NetDragon

NetDragon Websoft Holdings Limited

網龍網絡控股有限公司

(Incorporated in the Cayman Islands with limited liability)

（於開曼群島註冊成立的有限公司）

2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2020 環境、社會及管治報告

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ABOUT THIS REPORT

NetDragon Websoft Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") is pleased to present the Environmental, Social and Governance ("ESG") report of the Group for the year ended 31 December 2020 in accordance with the Environmental, Social and Governance Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The ESG Report focuses of the principle business activities of the Group that have significant ESG impacts and covers the sustainability performance and policies on the Company and its subsidiaries.

ESG GOVERNANCE

The Group believes that responsible corporate practices are important to the sustainable business development of the Group and the community. The Board is responsible for overseeing the management of ESG related issues and risks in business operations, implementing the ESG strategies, and reviewing the ESG report. In addition, regular briefings and reporting are arranged to keep the Board abreast of the latest ESG trend and the Group's ESG performance. The management and staff of the Group with corresponding expertise in ESG issues would assist the Board in identifying relevant ESG issues to the Group, monitoring the progress and implementation of ESG policies, procedures and initiatives.

STAKEHOLDER ENGAGEMENT

Stakeholders' opinions are important for the Group to achieve continuous improvement. The Group maintains regular communication channels with key stakeholders, including customers, employees, suppliers, media, shareholders, regulators and the communities, to understand their expectations and address their concerns. The Group collects feedbacks from stakeholders regularly through a range of channels such as general meetings, Company websites, interviews, constructive discussions, surveys and feedback programmes.

IDENTIFYING MATERIAL ISSUES

Stakeholder participation facilitates the identification of potential risks as well as business opportunities. Based on the stakeholders' feedback from various communication channels, ESG issues were ranked and prioritised in terms of their importance to stakeholders and to the Group's business development. Issues that are considered material to our stakeholders and the Group are development and trainings, management of the supply chain, product responsibility and community investment.

A. ENVIRONMENTAL PROTECTION

Emissions

The Group currently engages in online gaming and online education business and its nature of business is not related to manufacturing or other business which produces emissions (including greenhouse), waste (hazardous and non-hazardous), or other business which have a significant effect on the environment. Therefore, the Company is of the view that the KPIs relating to the environmental aspects under Part A of Appendix 27 are not applicable due to the immaterial impact on the environment by the Company's business.

The Group has enhanced its management of emissions through technological and recycling solutions that seek to reduce the emission of relevant pollutants and greenhouse gases, waste discharged into water and land, as well as the generation of hazardous and non-hazardous waste.

Protection of Environment

The Group has been minimizing the adverse effect of its business on the environment by enhancing operational efficiency and implementing environmental measures. All the operations of the Group are committed to ensure compliance with the relevant laws of the jurisdiction where it belongs and to review the practices of business on a regular basis, in order to identify methods for enhancing sustainable development and deploy measures for more effective use of resources.

Energy Conservation

The Group runs its daily office operation with the objectives of energy conservation, adequate utilisation of resources with waste-recycling, as well as enhancing environment awareness of the staff. The Company has spared no effort to advocate "reducing", "re-use" and "recycling" and reduce energy consumption by encouraging the staffs the use of email for internal and external communications, using e-files at the server, double-sided printing and photocopying, promotion of the use of recycled paper, reduce unnecessary printing and photocopying, and making best effort in recycling all office supplies and equipment.

Climate change

Climate change has been an alarming issue all over the world. Some may even coin it as climate "emergency". Hence, the Group has identified and assessed the risks of climate change and developed measures to safeguard the safety of its employees, including strictly complying with relevant extreme weather guidelines issued by the government. The Group has worked out emergency guidelines and measures to reduce damage from disaster attacks in the future. The Group will review its policies for climate change on a regular basis to ensure their effectiveness.

B. SOCIETY

I. Employment

The Group offers equal opportunities to all job seekers regardless of race, color, nationality, religion, gender, age, disability or other bias prohibited by any other relevant laws. The policy of the Group is to select the most suitable person who corresponds to particular job requirements taking into account of educational background, working experiences, skills, personal integrity and considerations such as potential to grow in line with the Group. The Group treats every staff with equality and none of their appointment, remuneration packages and promotions will be affected on the grounds of their social identity, such as race, ethnicity, nationality, gender, religion, age, sexual orientation, political grouping and marital status.

In order to attract, nurture and retain qualified employees, the Group is committed to offer professional development opportunities and a healthy working environment for all the employees. In addition, the Group also pursues the principle of employment with equality. The Group requires the employees to bear high standard of business ethics and promotes good personal integrity.

The Group conducts reviews of the remunerations and benefits scheme regularly to ensure the remunerations and benefits remain competitive. Moreover, the Group continues to review the scheme annually and adjusts the remunerations and other benefits of the employees in accordance with the prevailing market condition, including medical scheme, health check, overseas business trip insurance, training allowance and retirement benefits.

The Group strongly advocates community spirit of mutual respect and equal opportunities. The Group strictly complies with the laws of Equal Opportunities, including Sex Discrimination Ordinance, Race Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance. To ensure diversification and equality in career opportunities, the principles of recruitment, remuneration and promotion of the Group are based on the working experiences, skills and performance of the employees, who will not be discriminated on the grounds of age, race, disability, gender or family.

