

Environmental, Social and Governance Report



2021



Linklogis Inc.

(A company controlled through weighted voting rights and incorporated
in the Cayman Islands with limited liability)
Stock Code: 9959

CONTENTS

1. Chairman's Statement

2. About Linklogis

2.1 Company Overview	06
2.2 Corporate Culture	07
2.2.1 Vision	07
2.2.2 Mission	07
2.2.3 Values	08

3. ESG Management Approach

3.1 Board Statement	10
3.2 Stakeholder Engagement	11
3.3 Materiality Assessment	12

4. To Re-define and Transform Supply Chain Finance through Technology and Innovation

4.1 Product Overview	14
4.1.1 Supply Chain Finance Technology Solutions	14
4.1.2 Emerging Solutions	24
4.2 Technology Innovation	27
4.2.1 Core Technology	28
4.2.2 Innovation Incentives	30
4.2.3 Innovation Project Cases	31
4.2.4 Intellectual Property Protection	32
4.3 Technology Empowers Inclusive Finance	33

5. Creating Excellent Value for Customers

5.1 Customer-First	35
5.1.1 Customer Experience Optimization	35
5.1.2 Craftsmanship	36
5.1.3 Complaint Handling Mechanism	37
5.2 Information Security and Privacy Protection	38
5.2.1 Information Security Management Structure	38
5.2.2 Information Security Certification	39
5.2.3 Information Security Assurance System	41
5.2.4 Enterprise-grade Data Security	42
Collaboration Platform – Bee Security Privacy-preserving Computation Platform	
5.2.5 Personal Information Privacy Protection	43

6. Climate Change Response and Environmental Protection

6.1 Promote the Digital and Paperless Transformation of the Industry	46
6.2 Technology and Green Finance	47
6.2.1 Green Finance Technology Solutions	48
6.2.2 Green Supply Chain Finance Middle Platform Solution – Bee-Clean	49
6.2.3 Innovative Application of Security Privacy-preserving Computation and Green Supply Chain Finance	50
6.3 Environmentally Sustainable Operation	51
6.3.1 Environmental Management System	51
6.3.2 Environmental-friendly Operation	54

7. Business Ethics

7.1 Anti-corruption and Anti-commercial Bribery	56
7.1.1 Anti-corruption	56
7.1.2 Anti-commercial Bribery	57
7.1.3 Implement Training and Establish Business Ethics Culture	57
7.1.4 Whistleblowing Policy	58
7.2 Supplier Management	58

8. Talent Team

8.1 Talent Management	60
8.1.1 Staff Overview	60
8.1.2 Talent Recruitment	62
8.1.3 Talent Retention	63
8.1.4 Employee Communication	64
8.1.5 Protecting Employees' Health and Safety	66
8.2 Talent Motivation	67
8.2.1 Promotion Management	67
8.2.2 Compensation Management	68
8.2.3 Employee Benefits	68
8.3 Talent Training and Development	70

9. Social Responsibility

9.1	Supporting SMEs to Fight against the Pandemic	75
9.2	Openness and Win-win	76
9.2.1	Public Affair Engagement	76
9.2.2	Industry Standard Setting	77
9.2.3	Knowledge Sharing	78
9.3	Public Welfare Activities and Community Engagement	79

10. APPENDIX

10.1	Awards in 2021	80
10.2	About this Report	81
10.2.1	Reporting Guidelines and Principles	81
10.2.2	Reporting Scope	82
10.2.3	Feedback	82
10.3	List of Laws and Regulations	82
10.4	Performance Data Summary	85
10.5	Content Index	90

1

Chairman's Statement

2021 was a year full of opportunities and challenges. The societies are exploring new growth engines and aiming for new visions. The world is constantly changing, but protecting the environment and the earth on which we live and promoting the long-term common prosperity of the society are shared goals recognized by the world. As an important part of the society and economy, corporate development and social responsibility together constitute the value of sustainable development. Considering the environmental and social impacts, Environmental, Social, and Governance (ESG) aim to achieve a win-win situation for all stakeholders. There is a consensus that we need to achieve sustainable development and common prosperity, identifying new foundations and connections for global cooperation.

In April 2021, Linklogis was listed on the Main Board of the HKEX, making our debut in the international capital market. At the new starting point, Linklogis continues to adhere to its aspiration to provide customers and partners with more efficient, reliable and intelligent supply chain finance technology solutions, creating excellent value for the new supply chain finance ecosystem. Since our establishment six years ago, Linklogis has incorporated low-carbon and environmental protection genes, digitalization and cloud-native concepts, integrating ESG factors into the decision-making of product development and business growth, practicing inclusive finance and contributing to the real economy.

We support inclusive finance and strive to build an inclusive finance system with wide coverage, low cost and sustainable development through supply chain finance technology to solve the financing difficulties of small and medium-sized enterprises (SMEs). We adopt advanced digital technology to provide remote supply chain finance technology services for anchor enterprises and suppliers during the COVID-19 pandemic, without the need for document delivery and on-site queuing, and without in-person contact throughout the whole process. This not only ensures the authenticity of the due diligence process and transaction background of accounts receivable, but also ensures that SMEs can receive financing safely and in a timely manner during the COVID-19 pandemic to alleviate their cash flow pressure.

We protect the data and information security of our customers and supply chain participants. We actively respond to the national regulatory compliance requirements, independently develop an enterprise-grade data security cooperation platform Bee Security Privacy-preserving Computation Platform (蜂密隱私計算平台) based on multi-party security computing, blockchain and machine learning and resolve data islands, data rights, data privacy protection and other issues for all parties in the supply chain financing industry, achieving the security goal of "making data useable but invisible".



Song Qun
Chairman and CEO

We promote the digital and paperless transformation of supply chain finance, facilitate a more streamlined and traceable workflow, and help customers and partners reduce resources consumption and energy usage. Our technology solutions greatly reduce the offline transportation of relevant personnel in supply chain financing activities, and enable participants of the transactions to access and jointly review information related to the underlying supply chain assets through their respective online user interfaces without printing, delivering and storing large amounts of paper. Based on our estimates, for the supply chain assets processed by us up to December 31, 2021, we saved a total carbon emission of approximately 5,900 tons due to the reduction of offline transportation by all parties involved in the financing activities, as compared to traditional ways. Our ABS Cloud saved a total of approximately 2,000 tons of paper for the participants in the ABS issuances, equivalent to a reduction of approximately 1,200 tons of carbon emissions.

We implement low-carbon and environmentally friendly operations. We do not own or rent any fleet or vehicles, and all employees' business trips are taken by public transportation. Our Shenzhen headquarters, Wuhan research and development (R&D) headquarters and Hong Kong offices are not equipped with any private offices. All local employees, including the management team, work in open seats to save office space, reduce environmental pollution caused by office decoration, and boost the cooperation and communication between each other.

We integrate into the local communities where we operate and participate in creating local innovation ecosystems. The innovative practice of promoting supply chain finance technology in Shenzhen, where our headquarters is located, has received great attention from the state-run media. In November 2021, the People's Daily published an article titled "The tide is in full swing, sailing to a new stage" which reported the rapid development of Qianhai, Shenzhen and mentioned Linklogis as an example of innovative technology company. In the Shenzhen Satellite Television's TV documentary series of the 40th anniversary of the establishment of the Shenzhen Special Zone, we were reported as a classic entrepreneurship case.

At present, with the in-depth development of the new round of technological revolution and industrial transformation, the digital economy has become a breakthrough point for China to grasp the growing new opportunities brought by technology advancement. Digitalization and "carbon peaking and carbon neutrality (dual-carbon)" are mutually promoted, penetrated and evolved, achieving a win-win for the ecosystem. Fortunately, Linklogis has been on the path to exploring the integration of digitalization and the dual-carbon goals since our inception, and our corporate growth is in line with the ESG development.

Looking ahead, Linklogis will continue to optimize, effectively exert the power of "Technology for Good", use digital technology to help environmental protection, fulfill social responsibilities, improve corporate governance, promote industrial digitalization and digital industrialization, empower the real economy, and promote sustainable and healthy development of China's digital economy.

About Linklogis

2.1 Company Overview

Linklogis was founded in Shenzhen in February of 2016 by senior executives with international backgrounds in finance and Internet, with the support of Tencent and other early-stage shareholders. The Company was successfully listed on the Main Board of HKEX in April 2021. It was the first listed supply chain finance technology SaaS enterprise in China. The major shareholders of the Company include large domestic and foreign enterprises and financial institutions such as Tencent, CITIC Capital, Government of Singapore Investment Corporation (GIC), and Standard Chartered Bank. According to China Insights Consultancy, Linklogis ranked first in terms of market share among supply chain finance technology solution providers in China in 2021 consecutively.

Committed to being the leading supply chain finance technology solution provider, Linklogis aims to re-define and transform supply chain finance through technology and innovation. As one of the key members of Tencent's "To B" strategic ecosystem, Linklogis champions the philosophy of inclusive financing by leveraging advanced technologies such as AI, blockchain, cloud computing, and big data in supply chain applications, to provide innovative supply chain finance technology solutions that are data-driven, use-case-based, automated, and digital. Linklogis' cloud-native solutions optimize the payment cycle of supply chain transactions, digitalize the entire workflow of supply chain finance, and enhance transparency and connectivity in the supply chain finance ecosystem.

With purpose-built solutions and industry-leading technology infrastructure, Linklogis can deliver tangible benefits to all parties in the supply chain finance ecosystem with profound influence in reshaping the supply chain finance sector, meeting the evolving business and technology needs of anchor enterprises and financial institutions, while providing ultimate financing experience for SMEs and supporting the development of the real economy.

With comprehensive solution stacks, including Anchor Cloud, FI Cloud, Cross-border Cloud and SME Credit Tech Solutions, Linklogis provides convenient and efficient supply chain finance technology services for anchor enterprises and their supply chain affiliated enterprises, as well as financial institutions. By the end of 2021, the accumulated transaction volume processed by Linklogis has exceeded RMB560 billion, and Linklogis has reached cooperation with nearly 700 anchor enterprises and 300 financial institutions, including 36 of the Top 100 Enterprises in China. Our customers cover 32 provinces and administrative regions across the country, and we have served more than 140,000 SMEs. Linklogis also launched the first blockchain-based cross-border supply chain financing platform in China, while expanding overseas business rapidly.



2021 Financial Highlights

(RMB million)

Revenue and Income

1,198

Gross Profit Margin

77%

Gross Profit

927

YoY Growth

47%

Adjusted Net Profit

289

YoY Growth

50%



2021 Business Highlights

Anchor Enterprise Partners

679

Financial Institution Partners

291

Accumulated SMEs served

over **140** thousand

Transaction Volume Processed

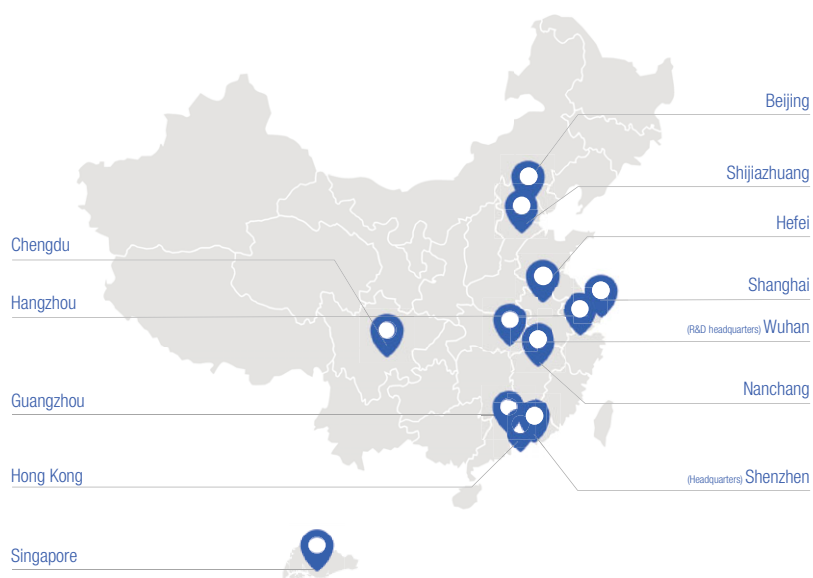
RMB258 billion



Our Offices

Employees
910

Offices
12



*As of December 31, 2021

2.2 Corporate Culture



Vision

To Become the World's Leading Supply Chain Finance Technology Solution Provider



Mission

To Re-Define and Transform Supply Chain Finance through Technology and Innovation

Values

Customer-First: Pursuing Ultimate Customer Experience

- Prompt response to customer needs and exceed customer expectations
- Always think from the perspective of customers and create value for customers
- Craftsmanship spirit and continuous pursuit of ultimate customer experience



Sunshine: Integrity and Honesty

- Be honest, keep promises and be magnanimous
- Be realistic, dare to speak the truth and not just listen to the higher-ups
- Be proactive, optimistic and positive

Professionalism: Respect Professionalism; Mission Must be Fulfilled

- Respect professionalism and strive to become an expert in the field
- Focus on efficient execution and mission must be fulfilled
- By turning experience into capability, we can achieve breakthrough





Innovation: Maintain Curiosity and Explore New Opportunities

- Maintain curiosity and creativity at all times
- Be humble, in-depth thinking, continuous learning and exploration
- Embrace change and uncertainty, break through boundaries, and keep innovating

Collaboration: Work and Share Together

- Respect different opinions, appreciate and complement each other
- Communicate actively, share knowledge and experience, and work together
- Think with the big picture, collaborate efficiently to achieve shared goals



ESG Management Approach

3.1 Board Statement

The Group incorporates sustainable development management into strategic decisions. Based on our business context, we stipulate the following ESG mission:

Technology empowers the development of sustainable supply chain finance

Linklogis aims to leverage technology to empower the development of sustainable supply chain finance for anchor enterprises and financial institutions, accelerate digital transformation, solve SMEs' financing difficulties, and support the development of the real economy. We will keep investing in technology to deliver better and safer solutions for our customers and improve the overall efficiency of the supply chain. Green supply chain finance can lead enterprises to increase green investment, foster environmental protection, reduce carbon and pollutant emissions, and create environmental, social, and economic benefits. We are also deploying our value in helping SMEs. Our goals include:

Digitalize supply chain finance to boost the development of the real economy

Maximize environmental protection and reduce carbon emissions

Create value for employees, shareholders, and society

Construct an excellent corporate management and governance system

In order to strengthen the supervision of work related to sustainable development, the Group has established a sound ESG governance structure, covering the three levels of the Board, the management and the working group, and formed an efficient working mechanism to strictly regulate ESG supervision and management.

The Board of Directors has the highest decision-making power in the Group's ESG work. It has made the Corporate Governance Committee responsible for the supervision of sustainable development, including reviewing and supervising the ESG guidelines, strategies, policies, goals, risks and opportunities, assessing and determining the importance of ESG topics, regularly reviewing the progress of ESG goals, and reviewing and approving the annual ESG report to confirm its accuracy, truthfulness and completeness.

Organizational Structure of ESG Work

Board level	Board and Governance Committee Maintain the highest decision-making authority, review and supervise ESG-related work, and review and approve ESG reports
Management Level	ESG Executive Committee Deploy resources to cooperate with ESG work, promote and implement ESG work, and report to the Board
Working Level	ESG Working Group Responsible for the collection, organization and feedback of ESG information and execution of ESG-related work

In order to improve the overall ESG performance of the Group and ensure effective implementation of related policies and achievement of goals, the Group has established the "ESG Executive Committee Charter of Linklogis" and established an ESG working group to provide support. The ESG Executive Committee, which is jointly formed by the Group's leaders and the heads of various departments, is responsible for promoting and implementing relevant ESG matters, including managing discussions and decision-making of material ESG-related issues, guiding the Group's ESG management direction, providing strong and practical management support. The committee is chaired by Ms. Chau Ka King, the Vice Chairman and Chief Risk Officer of Linklogis, and it reports to the Board on a regular basis.

The ESG working group includes relevant business lines, and the person in charge of relevant departments will assign the daily ESG communication and measurement work to specific colleagues. The ESG Executive Committee is responsible for reviewing and making decisions on material ESG-related issues, annual ESG performance as measured against quantitative targets, preparing the annual ESG report, as well as ESG planning and key work points for the next year and other material issues. We have also set up a dedicated ESG feedback e-mail for all stakeholders to provide feedback on ESG-related issues, so as to improve our management system and policies.

In the future, the Group will continue to pay attention to sustainable development trends at home and abroad, strengthen ESG management, continue to identify and manage the Group's ESG risks and opportunities, and continuously improve its sustainable development management capabilities.

3.2 Stakeholder Engagement

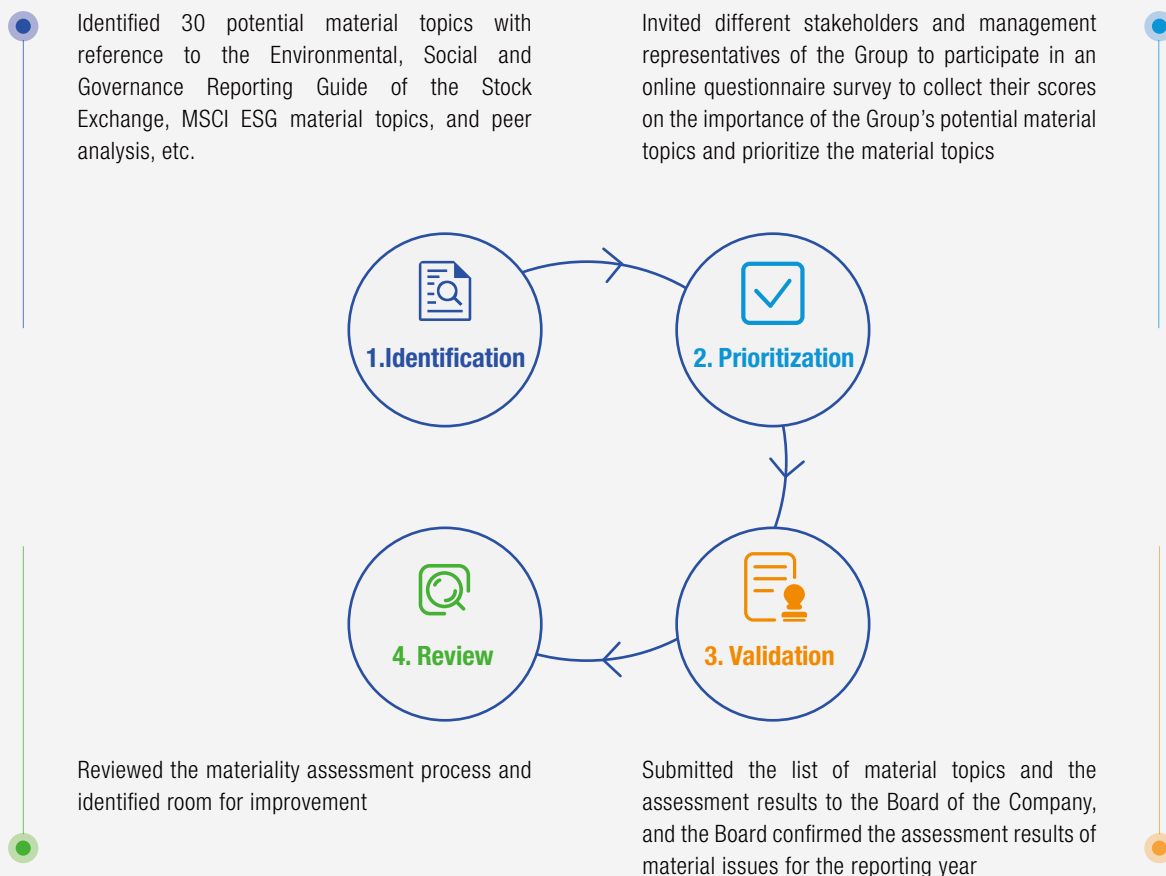
The Group attaches great importance to the opinions of all stakeholders, and actively maintains effective communication with them in an open and transparent manner, in order to build mutual trust. By understanding the needs and expectations of various stakeholders, we continuously improve and optimize our sustainable development strategies and management methods, fulfill our responsibilities as corporate citizens, and create more value for our stakeholders.

