5kw/h, which is about half of self-built IDC. A total of 74,460 kilowatt-hours of electricity can be saved in a year, which is equivalent to the saving of 30 tons of standard coal each year, while reducing the pollution emissions by 20 tons of carbon and 58 tons of carbon dioxide. At present, in addition to Kaiyuan Securities, Hundsun's securities counter industry cloud disaster recovery system has also been launched in financial institutions such as Shanxi Securities and Zheshang Securities.

Note: According to expert statistics, for every kilowatt-hour (kWh) of electricity saved, 0.4 kg of standard coal will be saved correspondingly, and pollution emissions are reduced by 0.272 kg of carbon and 0.785 kg of carbon dioxide.



As an innovative financial technology company under Hundsun, Cloudyee Network integrates the wealth management cloud platform, focuses on providing SaaS cloud services in the field of wealth management for small and medium-sized and newly-raised institutional investors. Through the cooperation with SSCC, Shanghai Stock Exchange, Alibaba Cloud and other industry cloud platforms, large energy-consuming equipment used daily by financial institutions, such as servers, storage hardware, power management, private wire network, etc., were hosted on industry cloud platforms, thus saving power and management resources, reducing huge carbon emissions, saving more expenses for financial enterprises, and solving the problems of high self-construction cost in the initial stage of small and medium-sized enterprises and newly-raised enterprises, difficulty in developing new businesses, etc.

As of the end of December 2021, more than 200 financial institutions have used the solutions and innovative products provided by Cloudyee Network to simplify the configuration of the system and move towards "low-carbon" development. For example, several famous fund companies took the lead in adopting cloud solutions provided by Cloudyee Network for the public fund industry, including investment, valuation, TA, fund clearing, direct sales, e-commerce, call center, data center, active service, website, anti-money laundering systems etc. As the entire IT equipment supporting the operation of the system adopts SSCC's industry cloud resources, and the dedicated operation and maintenance team of Cloudyee Network provides the escort of 7x24 hours, it not only saves millions of RMB in operating expenses, but also increases the scale of assets from several hundred million to more than 450 billion.

In addition to SaaS services such as asset management cloud services, valuation cloud services, and wealth cloud services, Cloudyee Network also provided rich inter-agency connection services, for example, providing docking services for investment transaction management systems such as funds, insurance, banks, etc. to access the sales systems of three-party commission agencies. It is committed to driving the innovation and development of financial institutions and realizing digital and low-carbon transformation.

Electronic contracts energize energy conservation and emission reduction

In order to achieve the carbon neutrality goal, electronic signing is an important booster. Electronic signing replaces paper contracts with electronic contracts, which can eliminate paper consumption caused by paper contract signing and the corresponding consumables in the process of printing, express, and management. It is more low-carbon and environmentally friendly, and it can accelerate the realization of carbon neutrality. Hundsun Blockchain Electronic Contract is based on blockchain and cryptography technology. It relies on the one-stop service of electronic contract signing services and contract evidence keeping, notarization and certificate issuance provided by FTCU to users.

In 2021, Hundsun used electronic contracts instead of paper contracts to sign human resources contracts, compliance commitments, equity subscription and other related agreements, which was equivalent to saving 198,358 sheets of paper for the planet, reducing about 400 packs of A4 paper, and reducing paper usage by 866 kilograms.

Energy Conservation and Emission Reduction

Energy saving and environmental protection

As a responsible corporate citizen, Hundsun pays more attention to the harmonious progress of economic development and ecological balance while constantly seeking business development. We actively promote green office, reducing carbon dioxide emissions and promoting resource recycling and sustainable development through the measures such as waste sorting, paper saving, water saving, air conditioning temperature control, and fixed switch lighting.

In order to practice a low-carbon and environmentally friendly life, we have carried out centralized control and transformation of the air-conditioning in the Hundsun park, and propose relevant requirements for the activation and management: the heating mode of air-conditioning system can only be turned on if the indoor temperature in the office area reaches 12°C for three consecutive days in winter, and the given temperature should not be higher than 22°C; in summer, the refrigeration mode of air-conditioning system can only be turned on if the indoor temperature reaches 28 °C or higher for three consecutive days, and the given temperature should not be lower than 26°C; when the room temperature does not meet the aforesaid requirements, the air-conditioning equipment will be maintained in a power-off state. As the significant increase of the total number of employees and the initiation of the new headquarters building, Hundsun's total electricity consumption in 2021 was 10.622 million kWh, an increase of 105.0% compared with that of 2020, and the total greenhouse gas emissions increased by 4271.4 tons of carbon dioxide equivalent compared with that of 2020.