As at 31 December 2020, the Group had its overall headcount of 6,442 with 98% of full-time employees, 91% of the employees were based in PRC and Hong Kong and the remaining 9% were based overseas including US and UK. Male and female employees accounted for 64% and 36% of the overall headcount respectively. Employees aged between 30 and 50 accounted for 48% of the overall headcount while employees aged under 30 and above 50 accounted for 49% and 3% of the overall headcount respectively.

II.   Health and Safety

Health and safety of employees are the most important obligations concerned by the Group. Our management team endeavors to identify, assess and eliminate possible health and safety risks existing in our operations. During the past year, no material work-related health and safety incidents had occurred in the Group with zero work-related death.

1.   Safety

1.1.   Security staff are deployed on duty for 24 hours a day to monitor full coverage of all working venues and they conduct patrols and inspections strictly to ensure a safe working environment. We have established fire services system and professional fire services team in place and organise regular training sessions on fire safety annually, such as fire and evacuation drills, rescue drills for lift-trapped victims and explosion prevention drills, to improve our rescue and employees' self-rescue ability and safety awareness.

1.2.   We have also formulated safety standards and rules for practices and operations in various job positions, accompanied by a comprehensive training programme, to ensure the operational safety of employees.

1.3.   During the pandemic, the Company has developed clear-cut mechanism for epidemic prevention and control and gained in-depth understanding of the relevant procedures including those of entering the Company, quarantine and disinfection, which enabled us to handle emergencies in an orderly and efficient manner. These helped us to ensure that offices in the two places will survive the epidemic and resume normal work order quickly. No case of infection was found following the resumption of work.

2.   Health

In compliance with the national EHS regulations, we have continuously improved our environmental safety protective system to ensure a safe working environment and hold ourselves accountable to the society and our employees.

2.1.   Material security: The Group has established strict rules for various processes, such as procurement, acceptance inspection and equipment maintenance, to ensure food safety and normal operation of equipment.

2.2.   Energy consumption such as water and electricity has been under strict control at our workplace to reduce emissions and save energy.

2.3.   We organise regular medical examination for all staff annually and has established a medical clinic with recruited professional doctors and nurses as well as required facilities to ensure that diagnosis and treatment are provided for common diseases, and preliminary treatment will be provided to accidental injury cases for timely transfer to hospital for further treatment.

III.   Development and Trainings

Staff Training

NetDragon University is a base for nurturing management and technological talents of the Group. As a powerful support and an important part of the overall strategy of the Group, NetDragon University is committed to providing professional and systematic training services to staff. In 2020, according to different business areas, NetDragon University has established nine functional organisations including management college, curriculum research and development department, verification research and development department, learning operation department, expansion college, enterprise-school cooperation department, digital education college, programming technology college and design college. Based on the application practice of Huayu Education concepts in NetDragon's post certification training, we have improved the NetDragon's learning methodology system, and promoted the application of such system both internally and externally. We have created the NetDragon job skill certification system based on the transaction list, which has been applied to help NetDragon's students develop their careers and upgrade our talents.

Achievements in 2020

In 2020, to support the strategic development and key businesses of the Company, the enterprise-school cooperation department completed the Fuzhou Software Shuangrong project and the construction of key specialty pilot; while the learning operation department held the MAD forum to build up NetDragon's development ecosystem, thereby facilitating the relevant projects in the education business of the Company to achieve annual goals and upgrading of service objectives. Also, in response to the request for "corporate affairs management" brought by the Company, certification system based on the transaction list has been created in combination with talent management to accelerate talent development. In management training, according to the Company's latest requirements for management, we improved the iteration of management post training courses and offered these courses to management staff to facilitate the management upgrading of the Company.

In 2020, NetDragon University organised a total of 238 various training events with total attendance of 10,449 participants (excluding external forums and teaching within NetDragon University.

1.   *External Training:*

Fuzhou Software Shuangrong project: Based on the Company's key businesses and in quick response to requirements, in 2020, there were 27 lecturers showing interest in teaching at Fuzhou Software. 16 lecturers were selected in supporting professional teaching at Fuzhou Software, covering 12 courses with total teaching time of 656 hours.

MAD Forum: The MAD (Make A Difference) Forum is aimed to building the development ecosystem in places where NetDragon operates such as Fuzhou, Xiamen, Chengdu, Wuhan, Chongqing and Beijing, which may be developed into the developer alliance of NetDragon's education platform in the future to promote NetDragon's education platform technology, attract outstanding talents and facilitate external cooperation. Currently, a total of ten sessions have been organised with offline attendance of almost 800 participants, accumulating almost 110,000 online clicks.

2.   *Internal Training:*

Inheritance and implementation of corporate culture: First of all, in terms of corporate culture promotion, we used the form of clearing game levels and created a craze for "corporate culture certification exam" in various departments within the Company. Secondly, we create a unique cultural book product "Heart Sign-in Articles Collection (心簽到)", which is unique to NetDragon, to disseminate and share "valuable content" in the relevant articles, develop a corporate culture of thinking every day and promote communication, learning and growth for everyone. Up to now, six issues have been published, each of which has selected over 200 excellent articles from over 200 authors with a total of more than 450,000 words. Currently, a total of 3,000 books have been printed.