Stakeholder Group	Communication Channels	Topics of Concern
Employees	<ul style="list-style-type: none"> Internal communication Employee activities Linklogis Alumni Club Employee complaint channels 	<ul style="list-style-type: none"> Employee benefits and rights Talent management Employee safety and health Employee training and development Employee communication
Customers	<ul style="list-style-type: none"> On-site visit Official website, Weixin public account Platform system, client system Service hotline, email, Weixin 	<ul style="list-style-type: none"> Financial product safety and risk control Data privacy and security Customer rights protection
Shareholders/Investors	<ul style="list-style-type: none"> Annual report Shareholders' meeting Investor meeting 	<ul style="list-style-type: none"> Company's economic performance Risk management
Suppliers	<ul style="list-style-type: none"> Supplier audit assessment Bidding process, procurement 	<ul style="list-style-type: none"> Supplier risk assessment Green supply chain
Partners	<ul style="list-style-type: none"> Weixin official account, the official website Conference communication 	<ul style="list-style-type: none"> Fintech innovation Facilitation and sustainability of financial services Promoting the digitalization of supply chain finance Multi-party cooperation and ecosystem
Government	<ul style="list-style-type: none"> Daily communication Policy advocacy 	<ul style="list-style-type: none"> Anti-corruption and anti-bribery
Community/the Public	<ul style="list-style-type: none"> Connect with relevant professional institutions Industry conference Weixin official account, the official website Media 	<ul style="list-style-type: none"> Community engagement and public welfare activities

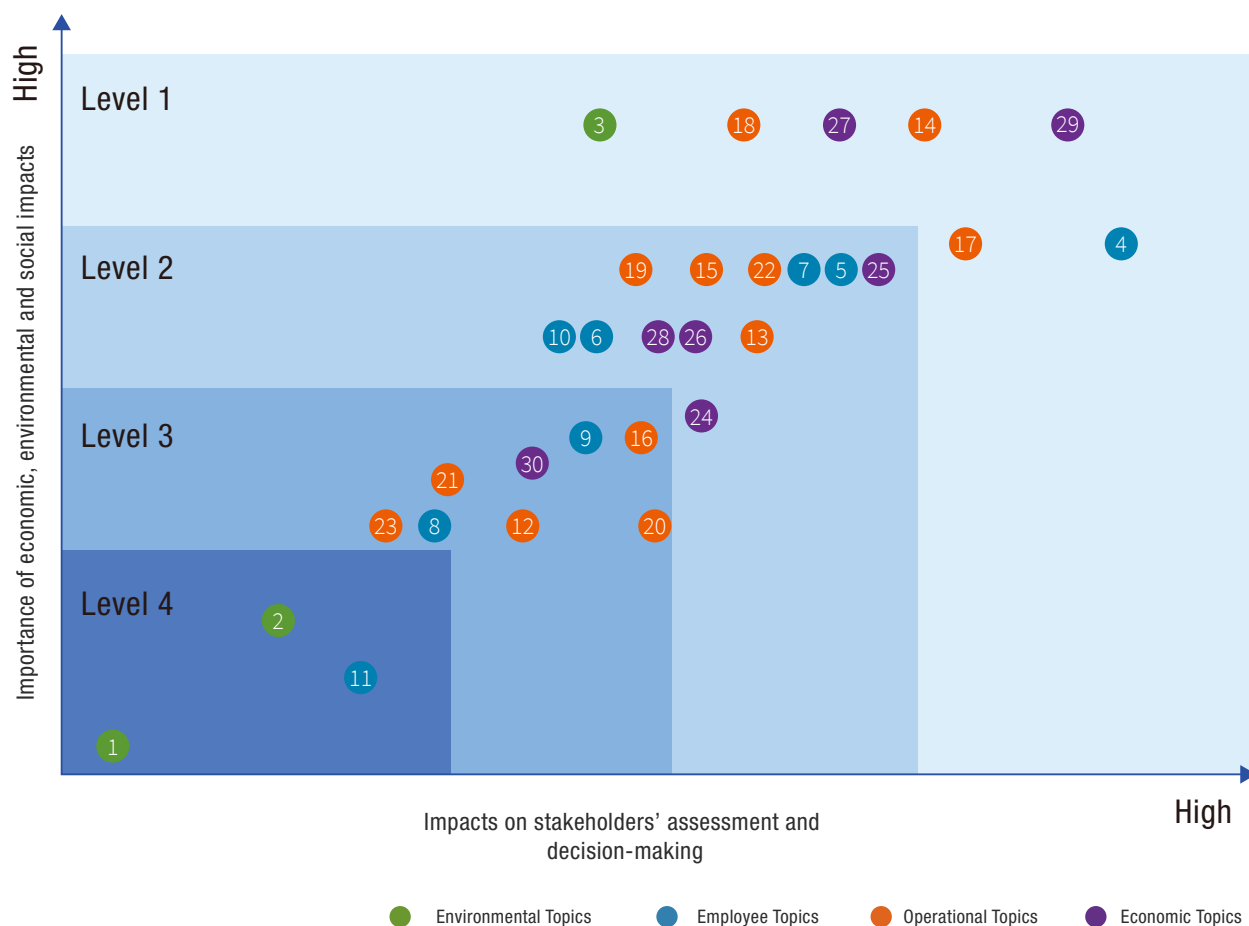
3.3 Materiality Assessment

In 2021, we invited internal and external stakeholders to participate in the materiality assessment through an online questionnaire survey. The Group's management representatives, customers, business partners, employees and suppliers participated. In this stakeholder survey, we received a total of 105 valid responses, and identified and confirmed 30 ESG topics that have a significant impact on the Group's operations and various stakeholders. The process of materiality assessment is divided into four steps: identification, prioritization, validation and review.

We prioritized the results of stakeholder communication in two dimensions, namely "Significance on economic, environmental and social impacts" and "Influence on stakeholders' assessment and decision-making", and prepared the materiality matrix. Topics in the materiality matrix are divided into four levels, of which the topics in the first level are the material topics of the Group. According to the analysis results, the Group's material topics in 2021 focus on addressing climate change, talent management, financial products' security and risk control, financial technology innovation, data privacy and security, availability and sustainability of financial services, and promoting the digitalization of supply chain finance.



The Board of the Company has reviewed and validated the results of this materiality assessment. Looking ahead, Linklogis will continue to pay attention to the latest developments in the industry and the needs and expectations of various stakeholders, and regularly review and revise the list of topics.

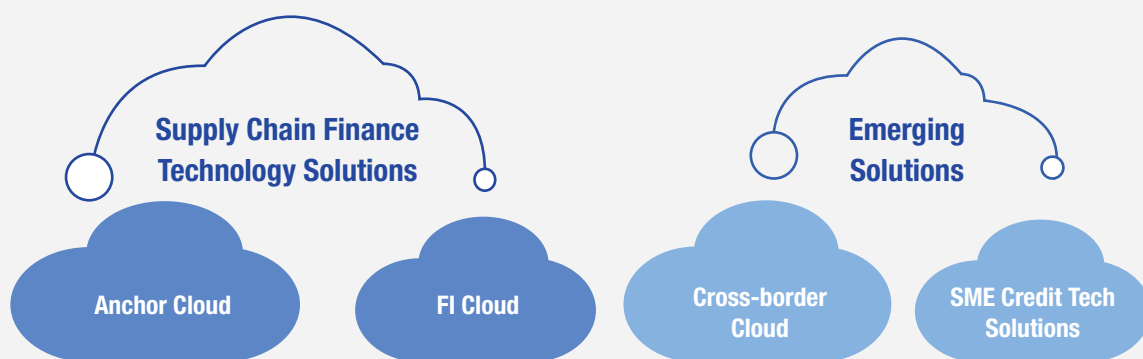


Level 1	Level 2	Level 3	Level 4
<ul style="list-style-type: none"> 3 Responding to Climate Change 4 Talent Management 14 Financial Product Safety and Risk Control 17 Fintech Innovation 18 Data Privacy and Security 27 Availability and Sustainability of Financial Services 29 Promoting the Digitalization of Supply Chain Finance 	<ul style="list-style-type: none"> 5 Employee Benefits and Rights 6 Employee Safety and Health 7 Employee Training and Development 10 Diversity and Equal Opportunity 13 Multi-party Cooperation and Ecosystem 15 Customer Rights Protection 19 Intellectual Property Protection 22 Anti-corruption and Anti-bribery 24 Company Economic Performance 25 Risk Management 26 Serving the Real Economy 28 Supporting SMEs 	<ul style="list-style-type: none"> 8 Employee Communication 9 Anti-discrimination 12 Prevention and Control of COVID-19 16 Product Diversification 20 Supplier Risk Assessment 21 Green Supply Chain 23 Community Investment and Public Welfare Activities 30 Supporting Energy Conservation and Environmental Protection Industry 	<ul style="list-style-type: none"> 1 Emission Management 2 Energy and Resource Management 11 Prevention of Child and Forced Labor

○ To Re-define and Transform Supply Chain Finance through Technology and Innovation

4.1 Product Overview

We provide cloud-native solutions to optimize the payment cycle of supply chain transactions, digitalize the entire workflow of supply chain finance, enhance transparency and connectivity in the supply chain finance ecosystem, improve the user experience of all participants, and support the real economy.



4.1.1 Supply Chain Finance Technology Solutions

We use supply chain finance technology solutions to help anchor enterprises connect their supply chain assets with financial institutions efficiently, provide convenient and low-cost financing for suppliers, especially SMEs, and empower the development of the real economy.



Anchor Cloud

Anchor Cloud is a combination of cloud-native solutions designed for the digitalization of supply chain management for anchor enterprises and optimization of payment cycles for different parties along the supply chain. Anchor Cloud allows anchor enterprises to optimize their cash flows, help their suppliers obtain liquidity, enhance transparency throughout the supply chain and improve their supply chain management. Our major anchor corporate customers and partners cover 18 industries, including real estate, infrastructure/construction, utilities, commerce/retail and healthcare, etc.



Case Study

CCCC First Highway Engineering Group (CCCC FHEG, 中交一公局) worked with Linklogis to promote the digitalization of supply chain finance and help SMEs resolve financing difficulties

On August 31, 2021, the supply chain finance management platform of CCCC FHEG successfully launched. In the establishment of the supply chain finance platform of CCCC FHEG, Linklogis provided leading technologies in the online platform and assisted CCCC FHEG in realizing digitalization of the whole process of supply chain finance. Relying on its own credit, CCCC FHEG established a supply chain finance management platform to support upstream and downstream SMEs of the supply chain and help them solve the problem of difficult and expensive financing. At the same time, we promote the progress of financial information digitalization, realize the localization of business data, improve the management efficiency of the industrial chain and promote more accurate business decisions. In the future, both parties will further strengthen cooperation, gradually enhance platform functions, improve automation and intelligence capabilities, empower more SMEs in the supply chain, and support the real economy.

AMS Cloud (Cloud-based Supply Chain Asset Processing Platform)

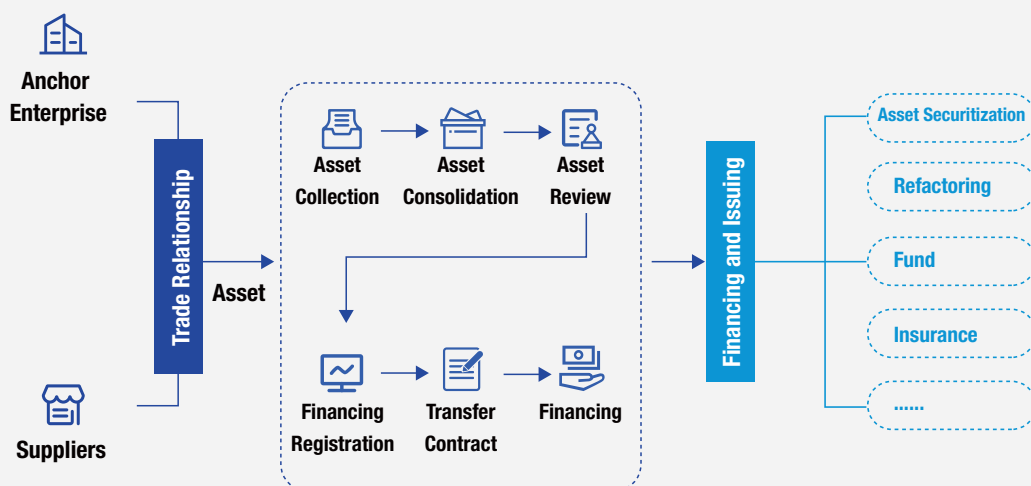


Product Introduction

AMS Cloud is an intelligent supply chain asset processing platform, providing customers with operation and management services of assets such as accounts receivable, accounts payable, final payment of house purchase and bills, covering the whole life cycle of multi-dimensional asset collection, sorting, review, transfer, contract signing, financing and post-lending management.



Business Process



Multi-tier AR Transfer Cloud



Product Introduction

We leverage blockchain technologies to create immutable and traceable digital representations of suppliers' accounts receivable due from anchor enterprises. Suppliers can split the digital representation and settle their own payment obligations in full or in part with their upstream suppliers, or use it to obtain financing from financial institutions.

Enterprise Supply Chain Central Management Platform



Product Introduction

The enterprise supply chain central management platform is committed to building a digital asset management platform and a digital financial ecosystem for enterprises through the connection between business and finance. Through the digital platform, enterprises can realize resource management and control, capital planning management, treasury management, financial product management, and establish digital financial expressways for enterprise ecosystem partners.

Beefeather (蜂羽) – Low-code Deep Learning Platform



Product Introduction

The Beefeather platform is a one-stop easy-to-use AI coding platform for supply chain finance scenarios, which can integrate components such as data, algorithms and models, and efficiently and conveniently conduct model development and service deployment to help enterprises quickly build high-precision AI applications.

New-generation Bill Management Platform (新一代票據平台)



Product Introduction

The new-generation bill management platform is a digital and intelligent bill business platform built by Linklogis in accordance with the new regulations of Shanghai Commercial Paper Exchange, combining with the demands of various financial institution participants and enterprise participants and advanced technology. The platform helps customers realize the online, automatic and integrated process of bill business, ensure compliance, and improve the efficiency of bill business processing.

Enterprise-grade OCR Solutions



Product Introduction

A large number of documents, bills, contracts and other types of paper documents generated in the enterprises' operation cannot be edited and retrieved, resulting in the loss of the application of data value of the unstructured text. Linklogis' OCR solutions can extract information from paper documents efficiently, helping the enterprises to tap the data value of text and pictures, and accelerating the digital transformation of the enterprises.



FI Cloud

FI Cloud provides a broad range of innovative solutions designed to help financial institutions digitalize, automate and streamline their supply chain finance services.



Case Study

Linklogis and Bank of Shanghai's joint efforts to promote inclusive finance

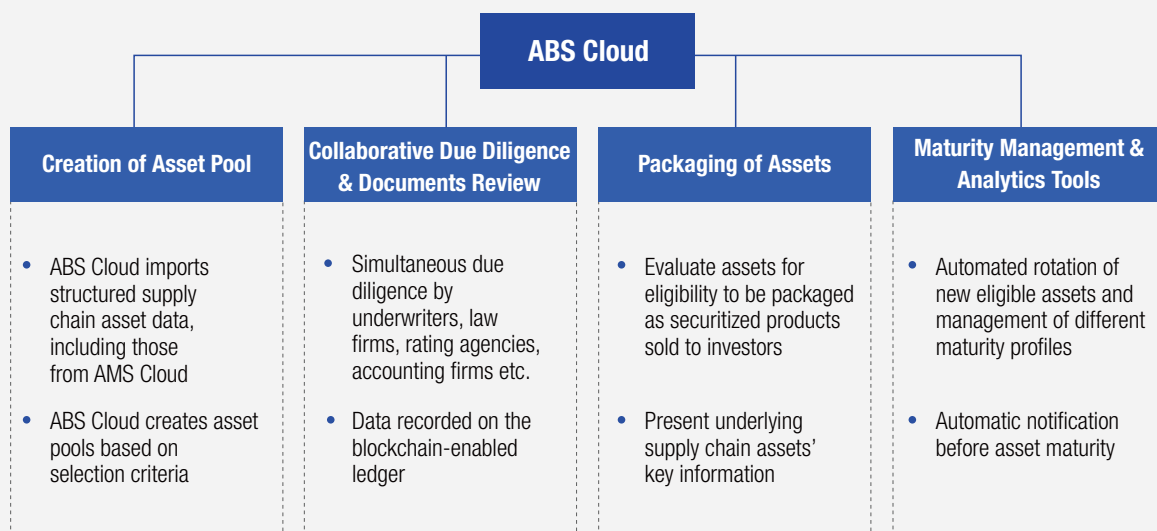
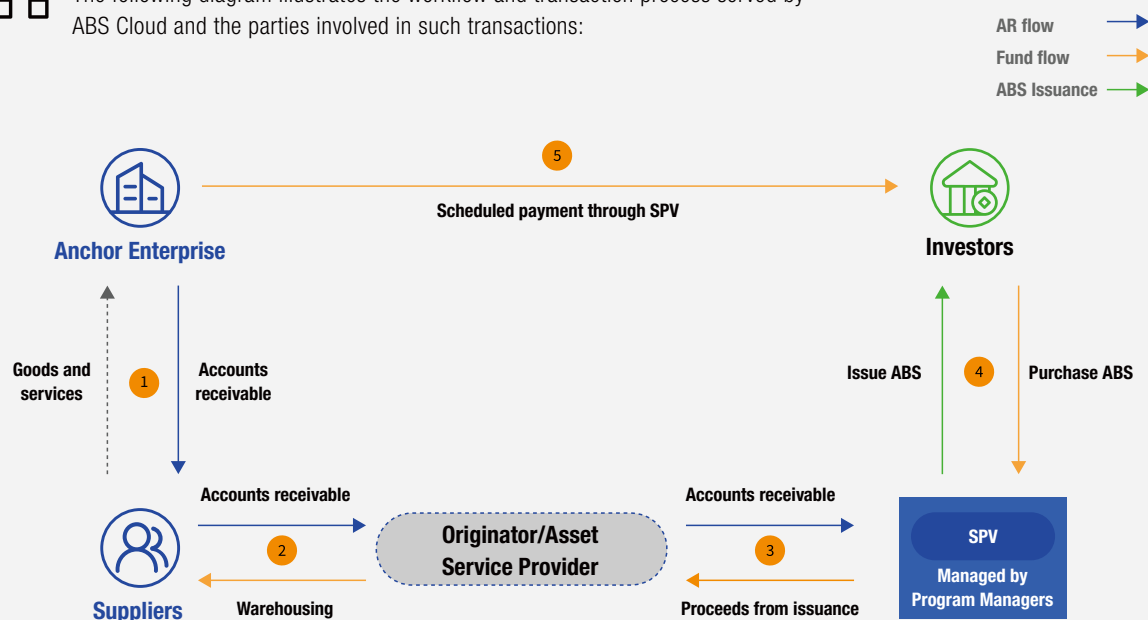
Bank of Shanghai launched its online supply chain finance service platform "Bank of Shanghai e-chain" to provide financing services for platform participants. Linklogis provides technology support for Bank of Shanghai and helps the bank provide more integrated, extensive and efficient financial services for SMEs in the supply chain through technology capabilities and asset service capabilities. Both parties are committed to building a revolutionary, open and win-win supply chain financial ecosystem. Through online intelligent digital and international services, the two parties improve the convenience and operational experience of corporate financing, improve the ability of inclusive financial services, jointly realize the vision of serving the real economy and improving the efficiency of the industrial chain, so as to solve the problem of difficult and expensive financing for SMEs. By the end of 2021, over 100 anchor enterprises have registered on the platform, with about 8,000 suppliers on board and a cumulative financing volume of about RMB30 billion.

ABS Cloud

ABS Cloud streamlines the supply chain asset securitization process and provides a wide range of blockchain-driven intelligent platforms for securitization issuance management services and post-issuance management services for financial institutions involved in securitization issuance, primarily including securities firms and trust companies.



The following diagram illustrates the workflow and transaction process served by ABS Cloud and the parties involved in such transactions:



eChain Cloud



Product Introduction

eChain Cloud is a combination of pre-built microservices that provide banks, trust companies, factoring companies and other financial institutions seeking to enhance their supply chain finance capabilities with a variety of customized and integrated technology solutions, such as process management, automated transaction collection and verification, blockchain-enabled transfer of supply chain assets and use case-specific solutions.

eChain Cloud provides the following key functions and features:

Automated transaction verification

eChain Cloud provides a suite of functionalities that help financial institutions automatically and effectively inspect and authenticate the invoices, transactions background and the information relating to underlying transactions. For instance, financial institutions utilize asset collection module and asset verification module to cross-check the documents and information submitted by suppliers or anchor enterprises, and perform a comprehensive analysis with respect to the supply chain assets.

Blockchain-powered transfer of supply chain assets

Using this module, eChain Cloud enables financial institutions to offer end-to-end financing options to deep-tier suppliers in the supply chain. It creates digital representations of suppliers' accounts receivable, which can be used by suppliers to leverage anchor enterprises' credit profiles and meet liquidity needs by settling their own payment obligations or applying for financing.

Use case-specific solutions

eChain Cloud delivers other modules tailored specifically for some of the most critical needs, and use cases in supply chain management. For example, asset packaging module enables factoring companies to automatically package the underlying assets according to the pre-set criteria established by the third-party investors. It also allows the anchor enterprises and their affiliated factoring companies to achieve real-time information exchange and processing with anchor enterprises through system integration.

Bee Security Privacy-preserving Computation Platform



Product Introduction

The Bee Security Privacy-preserving Computation Platform is a data security collaboration platform which we self-developed based on multi-party security computing, blockchain and machine learning technologies. The platform ensures the security of inter-institution data cooperation through the use of cryptology technology and algorithms. The platform aims to solve the problems of data islands, data right confirmation, and data privacy protection, and realize the security data cooperation with multiple parties through the decentralized model, so as to help users realize the “useable but invisible” of data. The Bee Security Privacy-preserving Computation Platform is committed to solving cross-institution data cooperation use cases such as joint modeling, joint risk control, collaborative marketing, data verification and data statistics inquiry. The platform can help customers grow business and realize data value, while ensuring data security.

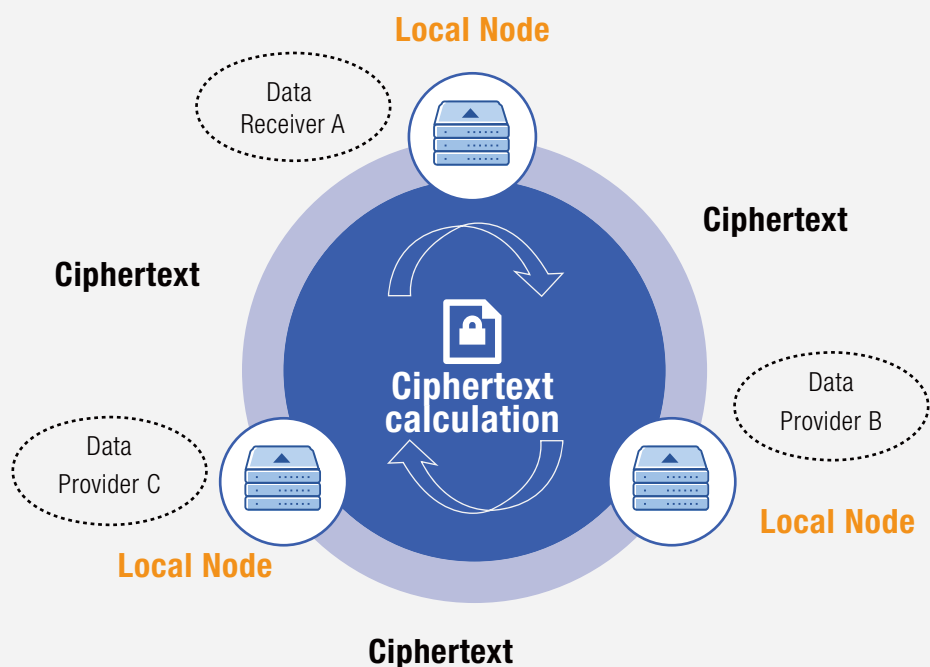


Diagram of inter-institution data cooperation

Intelligent Information Monitoring Platform

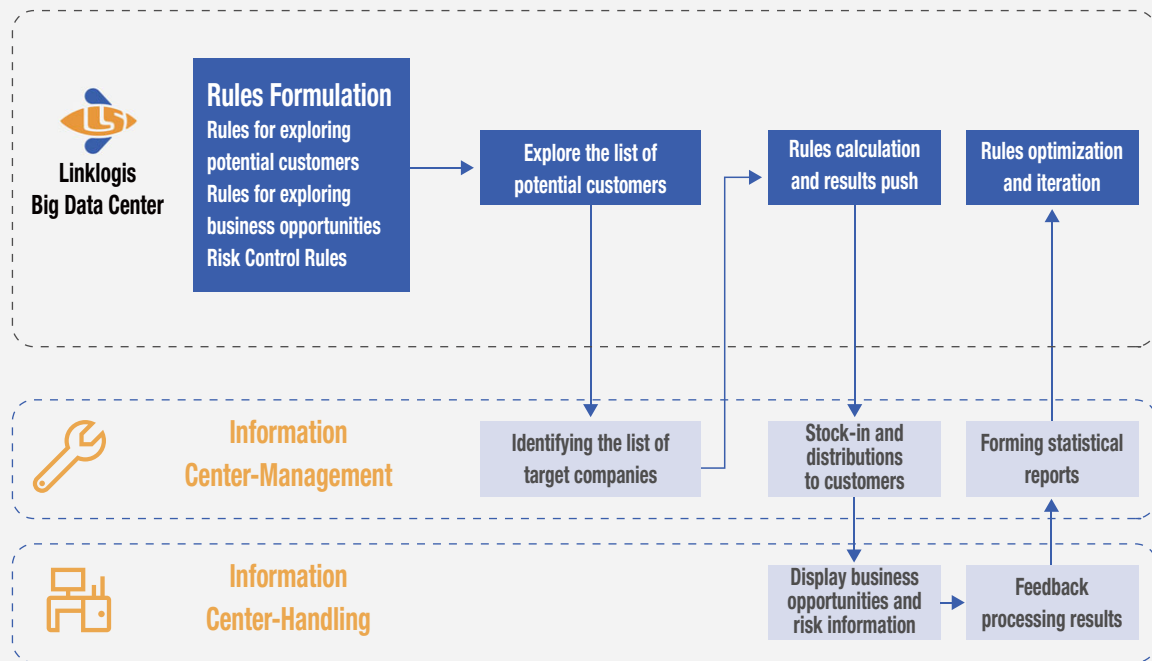


Product Introduction

Based on the technological capabilities of big data and AI, Linklogis explored and analyzed massive data extensively, and combined with modular financial technology components to help financial institutions solve the problems involved in customer management such as potential customer exploration, business opportunity exploration, customer portrait analysis and risk monitoring, effectively improve marketing efficiency and risk control capabilities, and achieve digital transformation and upgrading.