	Power consumption per capita (kWh / person)	Greenhouse gas emissions (tons •CO ₂ equivalent)
2021	798.10	8338.7
2020	531.98	4067.3
2019	727.79	4202.9

Waste sorting

According to the *Hangzhou Municipal Domestic Waste Management Regulations* newly revised on August 15, 2019, Hangzhou City fully implements waste sorting system. Hundsun has begun to officially implement the waste sorting system in its park from October 2019, and promote the employees' awareness of waste sorting through a series of promotional activities. Since October 2019, the average daily recyclable waste in the park is about 33.5kg after official implementation of garbage sorting in the park. In 2021, Hundsun sorted out 7,962 barrels of garbage, and sorted out 9,180 kg of recyclable garbage in the whole year, with a total amount of RMB 24,000 recovered.



Green new Headquarters

The No.1 building of the new headquarters of Hundsun, Digital-intelligence Hundsun Center, was officially initiated in September 2021, with a total construction area of 151,615.84 square meters. During the design stage and construction stage, the new headquarters building used ten special energy-saving technologies to create a new type of "green, energy-saving, and environmentally friendly" smart building, providing employees with an "applicable", "healthy" and "environmentally friendly" office environment.



► Energy-saving curtain wall

The glass curtain wall of the building adopts three-silver-layer LOW-E glass. Such curtain wall has a light reflectivity of 0.2, which can effectively reduce light pollution, and at the same time, it has remarkable functions of heat insulation, noise prevention, radiation prevention, and effective light blocking, and its heat insulation coefficient is 90%, which makes it effectively block the loss of indoor heat, improve the indoor thermal insulation effect, and save 10%-15% of total energy consumption each year.

► Fabricated steel structure

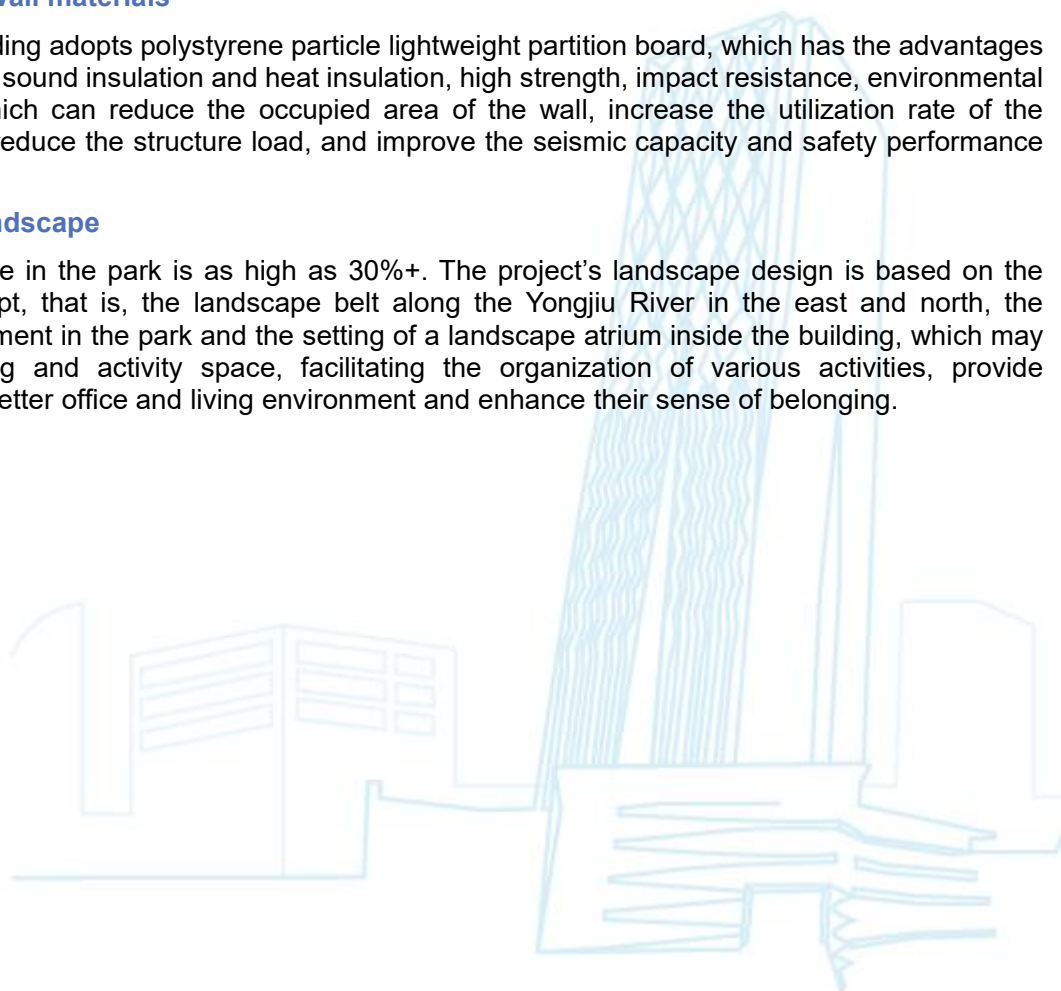
The building adopts the steel structure, and the indoor building layout is flexible, therefore, it can increase the effective area of the building by 5-8% compared with the reinforced concrete structure. The steel structure has a fast industrialized construction speed, low noise during construction, less dust and construction waste, is not affected by the climate, and meets the requirements of green building construction. Steel is a green and recyclable material, which can be recycled when the building is demolished, effectively solving the problem of building energy consumption.