Skills promotion project for key positions: In response to the Company's requirements for upgrading students in key positions, we have conducted in-depth cooperation with the programming center, engineering college and other departments in skills upgrading, and launched the engineering college architecture special project, Java post intermediate skills certification project, commercial sales essential skills certification project, programming center assistant main programme development special project, campus recruitment training and training camp before formal employment for programme development (C++), campus recruitment training and training camp before formal employment for programme development (Web frontend), U3D programme development intermediate certification and other projects. By integrating internal and external training resources, sorting out key position learning maps and competency standards, we facilitate core business units to promote and implement key position talent development projects, and promote the enhancement of competence/skill improvement/performance improvement of key position personnel in core business units.

Management training projects: We launched the management post compulsory study project and adopted the O2O operation mode (online micro-classes & community + practical tasks + offline workshops) to foster development of management staff. Moreover, we have been improving the iteration of management post training courses according to the Company's latest requirements for management, and offered these courses to management staff to facilitate the management upgrading of the Company.

Routine training projects:

Skills training: In 2020, NetDragon University organised a total of 69 trainings on skills with 4,726 participants, including 44 NetDragon Skills Forums with 3,771 participants.

Experiential training: The development of 52 teams was completed with 1,977 participants.

New staff training: a total of 25 training sessions were organised for new staff with 1,014 participants and one offline marathons was organised for new staff with 35 participants.

Certification projects:

Internal affairs certification: According to statistics of certification projects made by the Company in 2020, we have 1,265 certification subjects, including 705 subjects pending optimisation and 91 subjects used in various departments. As of the date of this report, 445 subjects have been developed by various departments and 18 subjects are in the process of development or optimisation.

Design methodology certification: a total of 14 sessions of design methodology primary certification were organised with 450 participants in total; 1 session of Fuzhou Software design methodology completed with 30 participants in total and 24 sessions of design methodology improvement class certification with 130 participants in total.

3. *Construction of Platform Function and Content:*

Construction of platform function: In response to the requirements for essential post knowledge certification, we promoted to launch the optimisation functions of question database and content library. We conducted internal test for AI learning companion function to support the AI training projects. Simulation Training functions were integrated to the platform with access to report and data in relation to individual learning. These functions enable us to conduct front-end/back-end analysis on data about learning.

Construction of platform content: In 2020, a total of 1,671 courses were uploaded, including 76 training certification courses.

Platform operation: During 2020, the accumulative learning time was 225,738.65 hours with average learning time per person of 7.79 hours; 99.25% of male employees and 99.15% of female employees attended the training courses with average learning time of 8.79 hours and 10.67 hours. 99.43% of senior management, 99.39% of middle management and 98.68% of other employees have attended the training courses with average learning time of 9.23 hours, 8.86 hours and 10.26 hours. The Company organised 336 examinations which are three examination questions per day in nature, with average daily participation of 1,168 persons and a rate of accuracy of 55%.

Overview of administrator cultivation: In 2020, a total of 72 administrators were cultivated and the accumulative number of administrators cultivated amounted to 261 persons.

IV.   Labour practices

The Group has been in strict compliance with the Employment Ordinance and in no circumstances engaged in any forced labour or child labour.

V.   Management of the Supply Chain

The Company has established a set of comprehensive system for the management of the supply chain, aiming to select quality suppliers on a strict basis while building a stable cooperative relationship with them, and to guarantee their cooperation meets the social, legal, moral and environmental standards. Prior to the introduction of suppliers, the Group will perform due diligence in respect of the corporate qualification, capability of production, operation and management of the suppliers, and products qualification certification, conduct strict inspection of product quality, make sure quality cooperating manufacturers are introduced, enter into comprehensive supply contracts and quality guarantee agreement with the suppliers in the course of cooperation, regulate strictly the mechanism of admission, assessment and replacement of suppliers, compile a list of qualified suppliers and conduct regular assessment of the system to eliminate the sub-standard ones.

In 2020, Promethean had a total of 22 key suppliers. The geographical split of these suppliers was as follows:

Indicators	**2020**	2019	2018	2017	2016	2015
Number of Key suppliers[1]	**22**	21	23	17	15	11
By region:						
Asian countries other than PRC and Hong Kong	**3**	3	2	2	4	1
UK	**0**	1	2	0	0	1
US	**7**	8	11	5	1	1
PRC	**6**	7	6	7	5	4
UAE	**1**	0	0	0	0	0
Hong Kong	**2**	2	1	1	4	3
European Countries other than UK	**3**	0	1	2	1	1
Total amounts invoiced by key suppliers (GBP million)	**198.2**	175.1	246.9	183.7	95.8	90.7

1   Key suppliers refers to suppliers of products/services whose total contract sum amounted to GBP1 million or more in any given year.

Promethean has a documented supplier on-boarding process that is undertaken in respect of significant suppliers of products to the Group. This process includes a review of quality processes, Health & safety, training & development, labour ethics and the environment.

The Promethean's operations team periodically visit significant suppliers in the normal course of business.

During the year, the Group was not aware that any key suppliers had any significant actual and potential negative impact on business ethics, environment protection, human rights and labour practices nor was the Group aware that any of them had any non-compliance incident in respect of human rights issues.

Engaging suppliers: Key ODM suppliers are managed by the Quarterly Business Review (QBR) process.

The number of suppliers where the practices are being implemented. Promethean's 2 suppliers of Interactive Flat Panels account for 70% of total company spend are managed by the QBR process. Other Key suppliers based on pareto 80% value are managed by 6 or 12 month business reviews.

These are implemented and monitored by way of a QBR presentation pack which is produced for the review meeting and subsequent actions logged and reviewed/closed out at the following meeting.