Business Process



4.1.2 Emerging Solutions



Cross-border Cloud

Cross-border Cloud is the first technology solution based on blockchain technology aiming to promote cross-border supply chain finance in China. Cross-border Cloud is committed to providing digital cross-border supply chain financing services and cross-border trade digital services. The whole process of cross-border trade financing is digitalized, and then automatic cross-checking and verification are conducted through comprehensive data analysis to confirm the authenticity of the trade from multiple dimensions and reduce the fraud risk of international trade financing.

Digital cross-border supply chain financing platform



Product introduction

The digital cross-border supply chain financing platform realizes data interaction and process integration with overseas B2B platforms. Based on the advanced technologies such as big data, AI and blockchain, the platform integrates the transaction data of various partners of the trade ecosystem, creates a data-driven risk control engine to help SMEs to access financial services in the transaction process. At the same time, the platform can integrate multi-assets and multi-funding providers, and enable automatic allocation of the portfolio based on the needs of different investors.

Cross-border e-commerce integrated digital service platform



Product introduction

The cross-border e-commerce integrated digital service platform has completed the connection and cooperation with Shenzhen International Trade Single Window (深圳國際貿易單一窗口), partners banks in Shenzhen and cross-border e-commerce platforms, helping enterprises to streamline the whole process of export declaration and foreign exchange collection through the connection to the front, middle and back end data of cross-border e-commerce enterprises' supply chain, in order to provide convenience for cross-border e-commerce enterprises of foreign exchange collection, settlement and financing in one-stop. In 2021, Linklogis officially joined the Amazon Seller Central Partner Network, and worked with financial institutions to solve the problem of financing for cross-border e-commerce merchants, helping them improve the management efficiency of cross-border supply chain network and data information. The cross-border e-commerce integrated digital service platform of Linklogis will provide support for risk control and technology capabilities, assist the investors in launching the post-shipment financing and pre-shipment financing services for sellers in Amazon, explore a new financing model for SME cross-border e-commerce partners.

Cross-border AI Document Checking Platform



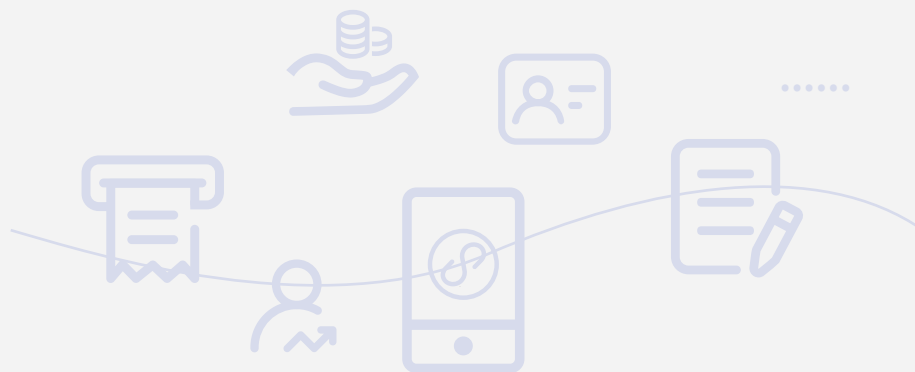
Product introduction

Based on the self-developed AI, the Cross-border AI Document Checking Platform can complete a set of intelligent checking procedures for cross-border trade documents, including document classification, key element extraction of documents, rule extraction of letter of credit, and cross-comparison between documents. At the same time, the platform has realized the visualization of the whole process, which is convenient for manual review and checking. The product can significantly save labor costs while ensuring security.



SME Credit Tech Solutions

Our SME Credit Tech Solutions are comprised of an array of data-driven risk analytics solutions designed to help financial institutions provide financing to anchor enterprises' SME suppliers and distributors based on information and data in the supply chain ecosystem in a secure and efficient manner. SME suppliers and distributors can apply for financing through the convenient Weixin Mini Program. Only by a few steps such as uploading invoices, initiating financing, verifying identity, recording amount, online signing and verification, they can complete the financing application and avoid the time-consuming and complicated paper-based application process.



Data-driven Risk Management



Product introduction

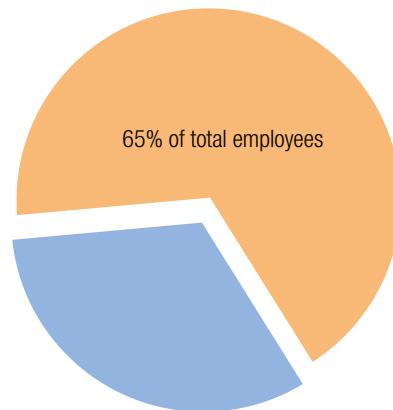
We use a variety of technologies, such as big data, image recognition and cloud technology, with proprietary data-driven risk management solutions to analyze information on SMEs' historical business and financial performance, their transaction parties and operational stability. Through our risk management solutions, we can help financial institutions digitalize and streamline their risk assessment processes, assist them in generating actionable insights for more accurate and efficient risk profiling and bridge the information gap, which helps a holistic analysis of SMEs' financing applications.

4.2 Technology Innovation

As an industry-leading supply chain finance technology solution provider, the Group takes technology innovation as its cornerstone and adheres to the mission of “To re-define and transform supply chain finance through technology and innovation”. The Group continues to invest in enhancing its own research and development capabilities, and is committed to building efficient and high-quality customized solutions for customers. Linklogis has an R&D team consisting of experienced and professional technicians, and has formed a streamlined and agile R&D team covering software design, product development, performance testing, operation and maintenance and other aspects. Meanwhile, the Group has established a research and development center in Wuhan to continuously strengthen and expand our research and development capabilities. In 2021, our R&D expenses reached RMB277 million, accounting for 23.2% of total revenue and income, and 43.8% of all operating expenses.



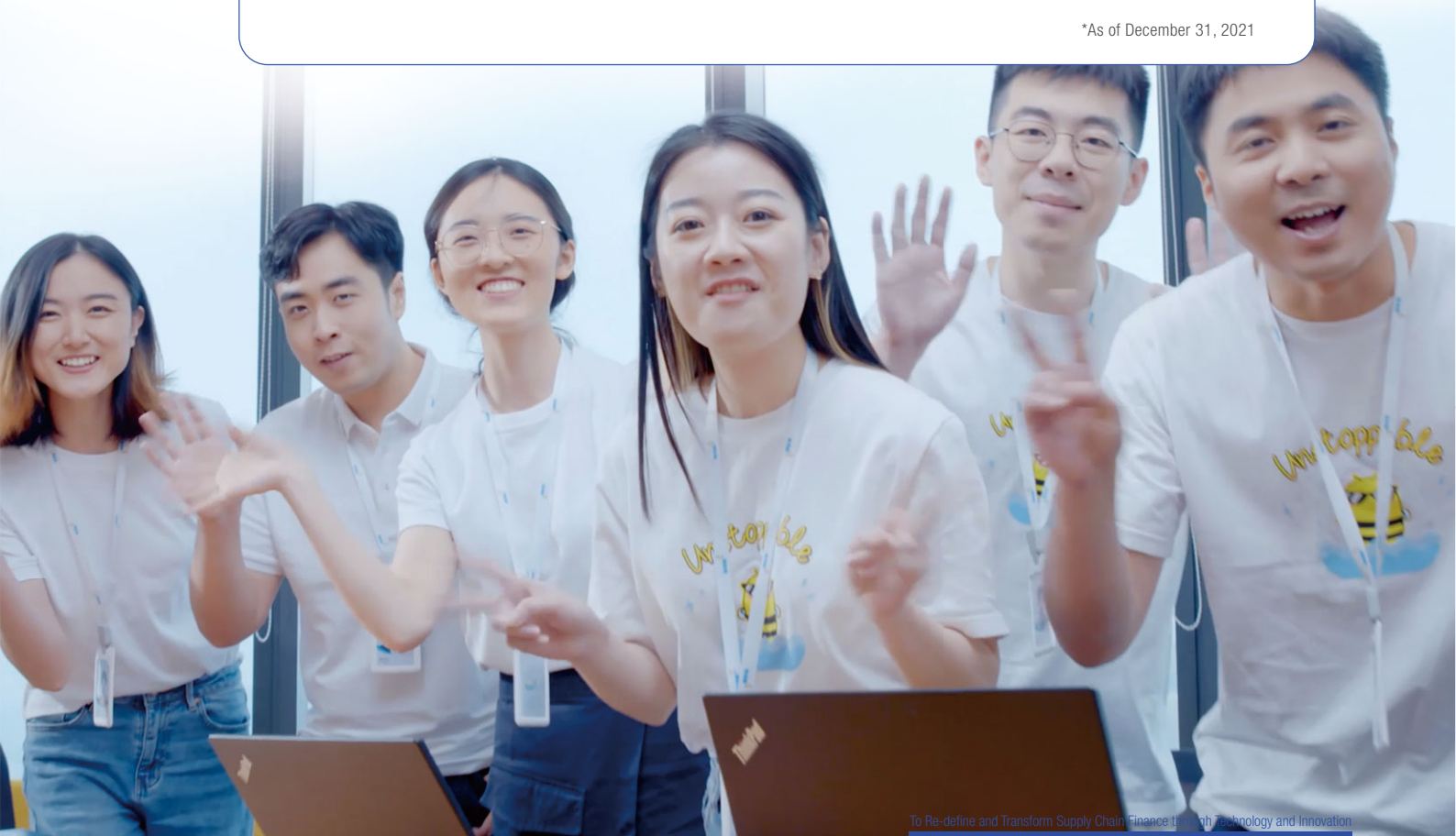
Technology Research and Development Team



R&D Employees

595

*As of December 31, 2021



4.2.1 Core Technology

We focus on the application of advanced technologies such as artificial intelligence, blockchain, cloud technology and big data in the field of supply chain finance. Through customized solutions and industry-leading technologies, we create incremental value for the industry, improve the efficiency of the financial market, serve SMEs, and empower the development of the real economy.

<div data-bbox="240 476 293 523"></div> <div data-bbox="309 482 612 519">A: Artificial Intelligence</div> <ul style="list-style-type: none"> Artificial intelligence-driven OCR and NLP technologies automate manual processes with operational risks The accuracy rate of general documents reached approximately 99%, and the accuracy rate of contract documents reached over 90%, maintaining a leading position in the industry AI semantic analysis supports the inquiry on PBOC's Unified Registration System and legal documents 	<div data-bbox="842 476 895 523"></div> <div data-bbox="911 482 1241 519">B: Blockchain Technology</div> <ul style="list-style-type: none"> Improve the transparency and security of the assets and information Achieve trusted collaboration among multiple participating institutions One of the only two enterprises that has obtained the supply chain finance special assessment certification of the Ministry of Industry and Information Technology
<div data-bbox="240 1110 293 1157"></div> <div data-bbox="309 1116 571 1153">C: Cloud Technology</div> <ul style="list-style-type: none"> Optimize data storage flexibility and synchronize access SaaS model reduces the burden on data storage and encourages customers to adopt solutions 	<div data-bbox="842 1110 895 1157"></div> <div data-bbox="911 1116 1054 1153">D: Big Data</div> <ul style="list-style-type: none"> Big data enables automatic verification and cross-verification of entity identity and assets Automatic verification and cross-verification contain more than 1,000 dimensional indicators Automatic penetration analysis of multi-level related enterprises to identify related party transactions and false trade

We have modularized development capabilities. Our technology solutions consist of a wide and growing library of microservices that are purpose-built for the most common technologies and processes in the supply chain finance industry, such as rule-configuration, AI voicebot and e-contract signing. These microservices are all modularized, uncoupled, and pre-coded to be easily pulled and used out-of-the-box as building blocks to quickly deliver our proprietary solutions for customers' specific requirements and preferences, without the need for us to write the code from scratch.



Beefeather (蜂羽) – Low-code Deep Learning Platform

Beefeather platform is a one-stop easy-to-use AI coding platform for supply chain finance use cases, which can freely combine data, algorithms, models and other components, efficiently and conveniently carry out model development and service deployment, and help enterprises quickly build high-precision AI applications.



High-precision vertical domain model

Based on the massive amount of data accumulated, high-precision AI models, such as OCR, form identification, factor extraction and relationship extraction, can be developed directly to meet customers' various supply chain finance needs.



Rich supply chain AI cases

We provide case templates for supply chain finance use cases, such as intelligent contract review, intelligent analysis of financial reports, intelligent access to PBOC's Unified Registration System and intelligent document review, which can deploy rapid applications with one click.




Multi-party security joint modeling

Based on the private data of users, through the federal learning modeling, personalized models can be trained with better generalization and a better fit for customer use cases.

4.2.2 Innovation Incentives

As a leading enterprise in the supply chain finance technology industry, the Group promotes technological innovation actively, improves our technological capabilities and professional service level, and creates value for the industry chain continuously. The Group has a comprehensive innovation management system. It has set up an innovation operation team and an innovation expert team, and regularly conducts expert seminars to create an innovation atmosphere at the group level. At the same time, we have formulated “the Internal Innovation Management Measures of Linklogis”, and established mechanisms such as innovation review, innovation incubation support and innovation incentive, to encourage innovators to propose and share new ideas, and assist in the implementation of excellent new projects.

 Innovative incentive mechanism
<p>To reward innovative projects that are successfully completed, and to provide additional incentives, such as equity incentives, formation of a full-time team, investment by the Group to set up independent start-up companies</p>
<p>Expert mentors who guide the successful completion of innovative projects are also entitled to corresponding rewards</p>
<p>Bonus to innovation proposals</p>



Regular internal update news on innovation project applications



In 2021, Linklogis received the following awards in innovation:

In December 2021

Linklogis won the “Annual Industry Development Innovation Award” at the 2021 Greater Bay Area Industry Innovation Summit of Nanfang Daily.

In August 2021

Two platforms under Linklogis, the “Blockchain-based Supply Chain Finance Information Sharing Service Platform” and the “Cross-border Trade Digital Bill Interaction and Intelligent Review Platform”, were awarded the “Digital Innovation Potential Award” in the Digital Transformation Innovation Competition of Shanghai State-owned Assets Supervision and Administration Commission

In August 2021

Linklogis was awarded the “Best Innovative Enterprise” of the iResearch Award.

In July 2021

Linklogis won the “Technology Innovation Leadership Award” at the 10th CFS Financial Summit and the 2021 Sustainable Business Conference.

In March 2021

Linklogis was awarded the “9+2” Guangdong-Hong Kong-Macao Greater Bay Area Most Innovative Value Award by Hong Kong Ta Kung Wen Wei Media Group.

4.2.3 Innovation Project Cases



Paperless cross-border trade service project under the China (Shenzhen) - Singapore Smart City Initiative

The solutions mainly include paperless electronic bills of lading, paperless electronic invoices and other key documents. In this paperless cross-border trade pilot project, Linklogis used its blockchain technology to provide technology solutions for cross-border trade and help build a paperless and digital trade platform. Among them, blockchain technology establishes real-time records of immutable and traceable transaction information to enhance the trust among all parties and effectively mitigates fraud risks.

In the future, AI technologies (such as OCR and NLP) will be used to verify relevant contracts and legal documents in a digital and intelligent way, and the paper-based process will be transformed into a paperless process, which will significantly improve the efficiency of trade-related participants and connect with more electronic bill of lading verification platforms to achieve interconnection with the mainstream bill of lading companies.



Digital RMB's application in supply chain finance

In digital RMB's application, Linklogis partners with banks to connect to the digital RMB interface and implements a series of innovative businesses in the supply chain scenarios. Through the partner bank's open banking platform, the digital RMB can be connected with other banking interface systems to provide "one-stop" access to services for Linklogis' customers. In the supply chain finance scenario of Linklogis, under the premise of compliance, digital RMB can conveniently connect various application scenarios in the supply chain, while the information recording and marking functions of digital RMB can provide effective support for big data modeling.

In the future, we plan to partner with banks to launch the digital RMB smart contract, which can be flexibly applied to a variety of circumstances, enabling digital RMB to be automatically traded in accordance with the conditions and rules agreed by participants to promote business model innovation while ensuring safety and compliance. It can enable digital RMB access to more complex scenarios and make the application configuration of "the last kilometer" more convenient. By combining technology and scenario advantages, Linklogis will comprehensively explore the application of digital RMB in domestic and overseas supply chain finance.

4.2.4 Intellectual Property Protection

Linklogis attaches great importance to the protection of intellectual property rights and continuously improves the intellectual property management system. The Group strictly abides by the “Patent Law of the People’s Republic of China” and other intellectual property-related laws and regulations, and has formulated the “Intellectual Property Protection Management System of Linklogis” to continuously strengthen the management and protection of intellectual property.

The Group has formulated internal management regulations on intellectual property rights, which clearly stipulate details of management of intellectual property rights at different stages such as declaration, use, transfer, protection and authorization. In order to enhance employees’ awareness of protecting intellectual property rights and clarify their responsibilities and obligations, all employees are required to sign the Confidentiality Agreement and the Intellectual Property Transfer Agreement, and employees above a certain level are also required to sign the Intellectual Property Transfer and Non-competing Agreement. Linklogis also encourages employees to actively participate in the invention and creation of intellectual property rights, and has formulated special incentive plans that give the corresponding incentives for invention patents, utility model patents and design patents to promote technology innovation.

By the end of 2021, we obtained 11 patents, including 8 invention patents and 127 copyrights, and filed 304 patent applications, of which 74 were filed in 2021.



4.3 Technology Empowers Inclusive Finance

Inclusive finance is a social responsibility, and an important way to achieve common prosperity. Supply chain finance is one of the most effective ways to achieve inclusive finance. From the perspective of the industrial chain, supply chain finance has built a broad-coverage, low-cost, and sustainable inclusive financial system. As a critical aspect of inclusive finance, supply chain finance provides an opportunity for SMEs to solve financing difficulties.

The 2021 Government Work Report mentioned the “innovative supply chain finance service model”, and a number of provinces also introduced relevant policies to promote supply chain finance. The Group actively responds to the national promotion of inclusive finance, focuses on the application of advanced technologies in the supply chain ecosystem, and provides innovative supply chain finance technology solutions in a digital, use-case-based and data-driven manner. Technology has played a significant role in inclusive finance by reducing costs and increasing efficiency.

There are a large number of SMEs in the entire supply chain. The lengthy payment cycle has become an increasing barrier for SMEs who generally lack reliable financial data and operating track records to obtain financing. Deep-tier SMEs are more difficult to obtain financing because they do not have direct business relationships with large enterprises, which makes it more difficult for funding parties to rely on the credit of anchor enterprises to assess the relevant risks. Through our supply chain finance technology solutions, we strive to fill the financing gap of SMEs, shorten the payment cycle and improve cash flow. We help SMEs to obtain low-cost financing by leveraging the high-quality credit profile of anchor enterprises through digitalized, efficient and convenient financing process, which effectively reduces their financing cost from 10-20% to 5-6%.



The Group's innovation of solving SMEs' financing difficulties with technology-enabled solutions was selected as a business school case study by Peking University. In the case study titled “Linklogis: Solving SMEs' financing difficulties with blockchain-based supply chain asset multi-tier transfer platform” published by Peking University, it describes that Linklogis built multi-tier transfer platform to enable financial institutions with a look-through risk management method. Based on anchor enterprises' credit, supply chain SMEs' credit are enhanced, with the credit being transferrable across the supply chain, SMEs' financing cost are significantly reduced.



Solving SMEs' financing difficulties



SMEs served

140,000⁺

Accumulative transaction volume

over **RMB560** billion

Suppliers reached

11 tiers

Quickest time to get financed

30 minutes

Average transaction volume per financing

About **RMB1.6** million

Average financing cost

5-6%



Enhance transparency and connectivity



Optimize payment cycle



Empower SMEs



Resolve financing dilemma

*Note: As of December 31, 2021; average transaction volume based on available data in our SaaS platform in 2021

5 Creating Excellent Value for Customers

5.1 Customer-First

The Group is customer-centric, where we look into customer needs and provide customers with high-quality, efficient products and solutions. By understanding the needs of customers through various channels, we earnestly solve the problems raised by customers, make sure that every case is handled and every request is responded, striving to provide customers with one-stop and excellent services.

5.1.1 Customer Experience Optimization

We provide end-to-end solutions to our customers to address various pain points throughout the supply chain finance and payment cycle. Our solutions are professionally designed to deliver superior user experience and desired results by providing convenient access and streamlined processes. As an expert in the supply chain finance technology sector, we benefit from a large number of domain-specific data accumulated since our inception, which are critical to training models and continuously optimizing solutions through algorithms. The modularized nature of our micro-services and products enables us to quickly provide customized solutions to customers of different sizes and industries. Leveraging our advanced online technology and extensive experience in asset review, Linklogis works online around the clock, and provides anchor enterprises and suppliers with online training, online customer service, online asset review, online identity authentication, online rights confirmation and other services such as account opening and filing, review and financing with one-click, without the need for paper delivery and on-site queuing.