► Energy-saving wall materials

The wall of the building adopts polystyrene particle lightweight partition board, which has the advantages of low weight, good sound insulation and heat insulation, high strength, impact resistance, environmental protection, etc., which can reduce the occupied area of the wall, increase the utilization rate of the construction area, reduce the structure load, and improve the seismic capacity and safety performance of the building.

► Three-in-one landscape

The green area rate in the park is as high as 30%+. The project's landscape design is based on the three-in-one concept, that is, the landscape belt along the Yongjiu River in the east and north, the landscape arrangement in the park and the setting of a landscape atrium inside the building, which may increase daylighting and activity space, facilitating the organization of various activities, provide employees with a better office and living environment and enhance their sense of belonging.



Environmental protection municipal supporting

The municipal supporting facilities of the new building cover the light guide tube lighting, biochemical treatment septic tank and rainwater collection. Part of the basement lighting adopts photoconductive lighting technology, and the light source comes from outdoor natural light, which can provide daytime indoor lighting without conventional energy, thus reducing the environmental pollution caused by conventional energy. The septic tank is equipped with biochemical treatment, and the contact oxidation tank uses aerobe to oxidize the organic matter in the wastewater, reducing the COD concentration of the wastewater, and using nitrobacterium to convert ammonia nitrogen into nitrate nitrogen, thus reducing the ammonia nitrogen concentration, and ensuring that the effluent reaches the discharge standards; There is also a rainwater collection system in the park. Through the modular water storage tank, the collected rainwater can be used for sprinkling roads and watering lawns after effective treatment, so as to realize the recycling of water resources.

Smart elevator system

The new building adopts a destination floor control system and a face recognition gate, which integrates digitization and intelligence. The system may optimize the operation mode of the elevator group based on the selected destination floor and the number of waiting passengers. It can reduce the number of elevators stops during operation without increasing the number of elevators, effectively improve the operation efficiency of the elevator group, and save the time for waiting elevators, and thus enhance the overall office comfort.

Air conditioning and fresh air system

The podium of the new building adopts air-cooled heat pump units, and the main building adopts VRF multi-couple unit air conditioning system + fresh / exhaust air full heat recovery system. Both the fresh air unit and air conditioning unit are equipped with micro-electrostatic PM2.5 purification treatment devices, and the basement garage is dispersedly installed with CO concentration sensors. Set up indoor air quality monitoring systems in conference and multi-function halls where the density of people varies greatly. Real-time monitoring and automatic feedback adjustment of indoor air quality through carbon dioxide sensors, and alarms when the indoor carbon dioxide concentration exceeds the standard are adopted to ensure the air quality in the building.

Special water-saving measures

The new building is equipped with a variety of energy-saving methods for water supply and drainage. For the different water consumption units and users of different water properties in the building, household-based water metering facilities are provided for water metering to control water consumption. Sanitary ware adopts water-saving types, and the wash basins in public toilets adopt sensor faucets, so as to save water to the greatest extent.