Products and services responsibilities

In 2020, Promethean was not aware of any incidents of non-compliance with regulations and voluntary codes concerning the provision and use of the Group's products and services, including but not limited to, product and service information and labelling, marketing communications including advertising, promotion and sponsorship, and property rights including intellectual property rights that have a significant impact on the Group.

Promethean Limited has transitioned and is now certified to the revised International Environmental Management Systems Standard ISO 14001:2015.

In accordance with the ISO 14001 certification requirements, Promethean Limited are subject to annual surveillance audits and a recertification audit every three (3) years. At the last surveillance audit, which, due to Covid Restrictions, took place remotely in September 2020, Promethean Limited was confirmed as demonstrating that Promethean Limited operated in line with the requirements of ISO14001:2015. The next recertification audit is expected to take place in July 2021.

An Environmental Management System is a structured framework used by organisations to manage and reduce their impact on the environment.

It brings with it many benefits for a business, including:

• Reduced impact on the environment to maintain a healthy planet for future generations

• Legal compliance

• Reduced operational costs by improving efficiency

• Competitive advantage during a tender process

Promethean has had no health & safety related product recalls during the five years ended 31 December 2020.

During the four years ended 31 December 2020, Promethean has had no significant product failures. Any normal run rate failures are covered by Promethean's warranty offerings.

Promethean also monitors customer feedback and product related enquiries. Of the customer enquiries received over the course of the four years ending 31 December 2020, less than 1% of such enquiries result in a complaint.

As per the below table in 5 years Promethean had 476,485 inbound calls to the Contact Centre, 359 of these were complaints, as such only 0.08% were complaints.

Year	Contacts into Support	Complaints received	% Complaints
2016	91,615	41	0.04%
2017	94,294	76	0.08%
2018	99,818	111	0.11%
2019	113,158	93	0.08%
2020	77,600	38	0.05%
Total	476,485	359	0.08%

*   Up to 31 December 2020

The complaints are dealt with on a case by case basis via feedback Customer Satisfaction surveys. These are dealt with by a dedicated team who record the feedback and in return contact the customers in order to best resolve the complaint.

ClassFlow and Data Privacy

ClassFlow is a service which collects personally identifiable information from teachers, parents and students. Since its initial release in 2014, Promethean has made significant efforts to comply with data privacy regulations around the world. Promethean has made significant efforts to ensure that it is particularly sensitive to its use of personally identifiable information belonging to students (children under the age of 18). To that end, Promethean has developed a privacy policy which is constantly updated with each new release of the Service and takes into consideration the ever-changing legal regulatory landscape on a global level. To date, there have been no incidents of security or data breaches related to the ClassFlow Service.

Quality Assurance

Promethean's global Product Quality objectives are working with our supplier/business partners to continually improve product/processes to ensure that very high standards, in terms of Quality, Cost and Delivery (QCD) performance, are achieved.

The overall responsibilities include ensuring that Quality Assurance principles are built into the supplier/business partners new product release and product life cycle processes; whilst also ensuring that they maintain ISO 9001 quality management and other relevant standards.

VI.   Product Liability

Based on the standard of a computerised software test, the Group has performed strictly product inspection, including function test, weak network test, safety test, compatibility test, integration test and interface test, etc. and applied extensively automated testing technology to avoid and control, to the largest extent, risks of human factors to ensure the product functions and various indexes meet the quality standard. Moreover, for the purpose of a further guarantee for continuous improvement on product quality and on the quality of the production procedures, the Group has established an analysis mechanism for causes to defects and prevention measures for defects through big data management of BUG, along with regular technologies exchanges with corporates and universities, as well as continuous improvement and testing for related new tools and new methods.

The Group has taken the following measures to guarantee product quality:

1.   Giving out daily journals on quality, demonstrating on a multidimensional scale the quality and progress of the latest version of the products, and coordination for issues addressing on a timely basis to avoid and control risks to the largest extent in order to ensure the progress of the products;

2.   On the basis of the 7 x 24 cloud service of the automated testing technology, performing self-development of a tailored testing cloud platform to conduct various specific tests such as functions, compatibility, network and safety for the products for a comprehensive protection of quality;

3. Strict implementation of the procedures and standards related to quality control, including review of product demand, test activities such as management of test plans, management of test rules, management of test performance, management of feedback on risks and management of bug information;

4. Establishment of a quality monitoring and control system through online dial testing, by performing regular/triggered dial testing tasks automatically to discover production defects in a timely manner, instant monitoring and control of product quality can be guaranteed;

5. In accordance with the requirements under Cybersecurity Law of the People's Republic of China (網路安全法) and other relevant laws and regulations, the Group developed standards for security test and regulations or guidelines for testing in relation to five areas, namely protection of personal privacy on Apps, information security for users, real-name registration, content security and anti-addiction system of games, Moreover, the Group submitted testing reports on product conformity in a timely manner using self-developed security scanner and its online quality monitoring technology that is unique in the industry for the purpose of compliance. These measures supported the Company's products in complying with laws and regulations of the State.

VII.   Anti-corruption

The Group has been directing the operation of the Company's departments in accordance with laws and regulations and has put in place a reporting mechanism, allowing the employees an access for ideas or suggestions feedback to the internal review department of the Company on an anonymous basis.

VIII.   Community Contribution (Public Service Activities)

Major Community Contribution Events of NetDragon in 2020
The Group is committed to fulfilling corporate social responsibility in providing feedback to the community by maintaining long-term sustainability of our businesses and the communities in which we operate and actively engaging in community contribution activities.