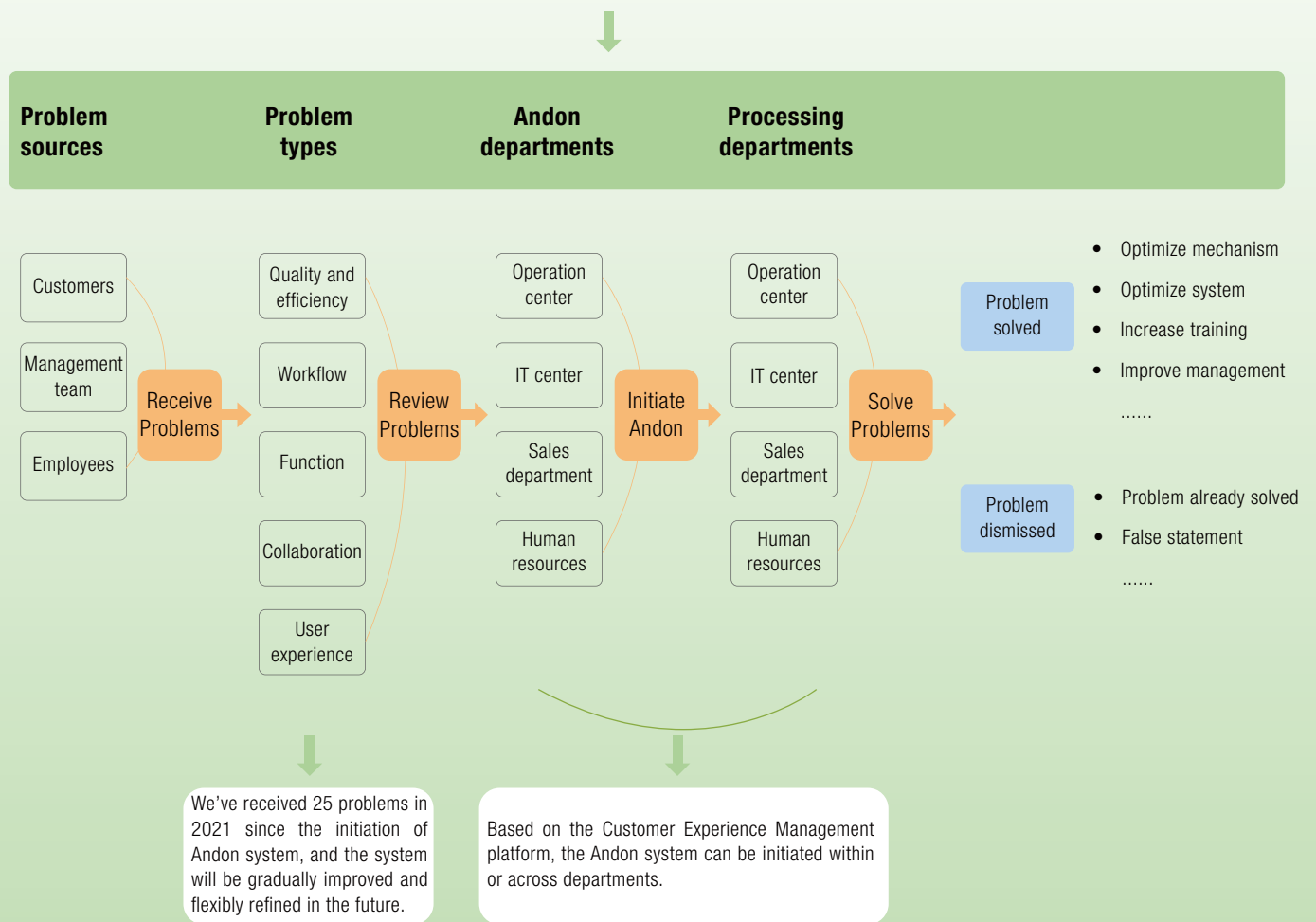
Traditionally, an asset package review takes 30 people one month to conduct manually. Through AI technology nowadays, Linklogis can accomplish the review of an asset package by just three people in only two days, improving the efficiency of asset processing by more than 10 times and releasing a lot of manpower. We have established a complete customer service knowledge base and case database, and actively consider how to organically combine the customer experience of “To Customer” model with the professional services of “To Business” model to maximize the value of services.



5.1.2 Craftsmanship

Linklogis continues to build its products and provide high-quality customized services for customers. From high-quality to striving for excellence, we focus on the details of each work process. Linklogis has established a comprehensive process to enhance customer experience, identify and improve potential problems in the service process in a timely manner. For example, with reference to leading international enterprises, Linklogis has established an internal Andon system to promote the culture of serving customers and solving customer problems.

Andon System: Put customers first and improve user experience

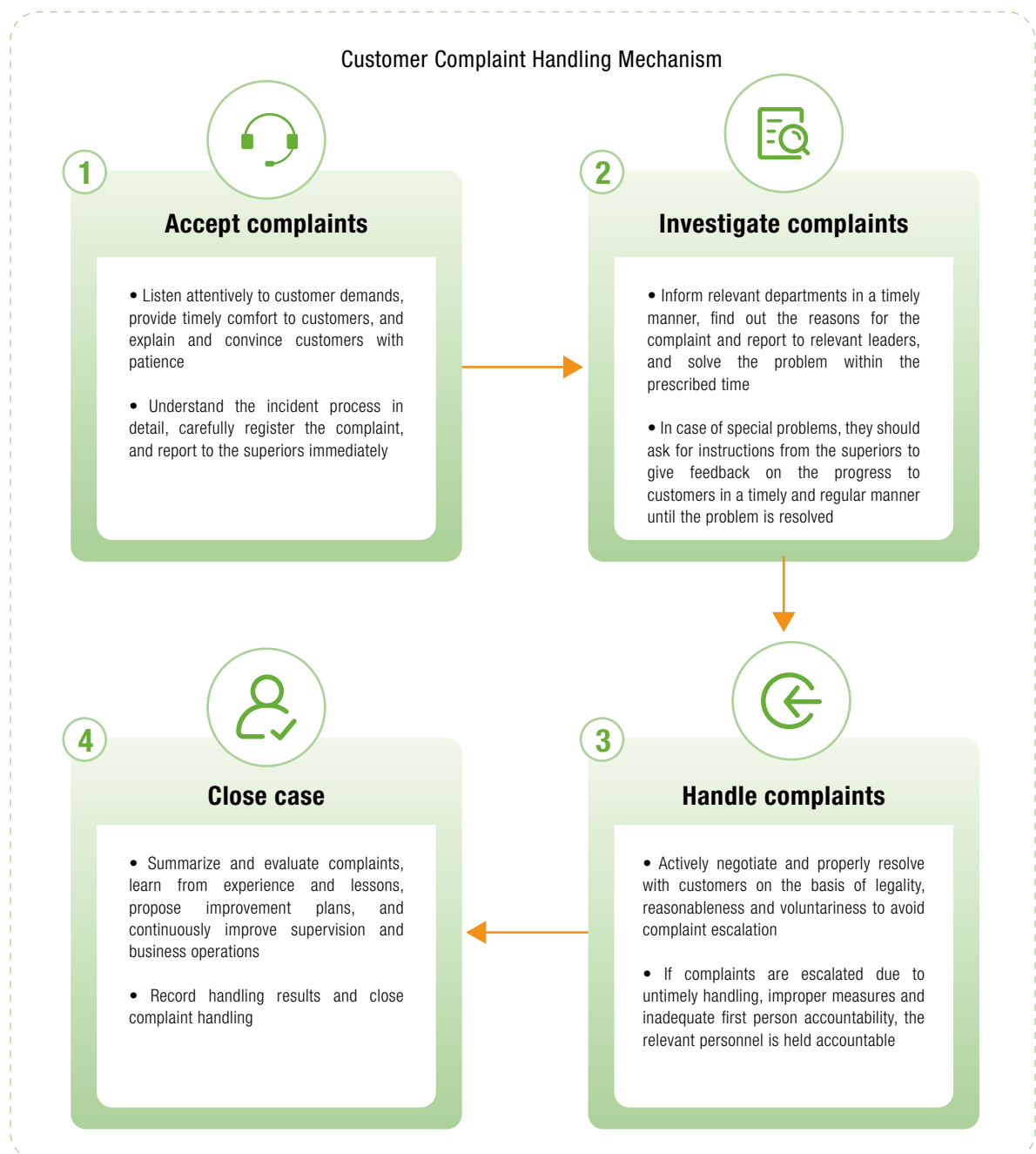


Linklogis Andon system workflow

5.1.3 Complaint Handling Mechanism

The Group attaches great importance to the needs and feedback of customers, establishes multiple communication channels, listens carefully to the voices of customers, and continuously improves the quality of customer service. We have formulated the "Management Measures for the Complaint Handling Mechanism of the Operation Support Center", based on which we have established an effective complaint handling mechanism to clearly standardize the process and provide customers with systematic and high-quality complaint handling services.

The customer centers of Linklogis have set up service hotlines, and customers can give feedback through channels such as platform system, email and Weixin. We take every customer seriously and are committed to handling every complaint in a timely and efficient manner to ensure solutions are provided and followed up within one working day. Upon completion of a complaint handling, we conduct follow-up review and improve the service process in a timely manner. During the year, the ratio of customer complaints to the number of assets handled by the Group was less than one in ten thousand.



5.2 Information Security and Privacy Protection

The Group attaches great importance to information security and protection of privacy of information for customers, and strictly abides by the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other relevant laws and regulations. The Group continuously improves the information security management system and policies to ensure information security and data privacy, safety and compliance of various businesses, and provides customers with reliable and high-quality services.

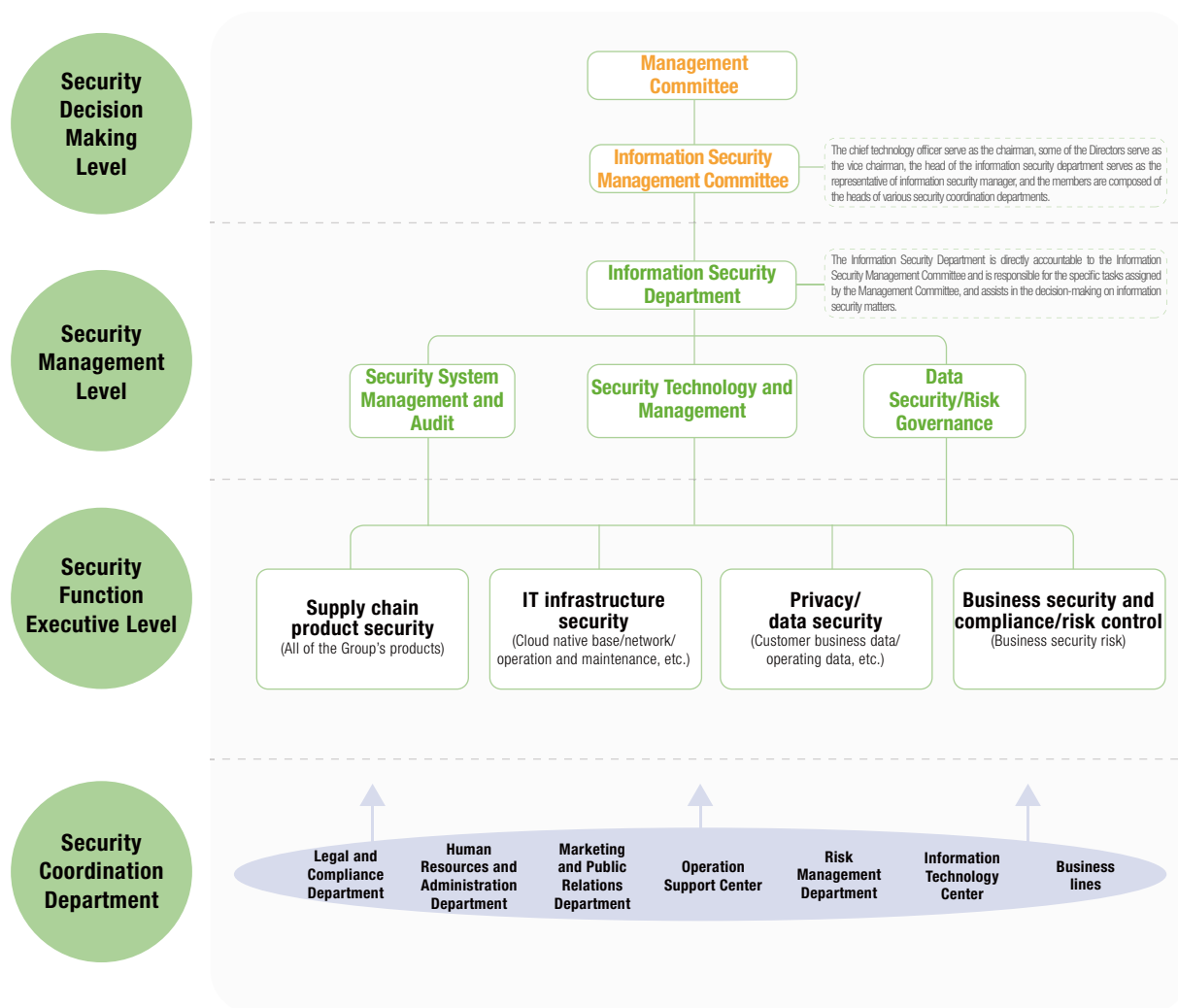
The Group achieved the following information security target during the year.

Information Security Targets



5.2.1 Information Security Management Structure

The Group continues to improve its information security management system, strengthen information security management, and utilize internal resources to provide support services such as security standards, security technologies and security management for supply chain finance technology products. The Group has set up an Information Security Management Committee, chaired by the Chief Technology Officer, and built an information security organizational structure, covering information security decision-making, management and implementation, and coordinating work at different levels, including cooperating with the promotion and implementation of various information security policies, and completing the rectification of information security risks related to the corresponding functional side in a timely manner.



Information Security Management Structure

5.2.2 Information Security Certification

During the year, the Group obtained the dual certifications of ISO/IEC 27001:2013 Information Security Management System and ISO/IEC 27701:2019 Privacy Information Management System, becoming the first company in the supply chain finance technology industry to obtain ISO/IEC 27701:2019 Privacy Information Security Certification. The management system covers the supply chain finance technology service platform business, as well as technical services such as information system planning, design, development, testing, operation, maintenance and other services that support our business.





Bee Security Privacy-preserving Computation Platform – Multi-party secure computing financial application evaluation by CAICT



Bee Security Privacy-preserving Computation Platform – Blockchain-Assisted PEC Tools evaluation by CAICT

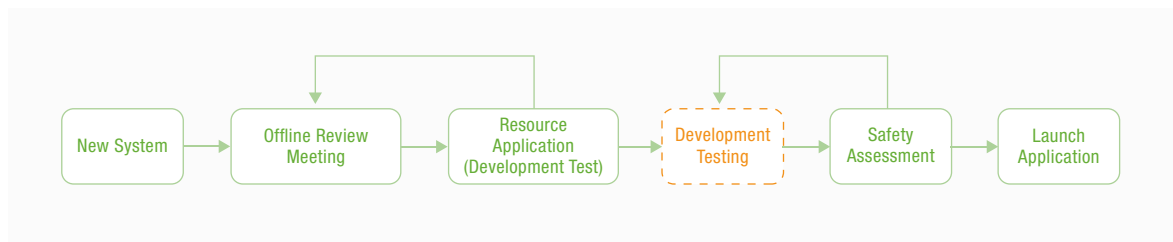
5.2.3 Information Security Assurance System

Linklogis has implemented an internal security management system to improve and optimize its information security management, and continuously improve risk management and emergency response capabilities, so as to enhance our defense level in various security fields such as business security, application security and data security, while building a solid defense barrier to ensure data security and protect customers' privacy.

Safety development	Management Measures for System Acquisition, Development and Maintenance
Safe operation	Operation Safety Management Measures
Safe access	Access Control Management Measures Management Procedures for Access to Important System Accounts
Emergency response	Information Security Incident Management Measures Business Continuity Management Measures
Risk management	Measures for Information Security Risk Management

Information Security Management System

In order to strengthen the deployment of the information system, Linklogis has formulated the "System Deployment Management Measures", established a systematic new system launch process, standardized the deployment process and other management behaviors, and controlled the quality of products and services strictly. Before a new system is launched, the project team is required to provide a series of relevant information, including system function lists, system structure lists and non-functional requirements. The new system can only be launched after passing various procedures such as offline review meetings, development tests and safety assessments. If the evaluation were not passed, the application initiated would be rejected, and the new system that fails to pass the safety assessment will not be allowed to go online.

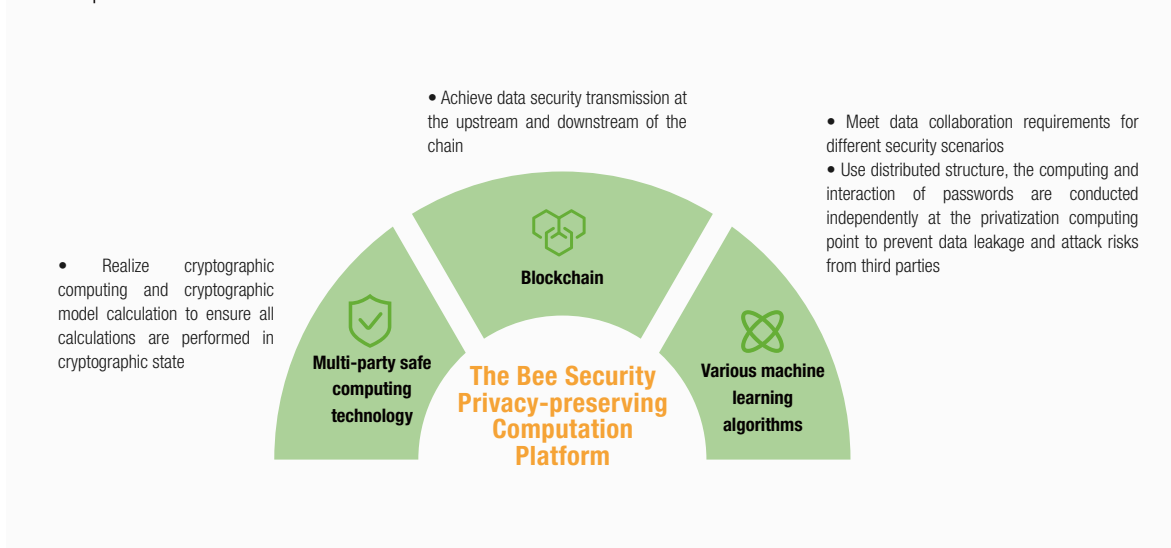


The basic process of launching a new system

In addition, Linklogis has formulated the "Application Security Review and Management Procedures" to strengthen the application security review and management, and strives to ensure product quality by focusing on security demand analysis, security demand review, security baseline review, penetration test, operation security assurance, etc.

5.2.4 Enterprise-grade Data Security Collaboration Platform – Bee Security Privacy-preserving Computation Platform

We actively comply with the national regulatory compliance requirements and customers' needs for information security collaboration, and independently developed an enterprise-grade data security collaboration platform, the Bee Security Privacy-preserving Computation Platform, based on multi-party security computing, blockchain and machine learning technologies, with the goal of resolving the problems of data isolation, data right confirmation, and data privacy protection for all parties in the supply chain industry, and achieving the security goal of "making data useable but invisible". Our proprietary Bee Security Privacy-preserving Computation Platform provides a full-scope protection plan for the availability, controllability and traceability of enterprise data security. We participate in a number of important industry research and standard formulation, assisting the security, openness, circulation and application of data at different levels, and contributing to the digital transformation of inclusive finance and enterprises.

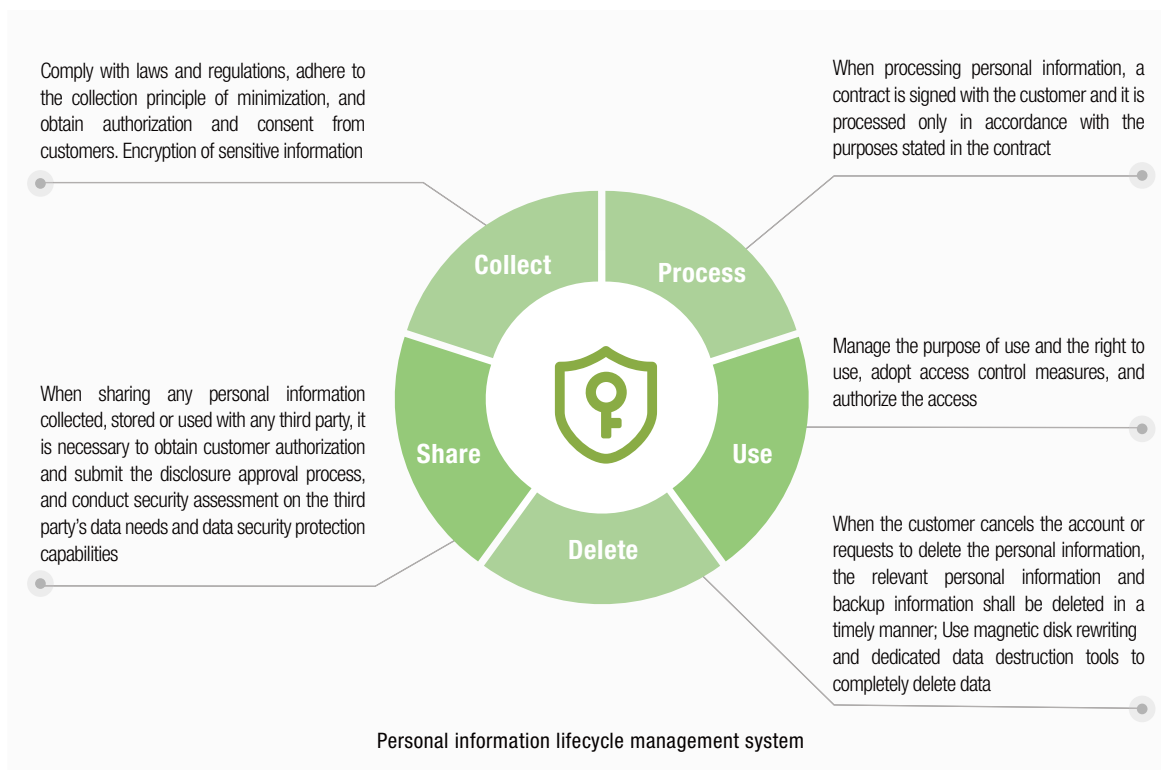


The Bee Security Privacy-preserving Computation Platform supports the easy-to-use deployment of privatization, multiple machine learning, distributed architecture and highly user-friendly solutions. At the same time, it uses multi-party security technologies such as same-state encryption, secret sharing, and unintentional transmission to introduce multi-party data sources, and conduct joint model analysis on SMEs in a dense form to help industrial institutions to conduct supply chain risk and business management, and help financial institutions to control financial risks. In addition to the Bee Security Privacy-preserving Computation Platform, we have also developed the “Fengniao” (蜂鳥) cloud data platform and the “Fengjing” (蜂景) data insight platform.