Special power-saving measures

The power-saving measures for the new building include the adoption of effective power-saving technical means and the strengthening of power-saving management. There are two substations in the building, and the substations are designed in the center of the electrical load of the building; The new headquarters building is equipped with electricity meters according to the types and regions of electricity consumption, so as to conduct metering/charging, and control electricity consumption from the perspective of management and save electricity from the perspective of economy; LED light source is used for basement and outdoor lighting, and the electro-optical power conversion efficiency is close to 100%. The same lighting effect saves more than 80% of energy than traditional light sources, and its life is 10 times longer than that of traditional light sources; for office area and public area lighting, intelligent lighting control technology improves the efficiency of artificial lighting through automatic control of effective lighting areas, illumination requirements and lighting time.

Energy consumption monitoring system

In order to effectively monitor the overall energy consumption of the park, the new building uses modern computer technology to comprehensively and effectively monitor the mechanical and electrical equipment, adopts a distributed network structure to conduct unified monitoring and management of the mechanical and electrical equipment in the building, and provides the air exhaust, electric transformer and distribution, water supply and drainage, lighting and elevators with monitoring functions to maximize the reasonable utilization of energy.

Overview on the performance of sustainable development

List of Policies

ESG indicators	Corresponding applicable national laws, regulations and policies	Corresponding internal policy of the Company
A1 Emissions	<i>Environmental Protection Law of the People's Republic of China</i>	
A2 Resource utilization	<i>Energy Conservation Law of the People's Republic of China</i>	<i>Self-use IT Equipment Management System of Hundsun Technologies Inc.</i>
A3 Environment and natural resources		
B1 Employment	<i>Labor Law of the People's Republic of China</i> <i>Labor Contract Law of the People's Republic of China</i> <i>Trade Union Law of the People's Republic of China</i> <i>Decoration Management System of Hundsun Technologies Inc.</i> <i>Employment Promotion Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Protection of the Rights and Interests of Women</i>	<i>Recruitment Management System of Hundsun Technologies Inc.</i> <i>Performance Management System of Hundsun Technologies Inc.</i>
B2 Health and safety	<i>Labor Law of the People's Republic of China</i> <i>Fire Protection Law of the People's Republic of China</i> <i>Law of the People's Republic of China on the Prevention and Control of Occupational Diseases</i> <i>Regulations on Work-Related Injury Insurance</i>	
B3 Development and training		<i>Training Management System of Hundsun Technologies Inc.</i> <i>Organization and Post Management System of Hundsun Technologies Inc.</i> <i>Employee Promotion Management System of Hundsun Technologies Inc.</i> <i>Cadre Management System of Hundsun Technologies Inc.</i>

B6 Product liability	<i>Constitution of the People's Republic of China</i>	<i>VOC (Voice of Customers) Management System of Hundsun Technologies Inc.</i>
	<i>General Principles of the Civil Law of the People's Republic</i>	<i>Information Security Outsourcing Management System of Hundsun Technologies Inc.</i>
	<i>Tort Law of the People's Republic of China</i>	<i>Data Asset Classification and Protection Specification of Hundsun Technologies Inc.</i>
	<i>Trademark Law of the People's Republic of China</i>	<i>Product Development Project Management Regulations of Hundsun Technologies Inc.</i>
	<i>Advertisement Law of the People's Republic of China</i>	<i>Customer Service Safety and Compliance Work Specification of Hundsun Technologies Inc.</i>
	<i>Product Quality Law of the People's Republic of China</i>	<i>After-sale Service Management System of Hundsun Technologies Inc.</i>
	<i>Law of the People's Republic of China on Protection of Consumer Rights and Interests</i>	<i>Software Copyright and Patent Management Regulations of Hundsun Technologies Inc.</i>
	<i>Cybersecurity Law of the People's Republic of China</i>	<i>Copyright Registration Operation Guide of Hundsun Technologies Inc.</i>
B7 Anti-corruption	<i>Intellectual Property Law of the People's Republic of China</i>	
	<i>Criminal Law of the People's Republic of China</i>	<i>Existing Employee Management System of Hundsun Technologies Inc.</i>
Others	<i>Bid Invitation and Bidding Law of the People's Republic of China</i>	<i>Administrative Measures of Hundsun Technologies Inc. on the Receiving of Gifts by Employee</i>
		<i>Legal Risk Prevention Management System of Hundsun Technologies Inc.</i>
		<i>Business Compliance Assessment Guide of Hundsun Technologies Inc.</i>
		<i>Business Compliance Audit Guide of Hundsun Technologies Inc.</i>
		<i>Information Technology Service Compliance Manual of Hundsun Technologies Inc.</i>