2020	**Major Community Contribution**
January	The Group entered into the memorandum of understanding with the Ministry of Education, Science and Technological Development of Serbia (塞爾維亞教育科技發展部) in relation to development and planning of intelligent education in Serbia. The Group will leverage its advantage in information technology for education to assist the Ministry of Education, Science and Technological Development of Serbia in developing the intelligent learning environment that includes software and hardware for education, value-added services and SaaS education service platform, with a view to achieve intelligent education, information exchanges and equal access to quality education for all.

February

101beikao, the Group's online training platform with a focus on vocational tests, has been providing users with abundant paid-to-read training resources without charge. These resources cover tests for tour guide, accountants and civil servants as well as quality materials in various areas such as those of learning about tea culture. Amid the pandemic, 101beikao has been actively providing quality learning resources without charge to users in Hubei and other parts of China in supporting them to catch up with the progress during the pandemic before starting the tests.

Fujian Huayu and Pearson Education jointly developed the Longman Plus intelligent education solution to fully support students and pupils in Hong Kong in keeping learning when classes are suspended, in order to support their learning which was affected by the epidemic. The Longman Plus intelligent education solution is a comprehensive solution that covers pre-study, classroom learning, after-school homework and reviews for all subjects. It has brought interesting experience of collaborative classrooms to tens of thousands of teachers and students in Hong Kong.

To meet the needs of teachers and students for online education and learning, Chinese Language and Culture Education Foundation of China and Fujian Huayu worked together to promote the 3D e-books of Fujian Huayu and courses on its One-Stop Learning platform to teachers, parents and children. These courses will cover 60 million overseas Chinese, including 10 million young overseas Chinese, to support their online learning during the pandemic.

27 internet education technology platforms and companies, including Fujian Huayu, jointly launched the initiative of "Internet Education Technology Institutions Effectively Prevent and Control the Epidemic and Provide Effective Services to "suspending classes without stopping the school" as organised by National Engineering Laboratory for Cyberlearning and Intelligent Technology (互聯網教育智能技術及應用國家工程實驗室). In light of the impact of this public health emergency on education activities, Fujian Huayu has developed supporting plans for "suspending classes without stopping the school"at the onset and provide free access to its digital education products. It has also launched a huge volume of premium online education resources in providing supporting services of "Online Class" to teachers and students.

To meet the needs of schools for teaching and learning during the epidemic, Education Department of Shaanxi Provincial Government opens for free live streaming class service of "Shaanxi Education Cloud" jointly with Shaanxi Telecom for all the teachers in the province. Fujian Huayu assists "Shaanxi Education Cloud" to provide support for live service tools. providing safeguard service for teachers teaching at home.

To better provide online teaching service for all universities, vocational schools, after-school training institutions of vocational techniques across the nation during the pandemic, NetDragon Putian Education has opened for free 產創雲, an online education platform under NetDragon Putian Education, for the convenience of teaching and learning for teachers and students.

To strengthen propaganda and guidance for the prevention and control of the pandemic and to carry out Party related tasks efficiently, H5 version of 「黨務易通」 of 「中國好黨員」, a digitalised comprehensive service programme established by the Party, under Fujian Huayu has been launched and opened for free to all Party organisations at all level in the State, providing more convenient tools for Party duties and helping the Party organisations at lower level to adapt efficiently to Party duties.

Products and platforms, such as One-Stop Learning platform, 101 Education PPT, 馳聲聽說在綫 and Edmodo, of the Group has assisted extensively the teachers and students to resume class online in response to "continuous learning amid school suspension". One-Stop Learning platform is the first education platform and one of the education platforms that provides protection plans and announces free access to online live services, for "continuous learning amid school suspension" platform technical support for areas such as Hubei, Fujian, Hunan, Guangdong, Shandong, Henan and Heilongjiang, covering over 15,000,000 household users.

NetDragon launched spring recruitment programme and released more than 1,000 social recruitment positions. For the purpose of normal recruiting operation, NetDragon has made flexible adjustment to the form of recruitment, adopting "Cloud Recruitment" by means of video interview, online live and non-contact mode; and by means of online enrollment, online training and online execution of contract upon employment to ensure that employers are properly enrolled. To support the national "Six Stabilities" and "Six Guarantees" Policy, NetDragon has opened a green channel for the forthcoming graduates of Fujian origin by making available a direct port at its official website for the forthcoming graduates of Fujian origin to lodge their resume and has determined to open a large number of full-time positions for the forthcoming graduates of Fujian origin.

March	With the outbreak of the pandemic, schools in Hong Kong and some other places supported "continuous learning amid school suspension" of the government by showing initiatives of using Edmodo products to arrange class assignments and tasks. It can be downloaded for use through different channels, such as Google Drive and App Store, at where massive free educational resources are available.

Application of Edmodo has no geographical restriction. It can be downloaded through easy installation steps, whether by users in Hong Kong, Macau, Taiwan or overseas countries or regions, to experience the convenience of Internet + Education (互聯網+教育).

United Nations Education, Scientific and Cultural Organisation (UNESCO) advocates distant learning and has recommended a list of educational products for distant learning. Edmodo can support distant class management and ensure students' in-class participation and cooperation and has been officially recommended as one of the learning platforms for its extensive coverage of learning tools and resources.