 Fengniao Cloud Data Platform	Fengjing Data Insight Platform 
<ul style="list-style-type: none"> • Combines more than 20 mainstream open source technologies in the industry, such as Hadoop, Hive and Spark, to provide enterprise-level, high-security, high-reliability, high-expansion and low-cost cloud-based full-managed pan-Hadoop big data structure. • Provides SaaS or localized deployment of multiple service models, allowing users to efficiently and conveniently create a dedicated pan-Hadoop cluster within minutes, with rich monitoring diagrams and fault alarm mechanisms, as well as visualized operation and maintenance capabilities. • Meets the needs of enterprise PB-level data storage and calculation, and enables customers to use the data upon opening of containers and experience one-stop big data services. In terms of security, reliability, scalability, computing capability and management capability, the platform has reached the first-tier level in the industry. 	<ul style="list-style-type: none"> • An integrated data processing platform based on big data technology independently developed by Linklogis, with functions covering the whole life cycle of data processing, including data input, data processing, data service, data monitoring, data operation and other links. • Build offline and real-time dual data processing capabilities, which can quickly access multiple data sources and provide data acceleration capabilities to achieve rapid response to tens of millions of data. We provide customized services to data analysts, data engineers and data operators. • With the vision of “serving enterprise data business”, the platform starts from the four directions of efficient and thorough data analysis, accurate and standardized data management, safe and reliable data services, and friendly and user experience, deeply explores the field of enterprise big data application services.

5.2.5 Personal Information Privacy Protection

The Group has formulated internal management policies such as the “Management Measures for Personal Information Protection” and the “Data Privacy Protection Strategy” to clearly regulate the management of personal information protection and has established a sound personal information life cycle management system to ensure that handling of personal information from collection to deletion meets the legal and regulatory requirements. The Group has established a privacy design mechanism to integrate the concept of privacy design into the life cycle of security development, and fully implement the privacy protection work in various stages such as demand, design, development, testing, implementation and operation, striving to protect personal information security and data security.



To strengthen the supervision of information security, the Group implements a unified log storage mechanism to monitor intrusion behaviors in real-time, regularly conducts information security audit work, formulates timely solutions for key events, and tracks and reviews the rectification results. In order to respond to personal information leakage incidents, the Group has formulated a comprehensive emergency response plan and regularly holds emergency drills to ensure effective response to relevant incidents. In addition, the Group has formulated a safety incident response process, established a timely notification mechanism for incidents, standardized the work requirements for acceptance, identification, handling, notification and closure of incidents, and summarized and studied past incidents to continuously improve prevention awareness and emergency response capabilities.

During the year, the Group did not have any material information security incidents or privacy protection incidents, nor did it experience any form of leakage of corporate private information or personal data, fully achieving the Group's annual goals of information protection and privacy protection.



Privacy Protection Targets

0

Number of material
privacy protection
events during the year

0

Number of personal
data leakage during the
year

At the same time, the Group also provides substantial training to employees and suppliers. Through regular information security training, audit and assessment, the Group strictly regulates the safety behaviors of employees and suppliers to ensure that the protection of personal information is effectively implemented at all stages.



6 Climate Change Response and Environmental Protection

Climate change poses significant risks to the global community. With the economic development, society's reliance on fossil fuels as essential energy has been increasing, and the increase in carbon dioxide in the atmosphere cannot be digested in a timely manner. The subsequent problems of climate warming, rising sea levels, glacier ablation, and increased ocean acidity have brought about more frequent extreme weather, such as heatwaves, droughts and hurricanes.

In 2015, the Paris Agreement has committed countries to gradually reduce carbon emissions and eventually achieve carbon neutrality around the century. In particular, China aims to achieve carbon peak by 2030 and carbon neutrality by 2060. The government continues to implement policies to strive for the transformation of production structure, phases out high-emission industrial activities and invests resources in new energy technology. At the same time, the government has increased investment to improve its ability to resist extreme weather. The capital flow needs to meet carbon reduction targets, highlighting the important role of the financial service and technology industries in dealing with climate risks.

Since our establishment, Linklogis has been exploring the integration of digitalization and "dual-carbon" development, and our growth is in line with the ESG development concept. By providing efficient and advanced products and services, we are obliged to enable ourselves, our customers and partners to achieve online and paperless operations, significantly reduce carbon footprint and reduce environmental impact to promote long-term benefits. By broadening the application of blockchain, big data and other technologies, we accumulate industry chain data, promote cooperation with financial institutions in carbon emission reduction, and develop more targeted financial technology products to help enterprises in low-carbon emission or environmental protection industries. Our business activities also practice green operation, actively implement environmental protection policies and measures, and integrate green environmental protection awareness into the our daily business philosophy to create a low-carbon environment. Linklogis invests abundant resources in tackling climate change and continuously improves our internal processes, policies and products to support the application of green finance and low-carbon technology in the real economy. By formulating and implementing the Group's Climate Change Policy, we work with our customers and stakeholders further towards the goal of carbon neutrality and make substantial contributions to sustainable development.

6.1 Promote the Digital and Paperless Transformation of the Industry

The Group actively promotes the all-around application of green technology, implements the concept of green and sustainable development into product and development decisions, and achieves efficient, intelligent and green production. Through digitalization and paperless technology solutions, we facilitate a more streamlined and traceable workflow to help customers and partners reduce resource and energy consumption.



Digital Supply Chain Finance Process

The Group provides a variety of digital technology solutions in the supply chain finance process and the traditional workflow.

Conducts online due diligence, bank account opening, asset collection and contract signing without being physically present, effectively reducing carbon emissions. Our technology solutions greatly reduce the offline transportation of relevant personnel in supply chain financing activities. According to our estimation, as of December 31, 2021, compared with traditional supply chain assets processing methods, we had reduced carbon emissions by 5,900 tons due to less traveling.



Paperless Supply Chain Finance Process

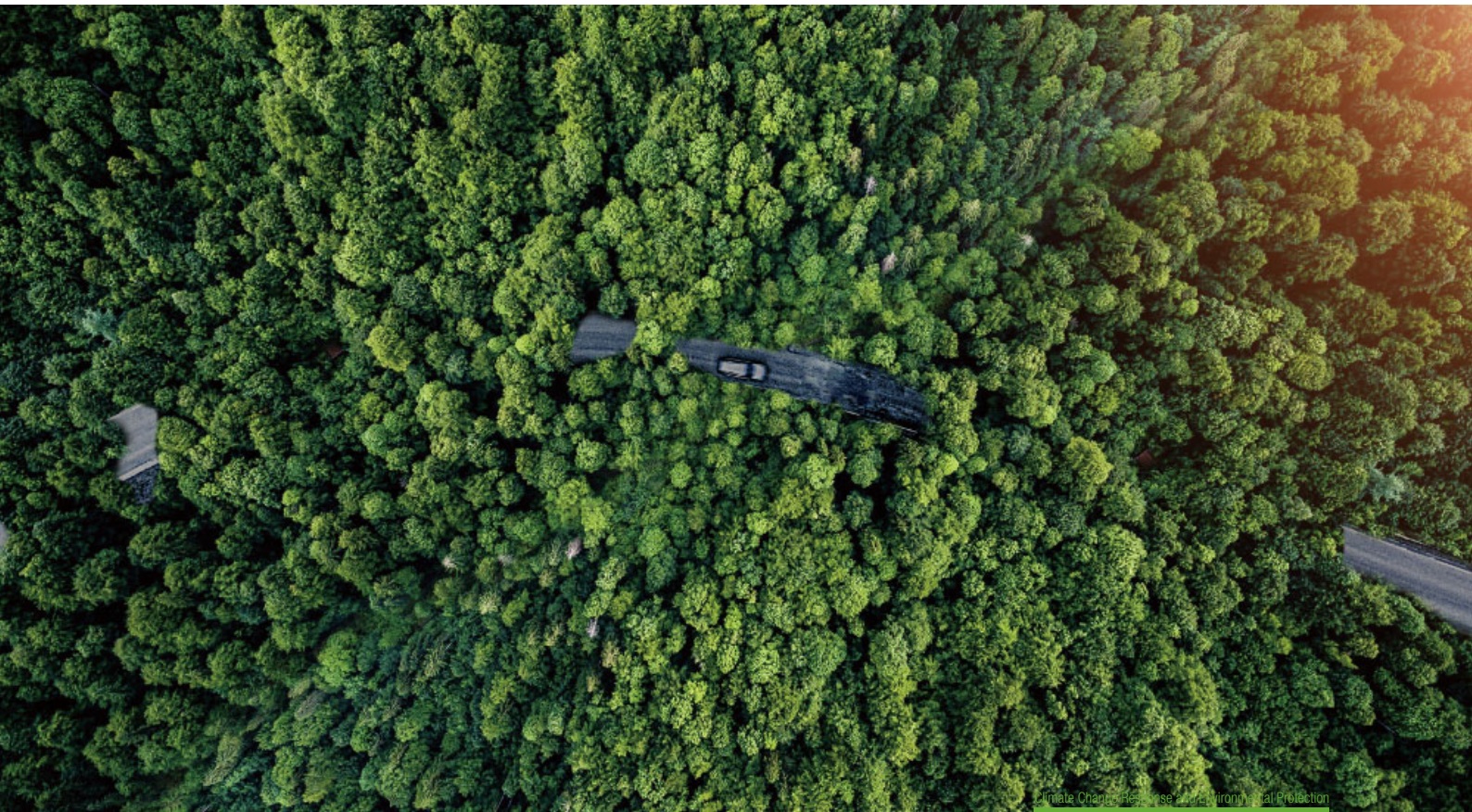
ABS Cloud enables participants involved in securitization transactions to access and co-examine information related to the underlying supply chain assets through their respective user interfaces without printing, delivering and storing large amounts of documents. Based on our estimates, as of December 31, 2021, the ABS Cloud has saved approximately 2,000 tons of paper for all participants, equivalent to a reduction of approximately 1,200 tons of carbon emissions.

6.2 Technology and Green Finance

Under the strategic background of carbon peak and carbon neutrality, the development of green finance has entered the fast lane. Exploring the opportunities of green finance has become one of the hot topics. As a leading supply chain finance technology solution provider in China, Linklogis has been paying attention to the application of emerging technologies in the supply chain finance industry, expanding the use cases of blockchain, big data and other technologies, accumulating industry chain data, promoting cooperation with financial institutions, developing more targeted financial products to better support green finance and assist sustainable enterprises or projects' development.

Mr. Song Qun, the Chairman and CEO of Linklogis, expressed publicly that the green finance business does not mean that the organization needs to completely replace the original business process and treatment methods. Instead, it is necessary to resolve the green finance business pain points in a scientific way, open up the process nodes, and achieve data transparency, which is a natural extension of the existing business.

The Group flexibly uses digital technologies to improve the digitization of green standards, project identification, environmental benefit calculation and ESG index preparation. These efforts contribute to the resolution of issues related to the transparency, reliability and traceability of carbon footprint measurement data, and help enterprises and financial institutions further strengthen green finance development.



6.2.1 Green Finance Technology Solutions

During the development of green finance technology solutions, we integrated green finance with our existing supply chain finance technology products and processes. Taking our proprietary cloud-native digital platform AMS Cloud as an example, we aim to help anchor enterprises digitalize, automate and streamline their management of various supply chain assets, to achieve real-time and centralized asset processing and asset-backed financing. At present, Linklogis has built Green AMS platform (“GAMS”) on this basis, with the same underlying logic of the original AMS Cloud. The system has added a green label function, which can identify and label which projects or enterprises meet the green environmental protection requirements, so that financial institutions or investors can determine which projects fall into the scope of green finance or sustainable development.

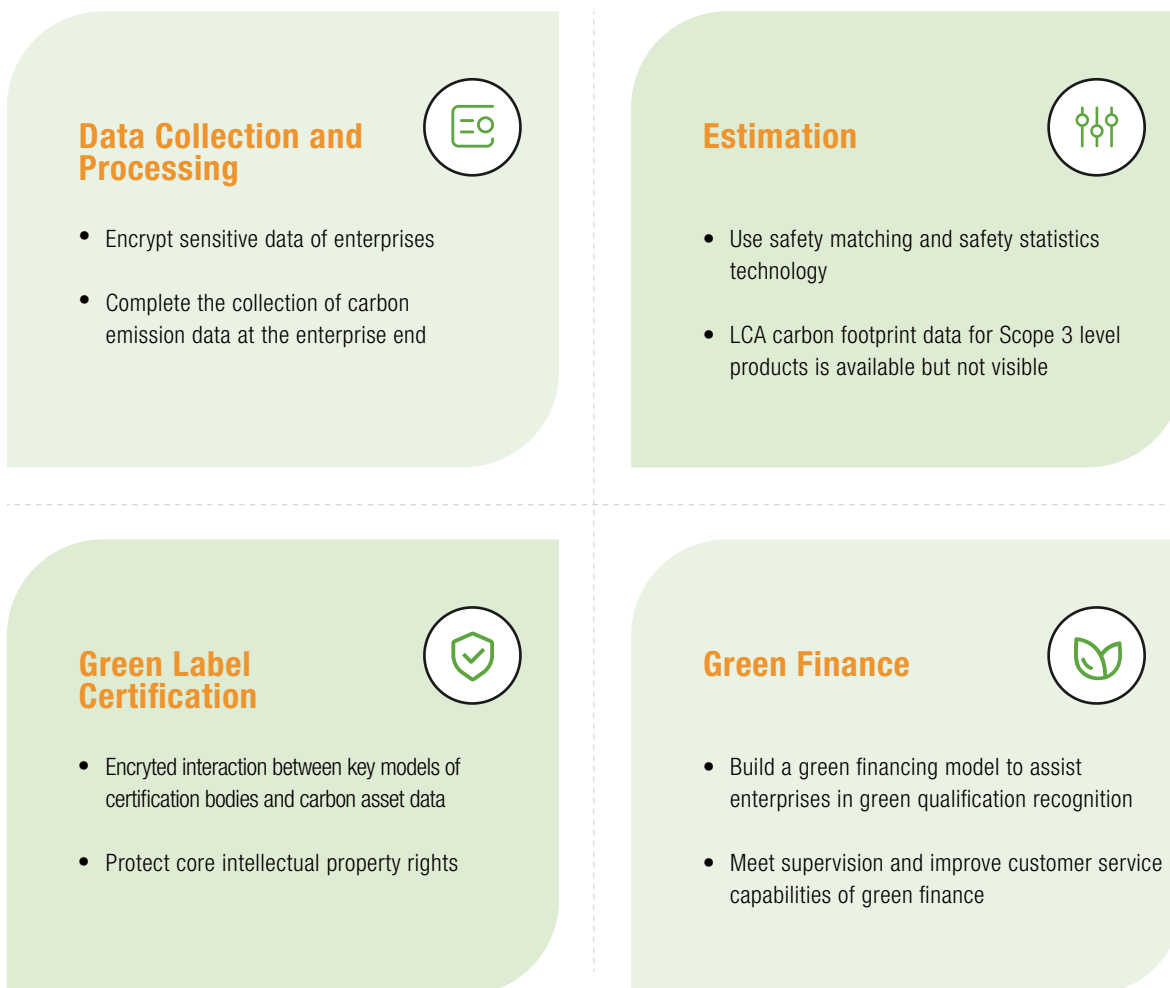
We have established a professional team to develop innovative green financial technology solutions to address industry pain points. We combine digital technology advantages, supply chain customer service capabilities and corporate sustainable development goals to create standardized SaaS solutions, provide strong support for the sustainable development of supply chain customers, and empower financial institutions to carry out green finance business on a large scale. Our green finance technology product solutions deliver value to three types of customers, serving the green development of anchor enterprises and their supply chains in the industry chain, the green transformation of SMEs in the value chain, and the green finance business of financial institutions.



6.2.2 Green Supply Chain Finance Middle Platform Solution – Bee-Clean (蜂淨)

In response to the industry pain points of “inaccurate identification of green projects, asymmetry of green information and incomplete green data” in the development of green credit for commercial banks, we have established the “Linklogis Bee-Clean Green Supply Chain Finance Middle Platform Solution”. Bee-Clean is a green data information-sharing platform. Through the steps of identifying customers, measuring emissions and tracking footprints, it is able to integrate carbon footprint, carbon emission reduction, corporate portraits and other data with green financial products, and help banks improve green credit efficiency, reduce risks and standardize supervision.

We embedded the privacy computation calculation solution into the Bee-Clean platform, and ensured that all parties involved in the calculation work jointly without disclosing their own private data in different links such as data collection and processing, calculation, green label certification and green finance, effectively solving the contradiction between “confidentiality” and “sharing” of data.



The Bee-Clean platform provides enterprise access to carbon credit data, uses privacy computing technology to complete data calculation and data matching with certification institutions, and completes green label certification. Creating a green economy information cooperation platform that connects consumers, enterprises, supply chains, green certification institutions and financial institutions. The bank obtained the label information of the certification institution, supplemented the bank data to complete the risk model determination, and completed the financing approval for enterprises.

6.2.3 Innovative Application of Security Privacy-preserving Computation and Green Supply Chain Finance

Linklogis' innovative application of privacy-preserving computation in green supply chain finance, as the only green supply chain finance and privacy-preserving computation case, was successfully selected as an excellent case of the 2021 "Big Data Galaxy" jointly organized by the China Academy of Information and Communications Technology and the Big Data Technical Standards Promotion Committee of China Communications Standards Association (CCSTC601).

The project is based on the Bee Security Privacy-preserving Computation Platform. At the same time, combined with Bee-Clean, it has built a green economic data collaboration platform that connects consumers, enterprises, supply chains, green certification institutions and financial institutions.

Through the application of cryptographic technology and algorithm for multi-party joint security data sharing, data inquiry and data modeling in support of the green economy and the development of green finance, privacy calculation solutions are embedded in numerous locations and green financial service capabilities are applied. For example, data collection links, enterprise sensitive data such as supplier names, product prices, technical parameters can be encrypted. In addition, during the green label certification process, the key models of certification institutions can be encrypted and communicated with carbon asset data to protect the core intellectual property rights of certification institutions.

The platform can provide active emission reduction incentives with standardized supply chain finance products. The platform is well received by our customers. For example, we have helped a well-known anchor enterprise in the home appliance industry and a number of its suppliers make significant progress in reaching the goal of their products being "carbon neutrality".

6.3 Environmentally Sustainable Operation

6.3.1 Environmental Management System

The Group's business operations strictly comply with the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and other environmental laws and regulations. We adhere to the concept of green office, and shoulder the corporate social responsibility of environmental protection. The Group has formulated the Environmental Office Policy, launched a green office plan and set environmental protection goals, striving to integrate sustainable development into daily operations. At the same time, the Group's management personnel at all levels, whether they are senior management or department heads of the Group, actively implement green office measures, introduce the Group's green office policies to all new employees.

Environmental Protection Targets



1. All office paper should be recyclable paper



2. Implement three or more energy conservation and environmental protection projects every year



3. Adopt equipment with high energy efficiency labels when replacing office equipment



Energy Consumption

Electricity used during working hours is the major part of energy consumption of the Group. In order to achieve the goal of green operations, the Group actively implements various energy-saving measures, and strictly monitors and manages the use of energy. During the year, the Group's total energy consumption was 479 MWh, and the energy consumption intensity was 0.53 MWh/person.



Greenhouse Gas Emissions

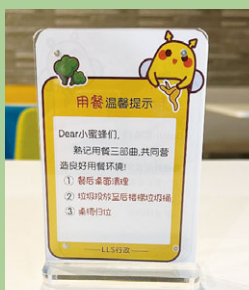
The Group's operations are principally office-based. The Company does not own or lease any vehicles. Therefore, no direct carbon emissions are generated, and indirect carbon emissions are generated from purchased electricity. During the year, the Group's total greenhouse gas emissions were 292 tons of carbon dioxide equivalent, and the intensity was 0.32 tons of carbon dioxide equivalent per person, and the greenhouse gas emissions per unit area were 0.035 tons of carbon dioxide equivalent per square meter.



Energy Saving Measures

In order to save energy and reduce greenhouse gas emissions, the Group actively engages in various energy-saving initiatives focusing on three primary areas: lighting, office equipment and air conditioning system, fully embracing the concept of green office.

Lighting	Office equipment	Air-conditioning system
<ul style="list-style-type: none"> • Use LED energy-saving light for office lighting • Clean lighting tubes or bulbs regularly, repair and replace damaged lamps/bulbs in a timely manner • Designate employees to turn off the office lighting system during non-working hours 	<ul style="list-style-type: none"> • Replace office equipment with higher energy efficiency labels • Assign employees to turn off office equipment during non-working hours 	<ul style="list-style-type: none"> • Adjust indoor temperature to 25°C/26°C • Check the system performance of air conditioners regularly, repair and replace air conditioners in a timely manner • Assign employees to turn off air conditioners during non-working hours
<p>Remind employees to pay attention:</p> <ul style="list-style-type: none"> • Turn off lights when leaving • Maximize the use of natural light and minimize the use of lights 	<p>Remind employees to pay attention:</p> <ul style="list-style-type: none"> • Switch off common office equipment in meeting rooms after the meeting • Shut down PC power on power sockets before weekends/holidays • Switch off computer monitors when not in use 	<p>Remind employees to pay attention:</p> <ul style="list-style-type: none"> • Turn off air conditioners after work • Close windows when air conditioning is on



Pantry's instructions on environment protection



Energy saving and environmental-friendly printing



Each meeting room has energy-saving instructions



Water Resources Management

We actively encourage employees to save water and reduce wastage. During the year, the Group's total water consumption was 2,164 cubic meters, and the per capita water consumption was 2.38 cubic meters. In order to protect water resources and save water, the Group has formulated and implemented water-saving measures from the aspects of publicity slogans and equipment upgrades, including the use of automatic sensors on floor faucets, regular inspection of faucets, timely repair and replacement of damaged faucets.



Exhaust Gas and Wastewater Discharge

The Group works at offices and therefore does not involve exhaust gas emissions. The wastewater discharge mainly comes from domestic water. During the reporting year, the total amount of wastewater discharged by the Group was 332 cubic meters, and per capita wastewater discharge was 0.36 cubic meters.



Encourage employees to conserve water



Waste Management

In order to reduce the impact of waste generated by our operations on the environment, the Group insists on properly handling waste, encourages employees to take actions to reduce waste, and advocates garbage classification and recycling. During the year, the Group generated 369 cubic meters of non-hazardous waste (mainly domestic waste) and 0.03 tons of hazardous waste (mainly empty cartridges and light bulbs), with a per capita non-hazardous waste generation of 0.41 cubic meters and a per capita hazardous waste generation of 0.03 kg.