List of Key Performance Indicators

ESG indicators	Unit	2020	2021
A1 Emissions			
A1.2 Greenhouse gas emissions and density			
Greenhouse gas emissions	Tons · CO ₂ equivalent	4067.3	8338.7
Greenhouse gas emission intensity (Per million of turnover)	Tons · CO ₂ equivalent / Million of operating income	0.97	1.52
Greenhouse gas emission intensity (Per square meter)	Tons · CO ₂ equivalent / Square meter	0.070	0.038
A2 Resource utilization			
A2.1 Energy consumption and density			
Total power consumption	kWh	518.1	1062.2
Electricity usage density (Per square meter)	kWh / square meter	88.7	48.5
Electricity usage density (Per person)	kWh / person	531.98	798.05
A2.2 Water consumption and density			
Total water consumption	Tons	61627	83328
Water consumption density (Per square meter)	Tons / square meter	1.06	0.38
Water consumption density (per person)	Tons / person	6.26	10.82
A2.3 Resource usage			
Office paper	kg	5653	5020
Paper consumption per capita	Kg / person	0.57	0.38
Gasoline	Litre	13400	11803

(Remark: Data in 2021 covers Hundsun Building, Digital-intelligence Hundsun Center, Beijing Branch, Shanghai Branch, Shenzhen Branch and Wuhan R&D Platform)

ESG indicators		Unit	2020	2021
B1 Employment				
B1.1				
Total number of employees		person	9739	13310
By gender	Male employee	person	7107	9680
	Female Person	person	2632	3630
By professional composition	Marketing	person	327	369
	Functional management	person	526	499
	Product technology	person	5749	8659
	Customer service (including on-site implementation)	person	3137	3783
By education background	Master degree and above	person	993	1418
	Bachelor degree	person	7989	10671
	Junior college degree or below	person	757	1221
By date of birth	Before 1980	person	366	420
	After 1980 (inclusive)	person	2965	3274
	After 1990 (inclusive)	person	6408	9616
B2 Health and safety				
B2.1				
Number of work-related deaths each year		person	0	0
Number of employee on / with maternity leave		person	114	185
B3 Development and training				
Number of employee training sessions		Session	350	2360
Total number of employees participating in training		Participants	10628	40808
Training time		Hour(s)	1019.25	20000

Index of Environmental, Social and Governance Reporting Guide

ESG indicators	Content of report
<u>A1 Emissions</u>	Clean Technology Energy Conservation and Emission Reduction List of Policies List of Key Performance Indicators
<u>A2 Resource utilization</u>	Clean Technology Energy Conservation and Emission Reduction List of Policies List of Key Performance Indicators
<u>A3 Environment and natural resources</u>	Clean Technology Energy Conservation and Emission Reduction List of Policies List of Key Performance Indicators
<u>B1 Employment</u>	Equal Employment Salary and Welfare System List of Policies List of Key Performance Indicators
<u>B2 Health and safety</u>	Employee Care List of Policies List of Key Performance Indicators
<u>B3 Development and training</u>	Training and Growth List of Policies List of Key Performance Indicators
<u>B6 Product liability</u>	Continuously improve product quality Compliance Management Information Security and Privacy Protection Protection of Intellectual Property Rights List of Policies
<u>B7 Anti-corruption</u>	Intensify efforts to fight corruption and advocate integrity
<u>B8 Community investment</u>	Public Welfare Foundation / Investor Education / Party Committee and Labor Union / Hundsun Volunteer Services/ Industry-university-research Cooperation

Notes:

Some indicators in *the Environmental, Social and Governance Reporting Guide*, including "A4 climate change", "B4 Labor standards", "B5 Supplier management" etc., are determined to be non-substantive issues through the substantive analysis process, and are not required to be disclosed in this Report. For more information, please visit the official website: <https://gongyi.hundsun.com/gy/>.