The "Handbook on Facilitating Flexible Learning During Educational Disruption: The Chinese Experience in Maintaining Undisrupted Learning in COVID-19 Outbreak", accomplished by an academic team led by Huang Ronghuai, Co-Dean of Smart Learning Institute of Beijing Normal University, and Mr. Liu Dejian, the founder and Chairman of the Group and Co-Dean of Smart Learning Institute of Beijing Normal University was published on the official website of Institute for Information Technologies in Education of UNESCO (UNESCOIITE), and adopted the products technologies supporting "continuous learning amid school suspension" and actual cases of Internet Technology Enterprises, including NetDragon, and the researches and conclusions of the scholars of relevant institutes, demonstrating to the world about "Flexible Learning-The Chinese Experience".

Edmodo, has recently been chosen by the Ministry of Education in the Arab Republic of Egypt to be the designated distant learning platform for the K12 education system of the country, has been a rollout by the Ministry of Education of Egypt to over 22 million students and over 1 million teachers in the country to provide distance learning support in the period of school suspension, and will provide long term service for education after the pandemic in order to improve educational quality.

Future education has been further researched into in the intelligent classroom donated to Nigeria by NetDragon. Such classroom has been chosen by UNICEF and UNESCO as one of the model intelligent classrooms for conducting different subject courses such as mathematics, English and physics with advanced technology. The Group has integrated its quality teaching software and resources, such as 101 Virtual Laboratory and Coding Galaxy, with its hardware equipment, such as Promethean Interactive Whiteboard, to develop a general solution that ensure efficient class operation.

Six universities, namely, Tsinghua University, Shanghai Jiao Tong University, Nanjing University, Zhejiang University, Wuhan University and Xi'an Jiaotong University, jointly initiated "Chunlin" anti-epidemic and learning aid operation (hereinafter referred to as "Chunlin" Operation) to provide learning aid operation in three aspects, namely, academic enrichment, policy consultation and facilities support, for level 3 high school students in the implementation regions under the state projects. As a world renowned online education enterprise, NetDragon donated mobile phones and data expenses for some aided students to help them resolve the problem of connecting online.

April	The handbook of "Guidance on active learning at home during educational disruption: Promoting student's self-regulation skills during COVID-19 outbreak" was formally published, it was compiled jointly by the Smart Learning Institute of Beijing Normal University, the UNESCO Institute for Information Technologies in Education and UNESCO International Research and Training Center for Rural Education, with the support provided by the Arab League's Educational, Cultural and Scientific Organisation (ALECSO), the International Association of Smart Learning Environment (IASLE) and Edmodo, to help local and overseas students to enhance planning for learning and self-regulation capabilities, which also illustrated the practical action of NetDragon to accelerate innovation in future education.

The international online seminar with the theme of "Future education: How to ensure high quality education during the closure of higher education institutions" was convened. At the seminar, the core member representatives of the project team shared the handbook of "Guidance on flexible learning during campus closures: Ensuring course quality of higher education in COVID-19 outbreak" under research and compilation by the academic team lead by Mr. Liu Dejian, the founder and chairman of the Group and Co-Dean of the Smart Learning Institute of Beijing Normal University, and Mr. Huang Ronghuai, the Co-Dean of the Smart Learning Institute of Beijing Normal University, to help local and overseas higher education institutions to maintain basic teaching and learning during campus closure period, and to ensure the quality of courses through various innovative methods.

Fujian Huayu participated in the "Youth Artificial Intelligence Innovation Programme", the programme was initiated by Beijing Normal University and supported by NetDragon's quality learning resources-the course of 15 Questions on Artificial Intelligence to provide young learners with basic scientific knowledge on artificial intelligence and shared NetDragon's relevant cases and practical experience in the area of AI so that more young people will have the opportunities to explore and learn practical and forward-looking knowledge relating to AI, to follow the pace of era more closely and widen their vision and thinking.

The online examination system went online at "A Unified Platform for Learning". The system is able to organise examinations and ancillary online marking of examination papers for the education bureau of county government and schools, and may become the connection point between "A Unified Platform for Learning" and education administration authorities in different areas. At present, the platform is available for the examinations of all art and science subjects and foreign languages. The paper marking efficiency of teachers has increased by more than 60% when compared with manual marking, it also supports automated marking for open-end questions, it is more stable and more efficient than the original mode of filling answer cards.

| May | The international seminar with the theme of "Advancing open educational practice in line with UNESCO OER recommendation during COVID-19 pandemic" was convened online. In the seminar, Mr. Liu Dejian, the founder and chairman of the Group and Co-Dean of Smart Learning Institute of Beijing Normal University, delivered a speech representing the project team and shared the "Guidance on open educational practices during school closure: utilising OER in COVID-19 pandemic in line with UNESCO OER recommendation" which was in the process of compilation, through introducing practical cases in different countries, it demonstrated how to use OER and OEP effectively to enhance the efficiency of teaching during the COVID-19 period. |

The education department of Hubei province sent a thank you letter to Fujian Huayu and expressed gratitude to the Huayu team for its provision of diversified courses on the special "battlefield" of customised online teaching for teachers and students during the period of "class suspension but not learning suspension" under the COVID-19 pandemic to realise the sharing of quality resources which have provided important support and assurance for various learning channels during the COVID-19 period.

The ministry of education of Thailand announced that Edmodo and Galaxy programmers were selected for the provision of online learning platform and the programming of learning solutions for 10,000 schools at K-12 level, and trial operation has begun recently. It was revealed that the number of schools participating in the trial operation accounted for one quarter of the total number of schools at K-12 level in Thailand. If the project proceeded smoothly, this may be expanded to all schools at K-12 level in Thailand.