- Use paperless digital tools
- Use intranet or internal communication system
- Set double-sided printing as the default printing
- Purchase copy paper with at least 30% recyclable content
- Use eFax
- Set up a recycle paper box next to the printer

Remind employees to pay attention:

- Print only when necessary
- Preview and use double-sided printing before printing
- Use email instead of fax
- Save the use of napkins and paper towels
- Reuse paper printed on only one side

**Reduction of
Paper Usage**

- Classify recyclable and non-recyclable waste
- Promote the use of recyclable tableware and reduce the use of disposable tableware
- Provide alternatives such as filtered water and piped water coolers, and minimise the use of disposable bottles

**Waste
Reduction**



During the year, there was no case of violation of any laws and regulations that could have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. As the Group's business does not involve a large amount of air and water pollutants, no quantitative target has been set for emissions and water efficiency.

6.3.2 Environmental-friendly Operation



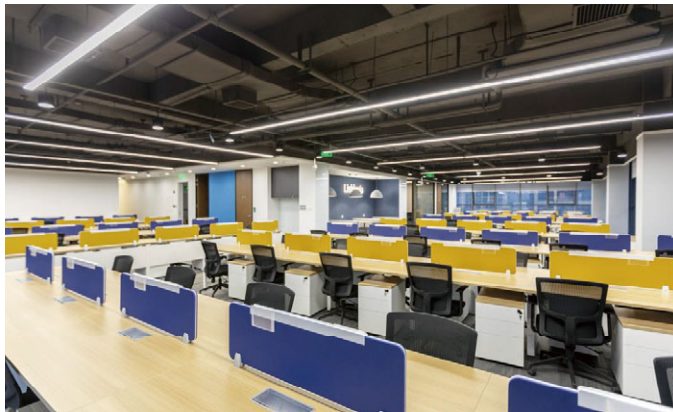
Open Office

In our offices including the Shenzhen headquarters, the Wuhan R&D headquarters and the Hong Kong office, all employees, including Mr. Song Qun, the Chairman and CEO of the Company, are working on open seats, without a private office. The open office effectively saves office space and reduces environmental pollution caused by office decoration. It also enhanced the collaboration and communication between employees.

Shenzhen Workplace



Wuhan Workplace



Green Travel

The Group does not own and does not lease any fleet of vehicles. No regular business vehicle is arranged for any management team. We encourage employees to commute by public transportation such as subways, buses or bicycles.

In terms of business travel, Linklogis cooperates with third-party platforms such as the pure electric car-hailing “Cao Cao” to reduce carbon emissions and environmental pollution caused by traditional fuel vehicles. As of the end of the reporting period, we reduced 1,100 kg of carbon emissions by green business traveling of 7,800 kilograms with electronic cars.



Eco-friendly travel



Environmental-friendly Design

Linklogis actively implements the concept of environmental protection in the production and selection of holiday gifts. When selecting gifts, we choose reusable packaging boxes such as portable travel boxes and canvas bags to increase the reuse rate of gifts. We also eliminate plastic bags and disposable packaging to reduce the environmental damage caused by waste.



Mid-Autumn Festival environmental-friendly canvas bag

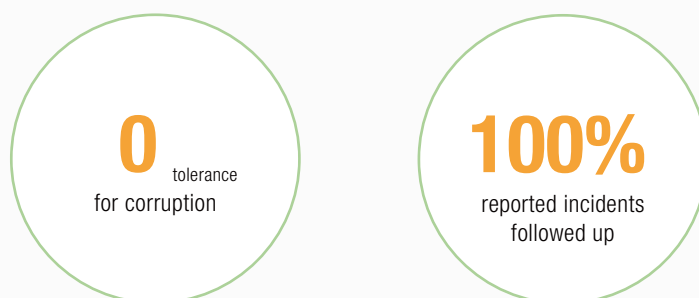
7 Business Ethics

7.1 Anti-corruption and Anti-commercial Bribery

7.1.1 Anti-corruption

The Group attaches great importance to anti-corruption management, strictly complies with relevant national and industry laws and regulations. We have developed and improved an Anti-fraud Management System, clarifying relevant management measures for anti-fraud and anti-corruption, and fostering a good atmosphere of integrity, diligence and dedication. The Group has established a permanent anti-fraud organization to strengthen anti-fraud risk management and advocate a corporate culture of honesty and integrity. Furthermore, we actively provide anti-corruption training and standardize reporting policies and procedures to prevent behaviors that damage the interests of the Company and shareholders.

Anti-corruption Targets



The internal audit department is responsible for supervision and management of anti-corruption work. It reports anti-fraud work to the Audit Committee and the Board regularly, and follows the guidance of the Audit Committee and the Board. In addition, the Group has integrated anti-fraud work into its daily management. The management holds at least one anti-fraud notification meeting every year to actively support the daily work of the internal audit department.

In order to strengthen fraud risk management, the Group has incorporated fraud risk into enterprise risk management. It regularly conducts fraud risk identification and assessment every year, and establishes and implements internal control measures to reduce the chance of fraud. During the year, the Group has not been aware of any non-compliance with relevant laws and regulations that significantly impact the Group relating to bribery, extortion, fraud and money laundering.

7.1.2 Anti-commercial Bribery

In order to prevent the risks of commercial bribery and conflicts of interest among employees of the Group, we have formulated the "Code of Conduct of Linklogis on Prevention of Commercial Bribery and Personal Conflicts of Interest" in accordance with the relevant national and industry laws and regulations and based on its own business characteristics. The code comprehensively monitors the possibility of commercial bribery, and makes strict and detailed provisions on employees' personal ethics and behaviors. All employees are required to comply with this code of conduct. Employees who violate this code are subject to disciplinary action. The Group takes legal action against them if they violate the law.

7.1.3 Implement Training and Establish Business Ethics Culture

The Group actively carries out anti-corruption training, anti-commercial bribery and other business ethics trainings, while advocating compliance with laws and regulations and integrity, and continuously strengthening the ethical awareness of employees. For instance, during the year, we carried out online anti-corruption training courses, and regularly sent emails to all employees with relevant training information, so as to prevent improper behaviors. The Group's relevant training covered all employees and the Board.

The Group advocates a corporate culture of honesty and integrity, formulating a series of internal systems such as the "Sunshine Integrity and Self-discipline Convention" to regulate the behaviors of employees. In addition, the Group's top management insists on leading by example and takes the lead in complying with various systems and regulations with practical actions.



Raise employees' awareness of business ethics

- Require employees to sign the Sunshine Integrity and Self-discipline Convention, and comply with the Code of Conduct of Linklogis on Prevention of Commercial Bribery and Personal Conflicts of Interest and other internal management systems
- Effective communication and training through employee handbook, company rules and regulations, local area network release, publicity, etc., to help employees identify legal and illegal, honest and dishonest behaviors
- Carry out anti-fraud training, laws and regulations, and integrity and moral education for all new employees
- Encourage employees to abide by laws and regulations, engage in integrity and ethics, and guide employees to correctly deal with conflicts of interest and potential malpractice at work

7.1.4 Whistleblowing Policy

The Group has formulated the “Anti-fraud Management System” and the “Management Measures for Complaint and Feedback on Employees’ Opinions” to standardize the whistleblowing procedures, including the establishment of various reporting channels such as the reporting hotline and e-mail box. For unethical and dishonest behaviors, real-name or anonymous reports can be submitted to the reporting channels. If necessary, a special investigation team is set up or external experts are invited to conduct joint investigations.



Protection of whistle-blowers

Set up the “Management Measures for Complaint and Feedback on Employees’ Opinions”, which stipulates that information of employees who complain, raise opinions or make suggestions shall be kept confidential.



Clear remedial measures and penalties

After the occurrence of a fraud case, the Group will take corresponding remedial measures, evaluate and improve internal control, and take appropriate measures and notify the offender. All employees who have committed fraud shall be subject to corresponding internal economic and administrative disciplinary penalties in accordance with relevant regulations.

7.2 Supplier Management

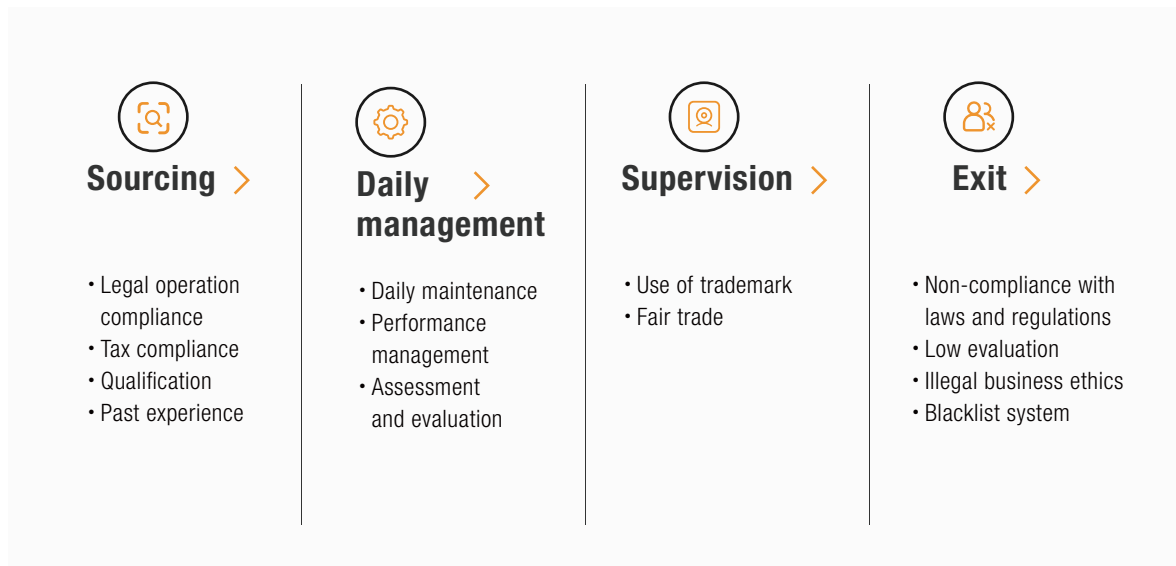
We have formulated internal management systems such as the “Management Measures for Procurement of Linklogis” and the “Rules for Supplier Management of Information Technology Center” to standardize supplier access qualifications, strictly select only qualified suppliers, and regularly carry out supervision and evaluation to prevent supply chain-related risks.

The Group’s procurement activities are mainly divided into three categories, namely procurement of construction, goods and services. In 2021, the Group cooperated with a total of 717 suppliers, of which 675 were from Mainland China, 35 were from Hong Kong, Macau and Taiwan, five were from Europe and North America, and the remaining two were from other regions.

The Group adheres to the principles of fairness, openness and orderly competition, strictly selects suitable suppliers, formulates internal supplier management measures, and makes clear regulations on all supplier sourcing, daily management, supervision and exit. While complying with local laws, suppliers are also required to comply with the Group’s requirements on environmental protection, employee health and rights, information security and business ethics.

The Group conducts a comprehensive assessment and rating on key suppliers every year based on the purchase amount and quantity, the daily management and complaint management of suppliers. The scoring content includes supplier’s corporate profile, previous cooperation experience, product and service quality, logistics and delivery, ESG indicators (such as environmental management system certification, quality management system certification, occupational health and safety management system certification). Based on the supplier rating results, the Group prepares a list of qualified suppliers to provide the necessary basis for procurement activities.

The Group helps strengthen the risk management of suppliers in environmental, social and other aspects, strictly regulates the behaviors of suppliers, and gives priority to suppliers and products with energy-saving certification or environmental protection certification, while working with our suppliers to build a sustainable supply chain. In addition, the Group usually includes confidentiality provisions, anti-commercial bribery provisions, anti-false publicity provisions and other provisions in supplier contracts, as well as information security and privacy protection requirements in the procurement of information and communication technologies. The Group also requires suppliers participating in procurement to sign the “Supplier Integrity Commitment Letter” in appropriate situations. If a supplier violates the regulations on integrity and anti-corruption, the transaction will be suspended or the supplier’s qualification will be canceled.



Supplier management process

Talent Team

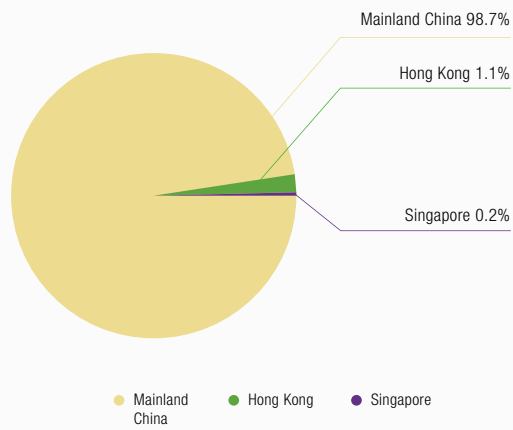
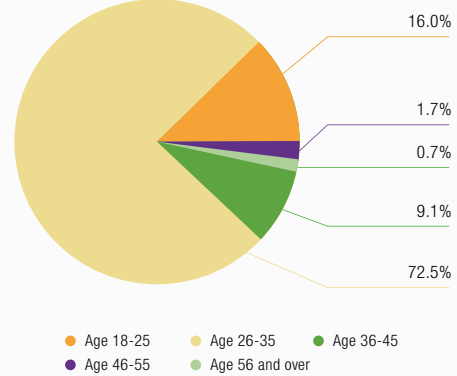
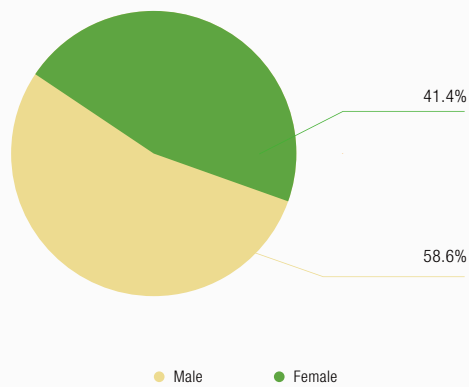
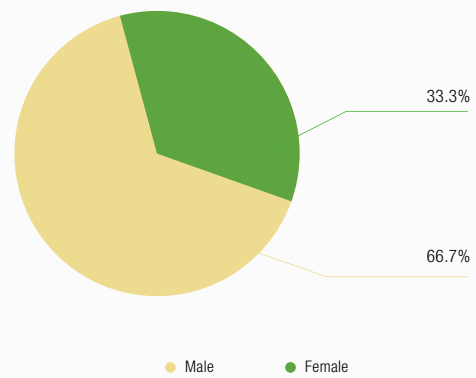
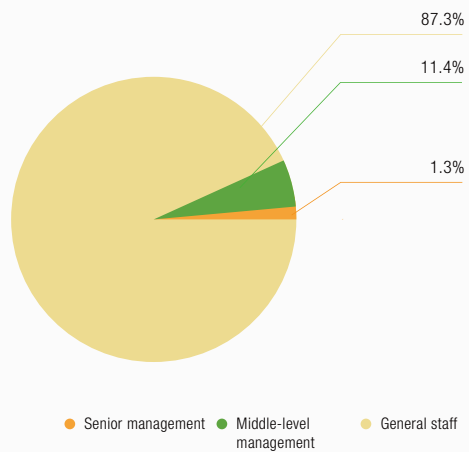
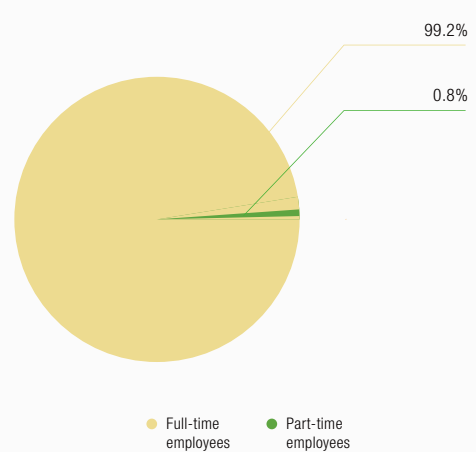
8.1 Talent Management

Talent is the key driving force of the Group. Linklogis attaches great importance to talent management and continuously improves the management systems. The Group strictly abides by the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations. Based on the characteristics of financial technology talents in the supply chain and its own development, the Group has formulated a series of internal talent management initiatives, covering recruitment, promotion, training and development. We are committed to providing employees with a high-quality development platform, so that employees can make progress together with the Company.



8.1.1 Staff Overview

Talent is the key asset of the Group. We highly value talent management, and continue to improve relevant systems. As of the end of 2021, the Group had a total of 910 employees in Mainland China, Hong Kong and Singapore. Among them, 903 were full-time employees and 7 were part-time employees (full-time employees include full-time employees and employees under probation; part-time employees refer to interns), and female employees account for 41.4%. The age of the employees was mainly from 26 to 35, accounting for 72.5%.

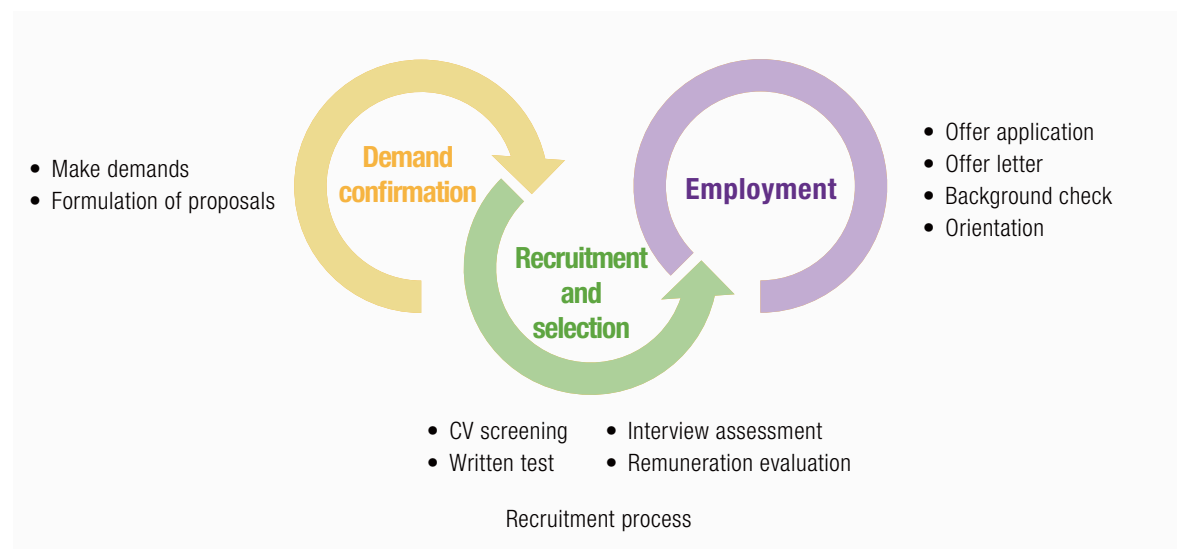
Employee Composition by Region**Employee Composition by Age****Employee Composition by Gender****Senior Management Composition by Gender****Employee Composition by Function****Employee Composition by Employment Type**

8.1.2 Talent Recruitment

Identifying and attracting talents is the first step of excellent talent management. Linklogis has formulated recruitment management measures to ensure that recruitment is scientific, standardized and professional. The Group continuously improves the recruitment efficiency to meet the needs for introducing personnel with higher potential, more diversified and compound talents for our long-term development.



Responsibility for talent recruitment is jointly undertaken by the Human Resources Committee, the Human Resources Department and the hiring departments. We have formed a comprehensive assessment standard that covers four dimensions, namely, position matching, cultural value matching, organization matching and recruitment timelines, to ensure the quality and sustainability of talents. The Group has also actively expanded its recruitment channels. The Group's talents cover social recruitment and campus recruitment. At the same time, the Group has expanded its recruitment channels to form a recruitment pattern with internal and external referrals and third-party recruitment. In addition, it formulated a series of management measures to standardize the processes of various recruitment channels.



Regardless of the channel, Linklogis follows a unified recruitment process and ensures scientific and objective recruitment through the three stages of demand confirmation, recruitment selection and employment. All interviewers are required to undergo interviewer qualification certification and are qualified as interviewers before conducting interviews to ensure the quality, fairness and confidentiality of recruitment.



Equal Employment

The Group adheres to the principle of equal employment and has formulated recruitment management measures to provide standards for recruitment and employment. In the Management Measures, the Group requires full disclosure and clear stipulation of qualifications of the positions, and to make unified requirements on knowledge, skills and experience of all candidates. The Group also has strict requirements on avoidance of relatives of existing employees. If an existing employee has a family relationship with the candidate, he/she shall report and follow the principle of avoidance, and the candidate shall not join the same department, related departments or key departments to ensure fairness.

The Group strictly complies with relevant laws and regulations, protects the rights and interests of female employees, and actively promotes diversity in the working environment. In terms of recruitment, remuneration, training, promotion and benefits, the Group adheres to the principle of gender equality and strictly prohibits all forms of discrimination on gender, race, nationality or religious belief, and is committed to creating a diverse and inclusive working environment for all employees.



Elimination of Child Labor and Forced Labor

In accordance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant national and local laws and regulations, the Group has formulated systems for employee recruitment, management and welfare, and has clarified the employee code of conduct and protected employees' legitimate interests to prevent excessive or improper employment. At present, there is no temporary worker hired by the Group.

The Group has formulated the "Social Recruitment Management Measures of Linklogis", which explicitly prohibits full-time employment of candidates under the age of 18 and interns under the age of 16 to avoid child labor and forced labor. The Group strictly abides by and implements internal rules and regulations. If child labor is found, the Group immediately settles their salaries, terminates the labor contract with them, and takes remedial measures such as escorting the child labor to the guardian. At the same time, those who hire child labor in violation of regulations are held accountable in accordance with the law.

The Group adheres to humanistic management, forbids compelling employees against their will to provide work or service through the use of force, fraud, or coercion, and advocates human liberty and dignity for employees. If forced labor were found, the Group would cease relevant operations immediately, calculate working hours, inspect the root of the matter in a timely manner, investigate legal liabilities of related parties, and provide psychological consultation and financial compensation to victims. During the year, the Group did not have any risk of child labor employment violations, nor did it have any incidents of child labor or forced labor.

8.1.3 Talent Retention

The Group has launched the Linklogis Alumni Club for all employees who have left. It is an official platform for communication, suggestions and voices, aiming to provide care and warmth to the former employees and attract the outstanding talents to return to Linklogis. Linklogis Alumni Club is currently in the early stage of operation, with online platforms such as Weixin public account and Weixin groups established. Nearly 200 members are in the program. In the future, we will continue to promote the Linklogis Alumni Club, continue to add online and offline activities, and launch activities such as club networking and open day.

During the year, the Group's employee turnover number was 108, with a turnover rate of 14.6%. Among them, the turnover rate in Mainland China was 14.8%, while the turnover rate in Hong Kong, Singapore and other overseas regions was close to 0%. (Turnover rate = number of employees left after probation / (total number of employees at the beginning of the year + the total number of employees at the end of the year) / 2)

8.1.4 Employee Communication



Online Q&A Forum

Employees can ask questions about work and life issues with labels such as employees' life, remuneration and benefits, training and development, procedures and rules, business products, and senior management mailbox on the Bee Sharing platform (蜂享平台). They can directly reach senior management and heads of various departments to seek feedback from them in the online forum.