Index of the Global Reporting Initiative (GRI) Standards

Index No.	Content of index	Content of report
101	Basis	Company Profile; Events; Corporate Social Responsibility Management; Overview on the Performance of Sustainable Development; About This Report
102	General Disclosure	Address by the Chairman of the Board; Company Profile; Corporate Social Responsibility Management; Corporate Governance; Products and Services; Outline of Each Chapter; Overview on the Performance of Sustainable Development; About This Report
103	<u>Management Method</u>	Corporate Social Responsibility (CSR) Management; Corporate Governance
<u>201</u>	<u>Economic Performance</u>	Events; Enterprise Scale; Overview of Performance in Recent Three Years
<u>202</u>	<u>Market Performance</u>	Build A Sound Salary and Welfare System
<u>203</u>	<u>Indirect Economic Impact</u>	Actively undertake financial infrastructure; Empower the independent and controllable development of China's financial industry; Support the financial market to be open to the outside world; Empower the digital transformation of the financial industry; Continue to serve the real economy
<u>205</u>	<u>Anti-corruption</u>	Intensify efforts to fight corruption and advocate integrity
<u>302</u>	<u>Energy</u>	Clean Technology; Energy Conservation and Emission Reduction; List of Key Performance Indicators
<u>303</u>	<u>Water Resources and Sewage</u>	Energy Conservation and Emission Reduction; List of Key Performance Indicators
<u>305</u>	<u>Emission</u>	Energy Conservation and Emission Reduction; List of Key Performance Indicators
<u>401</u>	<u>Employment</u>	Equal Employment; Salary and Welfare System
<u>402</u>	<u>Labor Relations</u>	Talent Motivation and Retention; Salary and Welfare System; Training and Growth
<u>403</u>	<u>Occupational Health and Safety</u>	Provision of A Safe and Healthy Working Environment; List of Key Performance Indicators
<u>404</u>	<u>Training and Health</u>	Training and Growth; List of Key Performance Indicators
<u>405</u>	<u>Diversity and equal opportunity</u>	Equal Employment
<u>406</u>	<u>Anti-discrimination</u>	Equal Employment Public welfare foundation; investor education; Hundsun volunteer services; Party committee and labor union;
<u>413</u>	<u>Local Community</u>	Industry-university-research Cooperation
<u>418</u>	<u>Customer Privacy</u>	Information security and privacy protection
<u>419</u>	<u>Social and Economic Compliance</u>	Compliance Operation; Responsible procurement

Notes:

Some indicators in the GRI Standards. including "204 Procurement practices", "206 Unfair competition", "207 Taxation", "301 Materials", "304 Biodiversity", "306 Sewage and waste", "307 Environmental compliance", "308 supplier environmental assessment", "407 freedom of association and collective bargaining", "408 Child labor", "409 Forced or compulsory labor", "410 Security practices", "411 Aboriginal rights", "412 Human rights assessment", "414 Supplier social assessment", "415 Public policy", "416 Customer health and safety", "417 Marketing and labeling", etc. are determined to be non-substantive issues through the substantive analysis process, and are not required to be disclosed in this Report. For more information, please visit the official website: <https://gongyi.hundsun.com/gyl/>.

About This Report

This Report is the fourth corporate social responsibility report released by Hundsun Technologies Inc. (referred to as "Hundsun", "Company" or "We").

This Report covers some sub-affiliated companies such as Zhejiang Jingteng Network Technology Co., Ltd.

Basis of preparation:

This Report is prepared by referencing *the GRI Sustainability Reporting Standards* (GRI Standards) issued by the Global Sustainability Standards Board (GSSB) and *the Environmental, Social and Governance Reporting Guide* issued by the Stock Exchange of Hong Kong Limited.

Time span:

The time span of this Report is 2021, i.e., from January 1, 2021 to December 31, 2021, part of the content exceeds this time span.

Data Sources:

Unless otherwise specified, the data in this Report is taken from Hundsun's prospectus, internal statements and related statistics. If the data statistics use the natural year as the span, it shall be marked as "year", such as "2021".

Currency:

Unless otherwise specified, the amounts shown in this Report are all presented in RMB.

Accessibility of the report:

In order to protect the environment, we recommend that you read the electronic version of the report in PDF format. You can download it by visiting Hundsun's Corporate Social Responsibility website (<https://gongyi.hundsun.com/gy/>).

If you have any questions, comments or feedback about this Report, please contact the Brand & Public Relations Department of Hundsun via email (marketing@hundsun.com).

We have opened the WeChat official account of Hundsun Technologies Inc. (hundsun600570) to release the information about the Company's business development in real time.



 Official WeChat