June	The Group and the World Cultural Heritage Yongding Earth Building Complex entered into cooperation, the gaming brands of Eudemons Online (魔域) IP, Heroes Evolved (英魂之刃) IP and Conquer Online (征服) IP would begin a formal interaction to empower cultural succession through digital technology by replicating the architectural features of Yongding Earth Building Complex in the game products, cooperated to customise the game method and jointly introduced an image ambassador to present the cultural beauty of Yongding Earth Building Complex before the eyes of global game players.

The education association of Shanxi province and the online team of "A Unified Platform for Learning" of Fujian Huayu entered into a cooperation agreement in Taiyuan to confirm that the team of "A Unified Platform for Learning" will fully support the construction and operation of the lifetime learning public service platform for teachers in Shanxi province. After completion, the platform will provide enhancement training for teachers and services for generalisation of information technology application in education for 4.4 million secondary and primary teachers and students across the province. The objective of the platform is to provide services for implementing reforms in the ordinary high-school curriculum, completing the research tasks of the teachers' code of conduct team to improve the information technology level and quality of training and research studies for teachers.

The senior level dialogue meeting of China-Africa-UNESCO during the COVID-19 pandemic period and post-pandemic priority support for Africa was convened by video conference. NetDragon initiated the "online education capabilities building plan for African teachers" at the meeting. The plan focused on the education sector, it will provide an online education platform for African countries and offer assistance to train 100,000 skeleton teachers in Africa.

The education department of the State of Vermont in USA entered into cooperative partnership with Edmodo to collaborate with all teaching staff in the State of Vermont to obtain teaching resources network for "class suspension but not learning suspension" in order to provide continuous teaching support for students in the State of Vermont. Due to the ease of utilisation and diverse functions of Edmodo, the education department of State Vermont selected Edmodo for promotional activities across the State of Vermont.

July	Fujian Huayu and Chinese Language and Culture Education Foundation of China (CLEF) entered into a cooperation agreement on teaching resources. Huayu will base on the Chinese language education course materials provided by CLEF and utilise technologies such as 3D, VR/AR and AI to design, research, develop and compile the "Chinese language smart textbooks" to promote upgrading in the overseas Chinese language teaching models, transmitting more digital education resources, extending coverage to tens of millions of ethnic Chinese students and teacher user groups in Chinese language schools around the world for driving further development in Chinese language education worldwide.
August	In order to further facilitate the improvement in education level in the African region and equal opportunities in global education, UNESCO and the Group entered into strategic partnership and convened an online meeting. Both parties took this opportunity of signing the memorandum of strategic cooperation to implement the "2030 Agenda for Sustainable Development" of United Nations by utilising their respective strengths to provide high quality and efficient education for African countries and contributing to promote equality and linkage in global education.
	The general office of the ministry of education issued the "Notice on completing the statistical work for the education industry in 2020" and the national education statistical information system phase II constructed by Fujian Huayu was formally used online help to drive the collection of statistical data for the national education industry into the era of online version. This is the first software product of Fujian Huayu that enters all schools across the nation, and this is also a key step for NetDragon to expand the user coverage and increase revenue from the SaaS model through the deployment of software.
September	I Wonder Why (十萬個為什麼) App, jointly published by Juvenile & Children's Publishing House and Fujian Huayu, has been launched in major Android application markets. With content core focuses on China's original popular science books excellent IP, I Wonder Why (十萬個為什麼), of Juvenile & Children's Publishing House, and technical core of Fujian Huayu's world leading educational technology, combined with the pressing need for knowledge in the era of Internet + Education (互聯網+教育), the App aims at providing K12 students with high-quality content of popular science and promote the development of youth education of popular science.

October	On the "Contract Signing Ceremony of Yunnan Diqing Educational Poverty Alleviation Donation" hosted by the Science and Technology Department of the Ministry of Education, Fujian Huayu donated NetEducation (district and county version), worth RMB2.8 million, to Diqing Tibetan Autonomous Prefecture in Yunnan Province. The Education and Sports Bureau of Diqing Tibetan Autonomous Prefecture plans to fulfill the coverage of teacher and student users of NetEducation in the entire jurisdiction by the end of 2020, helping Diqing Prefecture education to be alleviated from poverty. The donation by Fujian Huayu will enhance the informatisation level of education and deepen the reform on education and teaching to lay a good foundation for further development of local education.
	The "2020 Game Responsibility Forum" (2020遊戲責任論壇) hosted by people.cn was held in Beijing. At the Forum, which is themed as "Achieving Aspiration and Tasks, Embodying Responsibility" (踐行初心使命、體現責任擔當), the "Game Corporate Social Responsibility Report (2019-2020)" (2019-2020遊戲企業社會責任報告) was released. Capitalising on the outstanding contributions to economy, society and technology, the Group and the top 20 excellent enterprises, such as Tencent and NetEase, were shortlisted for the "2019-2020 China Game Corporate Social Responsibility Top 20" 2019-2020 (中國遊戲企業社會責任二十佳).
November	At the 2020 China's Best Employer Award Ceremony and China Human Capital International Management Forum, the "2020 China's Top 100 Employers of the Year" (2020中國年度最佳僱主百強) list was announced and NetDragon was awarded "The Most Intelligent Employer" (2020最具智造精神僱主). According to some investigation and survey, the "top 100 employers" received the highest employee satisfaction in respect of working environment and employer's culture, which soft strength fosters the employee with stronger sense of belonging and valuable experience, transforming into greater working passion to generate return for enterprises.
	Strategic Cooperation Agreement was entered into in Beijing by Fujian Huayu, China World Peace Foundation and Fujian Buddhist Charity Association. The three parties will establish in future Buddhist Harmony Culture Charity Foundation (佛教圓融文化公益基金) to advocate dharma education to the countries along the Belt and Road, and to commence in-depth cooperation leveraging on internet technology to integrate quality educational resources and to exploit Buddhist Harmony Culture Charity Foundation to serve the society.