Internal sharing platform



Employee Complaint Channel

The Group has established employee complaint channels and complaint handling procedures and carefully listened to their opinions and feedback. We are committed to safeguarding employees' rights and interests. Our Management Measures on Employees' Opinions, Suggestions, Complaints and Feedback have established a confidential channel for receiving employees' complaints, opinions and suggestions, and protecting their rights and interests. Whether it is sent to the Group's opinion e-mailbox in the form of letter, or directly submitted written complaints to the management, or face-to-face complaints made to departments, employee representatives and the management of departments, the Group maintains strict confidentiality and replies the investigation results to the complainant within 7 days. Without the consent of the complainant, no one can disclose the complainant's identity, or the content and results of the complaint investigation.



Dialogue with senior management

The Group regularly organizes face-to-face meetings between senior management and employees to share topics such as company development and future plans to help employees grow and develop.

For example, in April 2021, we organized a Townhall Meeting in our Shenzhen headquarters, inviting our Chairman to share details of the new journey after listing with all employees. In July, the Information Technology Center organized a tea party, inviting management team members including CTO, Human Resources Director, Chief AI Officer, Chief Architect and UED Director to attend. The participating senior management team members communicated and discussed with employees from different aspects such as the Group's strategic development, departments' planning, talent training mechanism, promotion, and employee benefits. In December 2021, the Company organized a face-to-face meeting with senior management in Wuhan R&D headquarters, and invited the Chairman and the President to have in-depth communications and interactions with employees in the Wuhan Office.



Face-to-face dialogue event with management in Wuhan office



Organizational capability survey

We participate in organizational capability surveys initiated by Tencent Consulting, and conduct systematic organizational capability health examinations based on the organizational capability Yang Triangle Theory (楊三角理論). Since 2019, Linklogis has been shortlisted for three consecutive years and won the relevant awards of the “China Organizational Capability Survey” project, and we have been highly recognized by authoritative institutions for strategy and organizational capabilities.



2021 6th Tencent Consulting China Organizational Capability Survey Report Publication Conference and Award Ceremony



Create flat organizational structure with open atmosphere

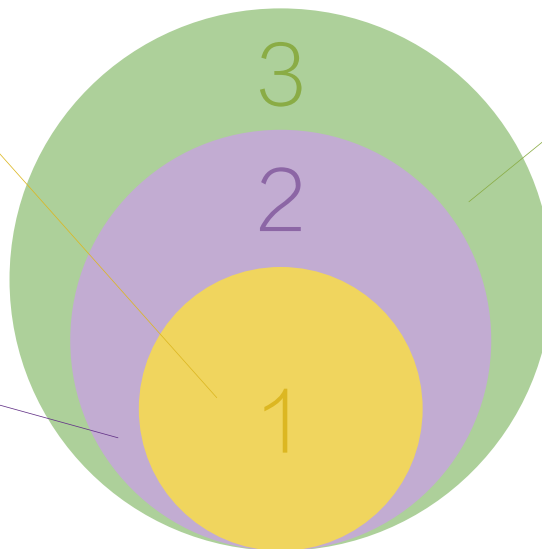
In order to further enrich the inclusiveness of the Group's culture and create a simple, equal and open organizational atmosphere, we advocate “avoidance to say ‘boss’” culture in the internal workplace. The English name or nicknames are used in the discussion between colleagues to replace the titles of “general manager”, “manager” or “boss”, etc.

Flat and open organization structure to create a simple atmosphere

- No private office
- “Avoidance to say ‘boss’”

Transparent and open communications to maintain the vitality of the organization

- CEO Monday messages
- Management face-to-face
- Organizational capability survey



Promotion of corporate culture to co-create Linklogis' style

- Training and activities
- Team building
- Company anniversary celebration

Corporate culture engagement

8.1.5 Protecting Employees' Health and Safety

The health and safety of employees are the top priorities to ensure orderly operations of the Group. We protect the physical and mental health of employees, providing free physical examinations for employees every year. We continue to cooperate with professional medical examination institutions to ensure that employees in different offices enjoy the same benefit and provide employees' families with discounts and other benefits. In addition, the Group provides employees with additional medical benefits such as first-class medical care, 12% provident fund and commercial insurance, so that employees can receive comprehensive health protection. Since established, the Group did not have any work-related fatalities or injuries, and the number of work-related fatalities and lost days due to work injury was zero.

Response to pandemic prevention and control

During the COVID-19 pandemic, the Group complied with the national and local pandemic prevention requirements, and actively responded to the government's pandemic prevention and control measures. Fully considering the safety of employees, the Group has formulated the "Management Measures for the Prevention and Control of COVID-19" and the "Special Emergency Plan for the Prevention and Control of COVID-19" during the Spring Festival.

1. The protocol of personal protection and quarantine requirements for all types of employees has been made clear. We require managers to take the initiative to care for employees and understand the travel arrangement and health status of team members

2. We have established a sound travel schedule and health information declaration mechanism for all employees. We require managers to cooperate with the Group's policies and management requirements, urge employees to complete health declarations within the specified time, and make true declarations

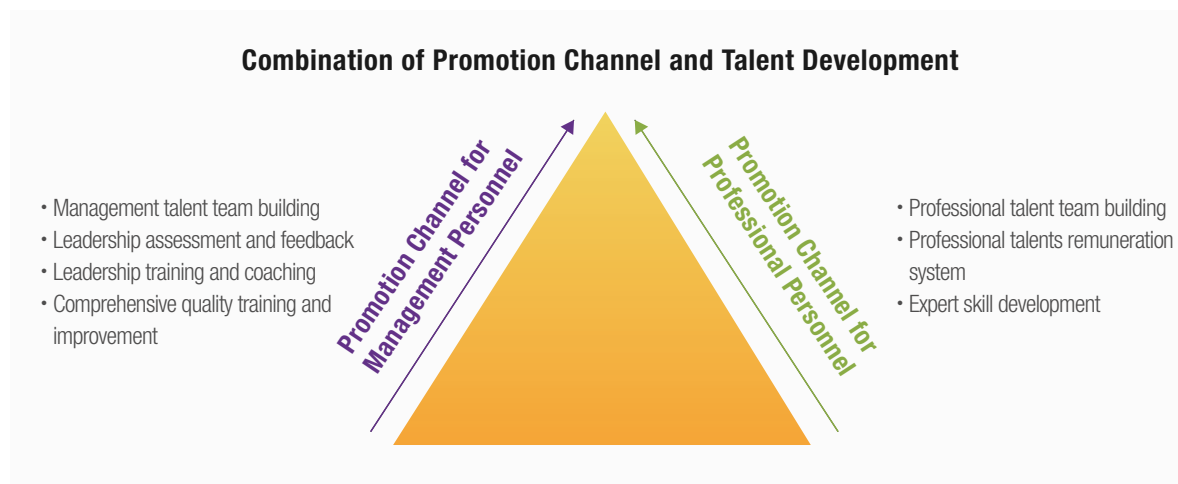
3. We emphasize the specific pandemic prevention requirements for on-site office and work from home employees, require managers to reduce work arrangements such as business trips, external meetings and customer visits, and require employees to strengthen personal protection

4. We regularly disinfect the office, distribute pandemic prevention materials and popularize pandemic prevention knowledge

8.2 Talent Motivation

8.2.1 Promotion Management

The Group's promotion mechanism treats all employees as equal and provides employees with a solid promotion platform and ample promotion opportunities. In addition to level-by-level promotion, the Group offers an exceptional promotion or leapfrogging promotion to employees with outstanding performance, encouraging employees to give full play to their strengths and make greater contributions in addition to meeting their basic job requirements. The Group has a large-scale promotion plan every year, and irregularly promotes employees who meet the promotion conditions according to the needs of business development to ensure that the promotion channels are flexible and smooth.



Management and professional duo-channel promotion system

With joint efforts of the Human Resources Management Committee, the Human Resources Department and other departments, the Group has established a systematic talent promotion model to ensure that the promotion process is scientific and fair.



Promotion process

8.2.2 Compensation Management

In order to encourage and reward employees, the Group has improved the performance management system and established performance management measures to enhance the motivation of employees and enable them to make contributions in line with returns. The Group sets up performance and KPIs for contribution-oriented incentive schemes based on performance and other scoring indicators, and conducts annual performance appraisals to assess and assign the grades of A+ (excellent) to D (unqualified). The rating results are linked to the position, rank, salary and bonus of employees.

The Group has established a stock-based compensation scheme for its key employees, mainly targeting the management and key technical personnel who have a direct and positive impact on the operating results and sustainable development. Through the stock-based compensation, the Group operates an effective incentive mechanism, which not only fully mobilizes the motivation of the senior management and key personnel, but also attracts and retains outstanding talents to ensure the long-term and stable development of the Group.

8.2.3 Employee Benefits

The Group continues to standardize and improve the internal welfare system to provide employees with abundant welfare benefits. In accordance with the relevant national laws and regulations, the Group has formulated the "Employee Benefits Management Measures of Linklogis" to pay social insurance for its employees, covering pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund, as well as additional supplementary commercial insurance. The Group provides meals, transportation and housing subsidies for all employees, as well as communication subsidies for personnel in specific business positions. During traditional holidays, we give holiday allowances and gifts to employees.

Employee Activities

Company Anniversary Celebration



Activities on Children's Day



Monthly Birthday Party



Holiday Events

Women's Day Gifts



Lantern Festival Snacks



New Year Red Packets



Mid-Autumn Festival Gifts



8.3 Talent Training and Development

Talent cultivation is crucial to the personal development of employees and the sustainable development of the Group. In order to improve the comprehensive ability and quality of employees and enhance the core competitiveness of the Group, we have formulated and implemented the "Training Management Measures of Linklogis" to build a learning-oriented organization, so that employees' growth is in line with the development of the Group. The Group has set up a special Training Management Committee to clearly organize employees' training. Under the leadership of the Training Management Committee, the Human Resources Department and various departments perform their respective duties to ensure that training work is carried out in an orderly manner.

In addition, the Group has an in-house training organization, the Bee Academy which addresses the growth of employees, pays attention to the development of the organization, and builds an all-around and one-stop training system for internal employees. Training is divided into two categories: internal training and external training. For new employees, we provide induction training and mentoring programs while for professional positions, we provide rich job skills training. For management team members and high-potential employees, we provide tailor-made leadership development projects.

In addition to internally developed professional courses, the academy also provides students with multi-channel external training, including Tencent University, The T-Learning platform, industry summits and industry association's training.

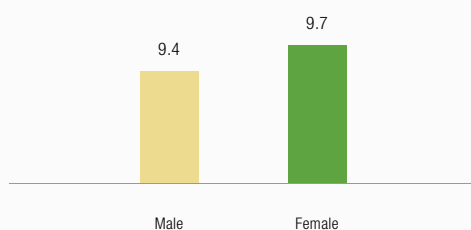
Types of Training	Curriculum System					Training Program	
Leader training	Training for senior management					Voyage Program	
	Training for middle-level management					Pilot Program	
	Training for entry-level leader					Sailing Plan	
Vocational training	Provide professional skill training courses for different professional positions					Special Training Program	
	Business training	Technical training	Product training	Risk control training	Functional training	Cross-business co-creation meeting	Bee Lecture Hall
						Excellent Practice Sharing	Expert face-to-face
	Provide a variety of general skills training courses for all employees					Beehive Public Class	Culture sharing
T-learning for new employees	Pre-job training for new employees		Pre-job training for new employees from campus recruitment			Bee + Program	
						Induction training	Business scope
T-learning platform	High-profile courses provided by Tencent and other Internet companies						
Bee Sharing Platform	A large number of high-quality learning materials and video courses inside and outside the Company						

Talent training system

The Group provides all kinds of training for all employees every year. During the year, the total training hours of all employees of the Group reached 8,711 hours, and the average training time per employee was 9.6 hours, with a training coverage rate of 100%.

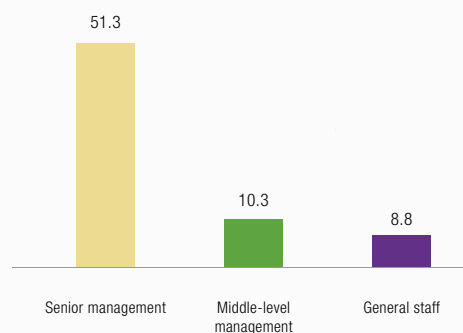
Average training hours per employee by gender

(hours/person)



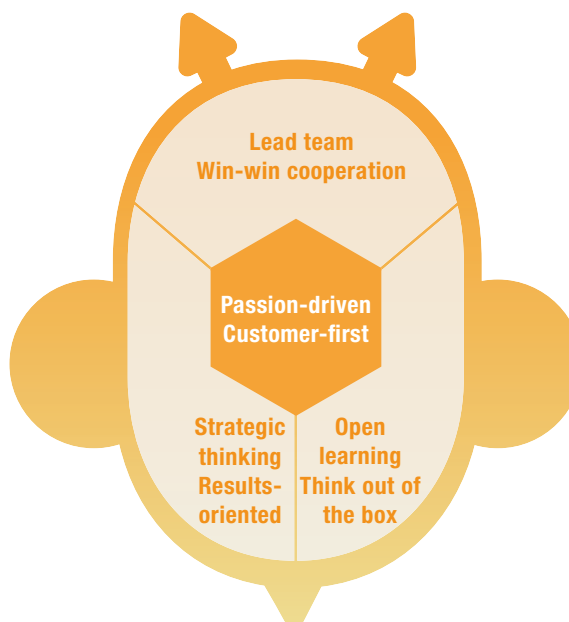
Average training hours per employee by function

(hours/person)



Leader Training System

Linklogis is committed to becoming the world's leading supply chain finance technology solution provider, and the achievement of this strategic goal relies on strong organizational execution. With the continuous expansion of the Group's scale, training and development of leaders at various levels have gradually become the top priority of the talent development strategy of Linklogis. In order to help leaders improve their capabilities and inject strong support and momentum into sustainable development of the organization, we have launched a leadership model for future development needs – Linklogis Leadership Model.



Linklogis leadership model

The leader training system of Linklogis has customized the management Star Plan, Sailing Plan, Pilot Plan and Voyage Plan for high-potential, entry-level, middle-level and senior leaders respectively. The focus is on the organizational needs and solving of development pain points of leaders, to help them advance from self-management to management of others, management of team, management of business and management of the organization.



The Training System of Management

In 2021, in line with our management team and development needs, one leadership development Sailing Plan was launched, with 37 entry-level leaders participating in the training. The program lasted for 2 months, and a training satisfaction score of 4.88. We also held one designated leadership training program for research team, which lasted for 4 months, with 41 participants and a training satisfaction score of 3.95.



Entry-level leadership development sailing plan



Research team leadership training class



Professional Training System

Based on the organizational and business needs, we provide professional training courses on a regular basis to improve employees' professional skills and comprehensive competitiveness, creating a learning atmosphere and stimulating the vitality of the organization. A total of 33 offline open courses were held throughout the year, including 20 business topics, 8 technology/product topics and 5 general topics, with a satisfaction score of 4.67. We also launch online professional courses. During the year, there were 42 video courses and 205 online training material provided. A total of 350 training notifications were issued in the internal online Bee Sharing platform, with an average monthly PV of 27,000 and an average monthly UV of 756 in our internal training website.



Regular training course



Developing Internal Lecturers



Teacher's day internal lecturer reward activities

Internal lecturers are valuable assets of the Group. In order to further train the internal lecturers and create a positive learning and sharing atmosphere, we launched an internal lecturer assessment and incentive plan in September 2021, and will continue to provide training and incentive resources for internal lecturers in the future, so as to help talent cultivation and promote business development.



New Employee Training System

After new employees join, the Bee Academy, our training organization, organizes induction training to deepen new joiners' understanding of the corporate strategy, business, procedure and culture through various means such as on-site lectures, team games, group performance, and video learning, and helps them successfully integrate into the organization and quickly enter the working state.

	Campus hires	Experienced hires
Online courses	New Employee Online Mandatory Course and online exam	
Offline courses	Four-day closed-door training in July	One-day offline class
Special courses	"Bee Style" Vlog activities	"Bee Style" presentation
Continuing education	Bee mentor program	
Other learning resources	New employee trainings in each department + Bee Sharing Learning Platform + T-Learning Platform	

New employee training system

In 2021, we organized 8 training sessions and 2 lectures for new employees from social recruitment, with 512 participants and training satisfaction score of 4.83. The Company organized a training program for new recruits in 2021, including discussion, assessment and review, and Bee + training, with 45 participants and a training satisfaction score of 4.43.



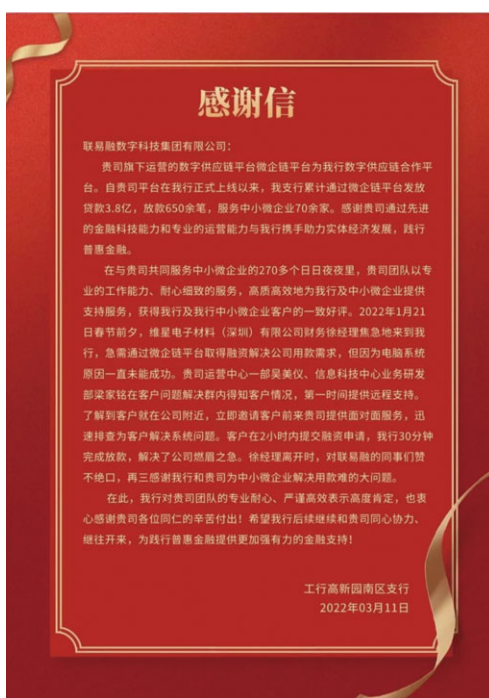
New employee training program



○ Social Responsibility

9.1 Supporting SMEs to Fight against the Pandemic

The traditional financing for SMEs relies heavily on offline financing applications and on-site due diligence by financial institutions. With the normalization of pandemic prevention and control in China, and based on the guidance of rapid treatment and scientific and precise control, the regional lockdown and traffic restrictions are increasing, which limited the financing activities of SMEs. Facing the impact of the pandemic and prevention and control measures, we utilized advanced online technology and extensive asset processing experience to work online around the clock, providing anchor enterprises and suppliers with online training, online customer service, online processing, online identity authentication, online rights confirmation and other services, without the need for material delivery, on-site queuing, or contact of personnel throughout the whole process, and free from the risk of virus infection. This not only ensured the authenticity of the accounts receivable confirmation process and transaction background, but also ensured that SMEs received accounts receivable financing in a safe and timely manner during the pandemic, alleviating the pressing cash flow pressure.



A Thank-you letter to Linklogis during the pandemic



Enable customer issue the first pandemic prevention and control supply chain ABS in China

We assisted financial institutions in building a digital supply chain finance platform, so that financial institutions can accurately and efficiently support SMEs affected by the pandemic. For example, Linklogis and Zhongyuan Bank established the supply chain finance platform "Zhongyuan Bank E-chain". Relying on the credit of anchor enterprises and the ability of the online financial technology platform, it realized the precise loan issuance for Zhongyuan Bank of the special central bank refinancing and provided targeted financial support for SMEs in the pandemic area promptly. Linklogis cooperated with ICBC to help SME suppliers obtain financing quickly in Shenzhen during the pandemic period with the digital representation of payment obligation "Rong Yi Dan" created for the accounts receivable of anchor enterprises through the blockchain-driven intelligent platform.

At the same time, leveraging on technology solutions, Linklogis helped financial institutions directly inject funding into the SMEs that participated in the pandemic prevention and control work, so that the relevant enterprises released their worries about funds through our services, and thus fully devoted into the production and operation activities related to the pandemic prevention and control. Taking the first supply chain asset securitization project in China for pandemic prevention and control issued by CCCC Second Harbour Engineering Co., Ltd. (CCCC Second Harbour, 中交二航局) as an example, in the project, with the back-up of the fast-track issuance approval channel of the Shanghai Stock Exchange, Linklogis assisted the customer in completing the issuance in a short period of one week, providing strong support for CCCC Second Harbour and its suppliers to construct pandemic prevention and control projects including the Huoshenshan Hospital, compartment hospitals, other relevant hospitals and scientific research institutions in the pandemic area.

Linklogis actively assisted in obtaining fast-track approval channels of regulatory approval, registration and issuance, and promoted efficient implementation of projects for a number of supply chain finance asset securitization projects that were mainly used to meet the needs of SMEs or anchor enterprises in various pandemic control related areas such as medical infrastructure construction, emergency medical material procurement and transportation. For example, we help an automobile industry customer register an RMB800 million supply chain asset securitization quota with Beijing Financial Asset Exchange, which was used to complete the production orders of ambulances assigned by the government.

9.2 Openness and Win-win

9.2.1 Public Affair Engagement

Founded in Shenzhen, Linklogis actively integrates into the local community, participates in creating the domestic innovation ecosystem, and cooperates with local government and industry associations to promote the application of supply chain finance technology solutions. Shenzhen has a well-developed economy with active financial innovation. It is a cluster of various supply chain finance-related market entities. As the industry leader in the supply chain finance technology industry, Linklogis was invited by the Shenzhen Municipal Financial Regulatory Bureau to participate in the 2020 China (Shenzhen) Financial Technology Global Summit. We organized the sub-forum held during the period – “Fintech Empowers Inclusive Finance during the Pandemic”, sharing knowledge on topics such as fintech empowering the real economy and how supply chain finance can solve the financing difficulties of SMEs.

Linklogis participated in the 15th Shenzhen International Finance Expo in January 2022. Invited by Shenzhen Longhua District Investment Promotion and Enterprise Service Center and Shenzhen Commercial Factoring Association, Linklogis displayed its business and technology achievements at the expo. Our management team participated in the 3rd International Factoring and Supply Chain Finance Conference and the 6th China Commercial Factoring Cooperation Conference, sharing and discussing the development of supply chain finance technology.



Thank-you letters from government departments and associations

The Group's practice in supply chain finance has gained great attention from the state-run media. In November 2021, People's Daily (人民日报) published an article titled "The tide is in full swing, sailing to a new situation", which reported the rapid development of Qianhai, Shenzhen and pointed out Linklogis as an example of innovative technology company. Guang Ming Daily (光明日报) reported on Linklogis that "digital solutions resolve the pain points of SME cross-border financing". The Group was also selected as a typical story in a special documentary by Shenzhen Satellite TV to pay tribute to the 40th anniversary of the establishment of Shenzhen.

9.2.2 Industry Standard Setting

We actively participate in the preparation and setting of several important industry standards. By the end of 2021, Linklogis participated in the publication of two industry white papers, namely the "Research Report on the Integration of Privacy Computation and Blockchain Technology" and the "White Paper on Privacy Computation", and participated in the setting of five industry standards, including the "Standards for the Test of Performance and Safety of Privacy Computation Products", "Part 1 of the Standards for Cross-platform Interconnection of Privacy Computation", "the Standards for Blockchain Platform for Pledge of Movable Assets", "P3203 – Standards for Cross-chain Naming Agreement on Blockchain" and "P3204 – Standards for Cross-chain Consistency Agreement on Blockchain".

In August 2020, Linklogis became a senior member of IEEE SA and participated in the setting of global blockchain standards. In October 2021, Linklogis became the qualified developer of BSN, and the supply chain finance blockchain service platform based on its self-developed blockchain BeeTrust became the official designated application of BSN supply chain finance.



Certificate of the Qualified Developer of BSN



Certificate of Corporate Membership of IEEE SA

9.2.3 Knowledge Sharing

In the wave of digitalization, new technologies have brought changes to supply chain finance. The development of Linklogis leverages the advancement of technology. As the first listed supply chain finance technology SaaS enterprise in China, Linklogis is also committed to sharing our knowledge and experience in the supply chain finance technology industry and our technology research and development achievements with industry partners to promote the overall progress of the society and digital transformation. The formats of such sharing include research publication, extensive participation in industry forums, and regular communication with experts and enterprises in the industry. For example, in 2021, Mr. Song Qun, the Chairman and CEO of Linklogis, was invited by Tencent Fintech Vision Program and Tencent Cloud Yunqi Master Talk to introduce the development of the supply chain finance industry, as well as the technology and products of Linklogis. He focused on supply chain finance, and conducted in-depth industry analysis, and explained the latest applications in various scenarios through actual cases. At the same time, he also shared the growth experience and corporate organizational capabilities of Linklogis.



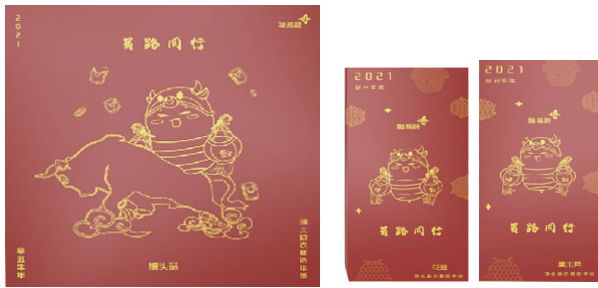
Tencent Fintech Vision Program



Tencent Cloud Online Master Talk Event

9.3 Public Welfare Activities and Community Engagement

As a responsible enterprise, Linklogis has always been giving back to society while developing our business. During the pandemic, we actively participated in social activities to help the community and contribute to society. For example, during the Chinese New Year in 2021, we purchased the nationally certified products for poverty alleviation to help farmers in Hubei Province whose economy was severely damaged due to the COVID-19 pandemic as corporate gifts during the Chinese New Year. In the “7.20” severe rainstorm disaster in Zhengzhou, Henan in 2021, we cared about the flood-affected area, and immediately donated RMB1 million through the Red Cross Society of China for disaster relief, epidemic prevention and post-disaster reconstruction.



Selected farm products from Hubei as holiday gifts to alleviate poverty



A Thank-you letter from the Red Cross Society of China to Linklogis' donations

During the COVID-19 pandemic, we actively participated in community support activities. We organized our employees in the volunteering works for epidemic prevention and control, and donated epidemic supplies to the local community in need.



Donations of epidemic prevention materials to the Gaoxin Community, Yuehai Street in Shenzhen



Our volunteers actively assisted the local community in epidemic prevention work

10. APPENDIX:

10.1 Awards in 2021

Time	AWARDS AND RECOGNITIONS
January 2021	"2020 KPMG China Fintech Double 50 Enterprises" by KPMG
February 2021	Second-level member of China Insurance Asset Registration and Trading System Co., Ltd.
March 2021	"The Most Innovative Value Award" of the Guangdong-Hong Kong-Macao Greater Bay Area by Hong Kong Ta Kung Wen Wei Media Group
April 2021	"China Supply Chain Finance Person of the Year" (awarded to Mr. Song Qun, the Chairman and CEO of Linklogis)
May 2021	Excellent Elite Talent Program of Training Practice Center of Shenzhen Commercial Factoring (Supply Chain Finance).
June 2021	Big-data assessment certifications by CAICT (中國信通院): the privacy computation product assessment and multi-party security computation product supported by the blockchain assessment (awarded to The Bee Security Privacy-preserving Computation Platform); evaluation of "Basic Capacity of Distributed Batch Processing Platform" and "Basic Capacity of Distributed Flow Processing Platform"; the "Special Assessment of Basic Capability of Data Circulation Products Based on Federal Learning" (awarded to the Bee Privacy Federated Learning Platform)
July 2021	"High-value Case of the Blockchain in Financial Services" by Trusted Blockchain Initiatives by CAICT (awarded to our cross-border platform)
July 2021	"Technology Innovation Leading Prize" at the 10th CFS Finance Summit and the 2021 Sustainable Business Conference.
August 2021	"China Organization Capability Survey Best Practice Award" by Tencent Consulting
August 2021	"Best Innovative Enterprise" by iResearch
August 2021	"Digital Innovation Potential Award" in the Digital Transformation and Innovation Competition by Shanghai State-owned Enterprise Supervision and Administration Commission (awarded to the "Blockchain-based Supply chain finance Information Sharing Service Platform" and the "Cross-border Trade Digital Bill Interaction and Intelligent Review Platform")
September 2021	Assessment of the National FinTech Evaluation Center (passed by Bee Security Privacy-Preserving Computation Platform)
September 2021	Benchmark case in the 2021 China Enterprise SaaS Industry Research Report by iResearch.
October 2021	The official designated application of supply chain finance by China Blockchain-based Service Network (BSN) (awarded to our BeeTrust Supply Chain Finance Blockchain Service Platform)
November 2021	"Supply Chain Finance Technology Company of 2021" of the 16th conference of the 21st Century Annual Finance Summit of Asia.
November 2021	High rankings in the Challenge of AI in Law: No. 1 in category case search track No. 3 in information extraction No. 3 in case label prediction track

Time	AWARDS AND RECOGNITIONS
November 2021	ALB China Regional Market Legal Award – Most Innovative Company Legal Group Award in Coastal Areas by Thomson Reuters (awarded to the legal and compliance department of Linklogis)
December 2021	“Excellent Financial Technology Service Provider Award” of the 6th China Supply Chain Finance Industry Benchmark Award
December 2021	“High-value Case of 2021 Trust Block Chain” (awarded to Blockchain Cross-border Trade Financing Platform)
December 2021	“Best CEO” (awarded to Mr. Song Qun) and “Most-watched IPO” by Guru Club
December 2021	“Excellent case of 2021 big data Galaxy” by CAICT and CCSA (awarded to our privacy-preserving computation platform and green supply chain finance application)
December 2021	“Outstanding Listed Enterprise Award” by Hong Kong Economic Journal
December 2021	Two international authoritative certificates by ISO and IEC.
December 2021	“KPMG China Fintech Double 50 Enterprises” by KPMG
December 2021	“Annual Industry Development Innovation Award” at the 2021 Greater Bay Industry Innovation Summit by Nanfang Daily.
December 2021	“2021 China Commercial Factoring Industry Contribution Company” and “2021 China Commercial Factoring Industry Social Responsibility Outstanding Contribution Company”, “2021 Individual Contribution to Commercial Factoring” (awarded to Mr. Song Qun and Mr. Ji Kun, our President) by Shenzhen Commercial Factoring Association

10.2 About this Report

This report is the first Environmental, Social and Governance Report issued by Linklogis Inc. (the “Company”) and its subsidiaries and consolidated affiliated entities (collectively “Linklogis”, the “Group” or “we”). The purpose of this report is to illustrate the Group’s management and performance in ESG, so that stakeholders can better understand the Group’s sustainable development strategies and actions.

10.2.1 Reporting Guidelines and Principles

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” or “HKEX”), and is based on the reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”. The specific application is as follows:

Materiality:	Linklogis regularly conducts stakeholder communication and materiality assessment, identifies material ESG topics, and ensures that they are disclosed in our report.
Quantitative:	The data presented in this report has been checked and verified. Please refer to the Performance Data Summary of this report for the standards and methods used to calculate the data.
Balance:	We disclose the Group’s work and performance on various ESG issues in a fair and transparent manner.
Consistency:	Unless otherwise stated, the calculation methods in this report are consistent for yearly comparison.

10.2.2 Reporting Scope

This report discloses the Group's actions and performance on material environmental and social issues for the period from January 1 2021 to December 31 2021. Unless otherwise specified, the social data in this Report covers the entire Group and is consistent with the scope of the Annual Report. The reporting scope of environmental data includes operating sites with a usable area of over 500 square meters, covering the Group's headquarters office in Shenzhen and office in Wuhan.

10.2.3 Feedback

The opinions of stakeholders help the Group continuously improve its sustainable development work. If you have any comments or suggestions on this report or the Group's sustainable development management, you are welcome to contact the Group through the following methods:

Address: 36/F, CES Building, No. 3099 Keyuan South Road, Nanshan District, Shenzhen

Tel: + 86 (0755) 2391-5717

Email: esg@linklogis.com

Website: www.linklogis.com

10.3 List of Laws and Regulations

The Group ensures that its business operations comply with all applicable ESG laws and regulations as follows:

Aspects	Applicable Laws and Regulations	Corresponding Section
A1 Emission	<ul style="list-style-type: none"> Environmental Protection Law of the PRC Law of the PRC on the Prevention and Control of Atmospheric Pollution Water Pollution Prevention and Control Law of the PRC Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste 	6. Climate Change Response and Environmental Protection 6.3 Environmentally Sustainable Operation
A2 Use of Resources	<ul style="list-style-type: none"> Energy Conservation Law of the PRC Water Law of the PRC 	6. Climate Change Response and Environmental Protection 6.3 Environmentally Sustainable Operation
A3 The Environment and Natural Resources	<ul style="list-style-type: none"> Environmental Protection Law of the PRC 	6. Climate Change Response and Environmental Protection 6.3 Environmentally Sustainable Operation

Aspects	Applicable Laws and Regulations	Corresponding Section
B1 Employment	<ul style="list-style-type: none"> • Labor Law of the PRC 	8. Talent Team
	<ul style="list-style-type: none"> • Labor Contract Law of the PRC 	8.1 Talent Management
	<ul style="list-style-type: none"> • Employment Promotion Law of the PRC 	8.2 Talent Motivation
	<ul style="list-style-type: none"> • Social Insurance Law of the PRC 	
	<ul style="list-style-type: none"> • Interim Provisions on Labor Dispatch 	
	<ul style="list-style-type: none"> • Labor Dispute Mediation and Arbitration Law of the PRC 	
	<ul style="list-style-type: none"> • Law of the PRC on the Protection of Women's Rights and Interests 	
	<ul style="list-style-type: none"> • Law of the PRC on the Protection of Disabled Persons 	
	<ul style="list-style-type: none"> • Measures for Public Holidays for National Annual Festivals and Memorial Days 	
	<ul style="list-style-type: none"> • Employment Ordinance of Hong Kong 	
	<ul style="list-style-type: none"> • Employees' Compensation Ordinance of Hong Kong 	
	<ul style="list-style-type: none"> • Disability Discrimination Ordinance of Hong Kong 	
	<ul style="list-style-type: none"> • Sex Discrimination Ordinance of Hong Kong 	
	<ul style="list-style-type: none"> • Race Discrimination Ordinance of Hong Kong 	
B2 Health and Safety	<ul style="list-style-type: none"> • Fire Protection Law of the PRC 	8. Talent Team
	<ul style="list-style-type: none"> • Law of the PRC on the Prevention and Control of Occupational Diseases 	8.1 Talent Management
	<ul style="list-style-type: none"> • Production Safety Law of the PRC 	
	<ul style="list-style-type: none"> • Workplace Occupational Health Management Regulations 	
	<ul style="list-style-type: none"> • Regulation on Work-Related Injury Insurance 	
	<ul style="list-style-type: none"> • Occupational Safety and Health Ordinance of Hong Kong 	
	<ul style="list-style-type: none"> • Fire Safety (Commercial Premises) Ordinance of Hong Kong 	

Aspects	Applicable Laws and Regulations	Corresponding Section
B4 Labor Standards	<ul style="list-style-type: none"> • Labor Law of the PRC • Provisions on the Prohibition of Using Child Labor of the PRC • Law of the PRC on the Protection of Minors • Employment of Children Regulations of Hong Kong 	<p>8. Talent Team</p> <p>8.1 Talent Management</p>
B6 Product Responsibility	<ul style="list-style-type: none"> • Advertising Law of the PRC • Patent Law of the PRC • Copyright Law of the PRC • Trademark Law of the PRC • Regulations of the PRC on Safety Protection of Computer Information Systems • Cybersecurity Law of the PRC • Personal Information Protection Law of the PRC • Data Security Law of the PRC • Personal Data (Privacy) Ordinance 	<p>4. To Re-define and Transform Supply Chain Finance through Technology and Innovation</p> <p>4.2 Technological Innovation</p> <p>5. Creating Excellent Value for Customers</p> <p>5.1 Customer First</p> <p>5.2 Information Security and Privacy Protection</p>
B7 Anti-corruption	<ul style="list-style-type: none"> • Criminal Law of the PRC • Anti-Unfair Competition Law of the PRC • Anti-money Laundering Law of the PRC • Company Law of the PRC • The Bidding Law of the PRC • Interim Provisions on Banning Commercial Bribery • Competition Ordinance of Hong Kong • Prevention of Bribery Ordinance of Hong Kong • Foreign Corrupt Practices Act of the U.S. 	<p>7. Business Ethics</p> <p>7.1 Anti-corruption and Anti-commercial Bribery</p>

10.4 Performance Data Summary

ENVIRONMENTAL	Unit	2021
A1 Emissions		
Greenhouse gases		
Total greenhouse gas emissions	tCO ₂ e	292
Scope 1: Direct emissions	tCO ₂ e	0
Scope 2: Energy indirect emissions	tCO ₂ e	292
Greenhouse gas emissions per capita	tCO ₂ e/person	0.32
Greenhouse gas emissions per unit area	tCO ₂ e/m ²	0.035
Greenhouse gas emissions per million revenue	tCO ₂ e/million revenue and income	0.24
Waste water		
Waste water discharge	tons	332
Wastewater discharge per capita	tons/person	0.36
Waste		
Non-hazardous waste (domestic waste)	tons	369
Non-hazardous waste per capita	tons/person	0.41
Hazardous waste (waste printer cartridges, lamps, etc.)	tons	0.03
Hazardous waste generated per capita	kg/person	0.03
A2 Use of Resources		
Electricity	MWh	479
Electricity consumption per capita	MWh/person	0.53
Water resources	m ³	2,164
Water consumption per capita	m ³ /person	2.38
Calculation method of greenhouse gas emissions: The calculation methods and emission factors of greenhouse gas emissions are based on the "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX and the "Corporate Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines Power – Generation Facilities" published by the Ministry of Ecology and Environment of the People's Republic of China in 2021.		

SOCIETY	Unit	2021
B1 Employment		
B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.		
Total number of employees	person	910
Geographical Distribution		
Mainland China	person	898
Hong Kong	person	10
Singapore	person	2
Age Distribution		
18-25	person	146
26-35	person	660
36-45	person	83
46-55	person	15
≥56	person	6
Gender Distribution		
Male	person	533
Female	person	377
Position Level Distribution		
Senior Management	person	12
Middle-level Management	person	104
General staff	person	794
Senior Management Gender Distribution		
Male	person	8
Female	person	4
Employment Type		
Full-time	person	903
Part-time	person	7
Other Type		
Employees on maternity leave	person	20
Employee back to work after maternity leave	person	11

SOCIETY	Unit	2021
B1.2 Employee turnover rate by gender, age group and geographical region.		
Total employee turnover rate	%	14.59
Geographical Distribution		
Mainland China	%	14.77
Hong Kong	%	0.00
Singapore	%	0.00
Age Distribution		
18-25	%	10.43
26-35	%	15.56
36-45	%	16.67
46-55	%	7.14
≥56	%	0.00
Gender Distribution		
Male	%	15.86
Female	%	12.79
Position Level Distribution		
Senior Management	%	0.00
Middle Management	%	11.30
General staff	%	15.30
B2 Health and Safety		
Occupational Safety and Health Performance		
Number of work-related accidents	number of accidents	0
Number of work-related injuries	person	0
Lost days due to work-related injury	day	0
Number of work-related fatalities	person	0
Number of employees left after probation/(total number of employees at the beginning of the year + the total number of employees at the end of the year)/2)		

SOCIETY	Unit	2021
B3 Development and Training		
Total number of employees trained	person-time	2,358
By Gender		
Male	person-time	1,363
Female	person-time	995
By Position Level		
Senior Management	person-time	82
Middle-level Management	person-time	109
General staff	person-time	2,167
Total training hours of employees	hour	8,711
By Gender		
Male	hour	5,036
Female	hour	3,675
By Position Level		
Senior Management	hour	615
Middle-level Management	hour	1,071
General staff	hour	7,025
Average training hours of employees	hours/person	9.6
By Gender		
Male	hours/person	9.4
Female	hours/person	9.7
By Position Level		
Senior Management	hours/person	51.3
Middle-level Management	hours/person	10.3
General staff	hours/person	8.8
Percentage of employees trained	%	100.0
By Gender		
Male	%	100.0
Female	%	100.0
By Position Level		
Senior Management	%	100.0
Middle Management	%	100.0
General staff	%	100.0

SOCIETY	Unit	2021
B5 Supply Chain Management		
Total number of suppliers	unit	717
By Region		
Mainland China	unit	675
Hong Kong, Macau and Taiwan	unit	35
Europe, America and North America	unit	5
Other regions	unit	2

10.5 Content Index

Indicators	HKEX ESG Reporting Guide Requirements		Section/Remarks	
A. ENVIRONMENTAL				
Aspect A1: Emissions				
General Disclosure	Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: (a) the Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.	6.3	Environmentally Sustainable Operation	
		6.3.1	Environmental Management System	
		10.4	Performance Data Summary	
	KPI A1.1	The types of emissions and respective emissions data.		6.3.1 Environmental Management System
		10.4	Performance Data Summary	
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		6.3.1 Environmental Management System
		10.4	Performance Data Summary	
	KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		6.3.1 Environmental Management System
		10.4	Performance Data Summary	
	KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		6.3.1 Environmental Management System
		10.4	Performance Data Summary	
	KPI A1.5	Description of emission target (s) set and steps taken to achieve them.		6.3.1 Environmental Management System The Group's business does not involve the discharge of a significant amount of air and water pollutants to external parties, so no target has been set for emissions.
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target (s) set and steps taken to achieve them.		6.3.1 Environmental Management System

Indicators	HKEX ESG Reporting Guide Requirements		Section/Remarks	
Aspect A2: Use of Resource				
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.		6.3.1	Environmental Management System
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	6.3.1 10.4	Environmental Management System Performance Data Summary
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	6.3.1 10.4	Environmental Management System Performance Data Summary
	KPI A2.3	Description of energy use efficiency target (s) set and steps taken to achieve them.	6.3.1	Environmental Management System
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target (s) set and steps taken to achieve them.	The Group did not have any issue in sourcing water. The Group's business does not involve significant consumption of water resources, so no quantitative target has been set for water efficiency.	
	KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Group's operation does not involve any packaging materials.	
Aspect A3: The Environment and Natural Resources				
General Disclosure	Policies on minimizing the issuers' significant impact on the environment and natural resources.		6.3.1	Environmental Management System
	KPI A3.1	Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	6.3	Environmentally Sustainable Operation
Aspect A4: Climate Change				
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		6.	Climate Change Response and Environmental Protection
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	6.	Climate Change Response and Environmental Protection

Indicators	HKEX ESG Reporting Guide Requirements		Section/Remarks	
B. SOCIAL				
Aspect B1: Employment				
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.		8.	Talent Team
	KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	8.1.1 10.4	Staff Overview Performance Data Summary
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	8.1.1 10.4	Staff Overview Performance Data Summary
Aspect B2: Health and Safety				
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.		8.1.5	Protecting Employees' Health and Safety
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	8.1.5 10.4	Protecting Employees' Health and Safety Performance Data Summary
	KPI B2.2	Lost days due to work injury.	8.1.5 10.4	Protecting Employees' Health and Safety Performance Data Summary
	KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	8.1.5	Protecting Employees' Health and Safety

Indicators	HKEX ESG Reporting Guide Requirements		Section/Remarks	
Aspect B3: Development and Training				
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		8.3	Talent Training and Development
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	8.3	Talent Training and Development
			10.4	Performance Data Summary
	KPI B3.2	The average training hours completed per employee by gender and employee category.	8.3	Talent Training and Development
			10.4	Performance Data Summary
Aspect B4: Labour Standards				
General Disclosure	Relating to preventing child and forced labour: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.		8.1.2	Talent Recruitment
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	8.1.2	Talent Recruitment
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	8.1.2	Talent Recruitment
Aspect B5: Supply Chain Management				
General Disclosure	Policies on managing environmental and social risks of the supply chain.		7.2	Supplier Management
	KPI B5.1	Number of suppliers by geographical region.	7.2	Supplier Management
			10.4	Performance Data Summary
	KPI B5.2	Description of practices relating to engaging suppliers. Number of suppliers where the practices are being implemented, and How practices are implemented and monitored.	7.2	Supplier Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	7.2	Supplier Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	7.2	Supplier Management

Indicators	HKEX ESG Reporting Guide Requirements		Section/Remarks	
Aspect B6: Product Responsibility				
General Disclosure	relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.		5.1 5.2 4.2.4	Customer-First Information Security and Privacy Protection Intellectual Property Protection
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	The Group's products and services do not involve safety and health issues.	
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.1.3	Complaint Handling Mechanism
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	4.2.4	Intellectual Property Protection
	KPI B6.4	Description of quality assurance process and recall procedures.	5.2.3	Information Security Assurance System
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	5.2	Information Security and Privacy Protection
Aspect B7: Anti-corruption				
General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.		7.1	Anti-corruption and Anti-commercial Bribery
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	7.1.1	Anti-corruption
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	7.1.2 7.1.4	Anti-commercial Bribery Whistleblowing Policy
	KPI B7.3	Description of anti-corruption training provided to directors and employees.	7.1.3	Implement Training and Establish Business Ethics Culture
Aspect B8: Community Investment				
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		9.	Social Responsibility
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	9.1 9.2 9.2.1 9.2.2 9.2.3	Supporting SMEs to Fight against the Pandemic Openness and Win-win Public Affair Engagement Industry Standard Setting Knowledge Sharing
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	9.3	Public Welfare Activities and Community Engagement