Edmodo has been elected by the Education Department of Ghana as the only online learning platform for K12 education system of that country. In this cooperation, Edmodo, the world leading online learning community, is expected to access over 30,000 public and private schools in Ghana, covering 9.3 million students and 450,000 teachers of the country. It signifies another milestone that the Group has achieved for countries along the Belt and Road in providing educational technological solutions and demonstrates again the Group's determination in promoting global education equality.

Fujian Huayu won the bid for the public artificial intelligence education service platform project for secondary and primary schools in Henan Province. This means that Fujian Huayu will help intensively with the integration of artificial intelligence and basic education in Henan Province and establish an ecological system of artificial intelligence education for secondary and primary schools in Henan Province. The core of the platform construction is the integration of education informatisation and artificial intelligence education, which will gradually coordinate educational informatisation of the entire province, gather educational big data to assist in making education decision and serve 17 million teachers and students in Henan Province by several launches.

The public service platform for pre-school education in Guyuan, Ningxia, jointly established by the Education and Sports Bureau of Ningxia Guyuan City and Fujian NetDragon Network Company, was officially launched. The platform will radiate 430 kindergartens in the area and fully contribute to the informatisation upgrade of preschool education in Guyuan.

The Western Wisdom Education Application Innovation Seminar and the Summary Meeting of the Linxia Hui Autonomous Prefecture Project of Counterpart Support of Shaanxi Normal University was held in Linxia Prefecture. At the meeting, Fujian Huayu donated jointly with National Center for Educational Technology 6 sets of central hall virtual experimental teaching service system for Linxia Hui Autonomous Prefecture to help 6 schools in Linxia Prefecture to carry out subject teaching experiment and study.

December	The Shaanxi Education Informatisation 2.0 platform, which is technically supported by Fujian Huayu, was officially launched. It is an implementation plan for education informatisation 2.0 of Shaanxi Province and an important measure for the reconstruction of a "Internet+Education" (互聯網+教育) new era with new ecology and education system.

Fujian Huayu participated in the "Rural Teacher Encouragement Programme" (鄉村教師勵耘計劃) initiated by Beijing Normal University, the first batch of programme will radiate Liangshan Prefecture in Sichuan, Linzhi City in Tibet, Yulong County in Yunnan, Congjiang County in Guizhou, Qinglong County in Hebei, Tunchang County in Hainan and other regions, enhance the quality of local teachers in villages, effectively deploy resources for services and functions of colleges and universities, technology advantages of enterprises and public welfare funding support, etc., to assist the development of teachers in villages and promote continuous improvement of rural education, contributing to the revitalisation of rural education.

The "Beijing Teachers Excellent Class" (京師優課) platform jointly created by Fujian Huayu and Beijing Normal University Education Group was officially released, which will cover 13,000 teachers in more than 80 affiliated schools of Beijing Normal University Education Group in the early stage. The "Beijing Teacher Excellent Course" (京師優課) platform will provide integrated intelligent education service for the joint development and sharing of resources between Beijing Normal University Education Group and the affiliated schools, as well as for the implementation and management of the online courses of those schools.

The ceremony for the broadcasting of "Fulfill the Dream (圓夢向未來)", a large educational programme on poverty alleviation and charity jointly launched by Fujian Media Group and NetDragon and produced by the Children's Channel of Fujian Media Group, was held. The programme focuses on "education and poverty alleviation" (教育扶貧), sharing quality content such as micro-classes lectured by star teachers, interpretation of policies and learning experiences, from which students in areas where education is under-developed can enjoy quality education resources in a more convenient way, and shortcomings of impeded information flows and insufficient interpretation of information in villages and towns can be covered.

The 2020 Social Responsibility Forum of China Internet Enterprises (Seventh Session) hosted by Internet Society of China was held in Beijing. NetDragon was awarded with "2018-2020 China Internet Industry Welfare" (2018-2020年度中國互聯網行業公益獎) due to the recognition and acceptance received from the industry in connection with its strong social responsibility and various active anti-epidemic and learning aid measures.

Standing committee meeting of China Education Federation of the Arts (中國藝術職業教育學會) (CEFA)was held in the Digital Education Town, at which cooperation has been formally established between the Group, Digital Education Town and CEFA, to establish jointly the Technology Research Centre of Arts and Design Professional Committee of CEFA (中國藝術職業教育學會美術與設計專業委員會技術研發中心), which is a national academic organisation demonstrating prominence in facilitating inheritance of good traditional culture and development.

Strategic cooperation was entered into between Fujian Huayu and Xi'an Wisdom Garden (西安智園), who will jointly develop a wisdom educational solution for hardware integration, which would be promoted through channels of colleges and universities with the "Resource+Platform (資源+平台)" mode, to empower informatisation development of domestic higher education and to facilitate and achieve education equality.