

YOOZOO GAMES CO., LTD.

2019

CORPORATE SOCIAL  
RESPONSIBILITY REPORT

SHARE HAPPINESS WITH EVERYONE

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# About this Report

## Introduction

This report is the annual Corporate Social Responsibility (hereinafter referred to as "CSR") report released by YOOZOO Games Co., Ltd. (Hereinafter referred to as "YOOZOO Games", "Company" or "We"), focusing on disclosing of the social responsibility management and performance of YOOZOO Games in 2019.

## Reporting Boundary

Unless otherwise stated, the boundary of this report is consistent with the annual report, covering YOOZOO Games Co., Ltd. and its affiliates. The time span is the financial year from January 1, 2019 to December 31, 2019 (hereinafter referred to as the "reporting period"); part of the information beyond this coverage will be specified separately.

## Compilation Basis

This report is mainly compiled with reference to the GRI Standards (hereinafter referred to as "GRI Standards") issued by the Global Reporting Initiative ("GRI") and the Guidelines for Social Responsibility of Listed Companies in Shenzhen Stock Exchange.

## Data Source and Reliability Assurance

In this report, the data are mainly derived from the statistical report, annual report and relevant documents of the Company. The Company guarantees that this CSR report does not involve any false records and misleading statements and will be liable for the authenticity, accuracy and integrity of the contents.

## Confirmation and Approval

This report was approved on 28 April 2020 by the Board of Directors after the Management confirms.

## Access and Response to This Report

This report is prepared both in simplified Chinese and English for readers and its electronic version can be downloaded from the official website of YOOZOO Games (<https://www.yoozoo.com/>) or CNINF ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

We will take the suggestions of stakeholders seriously, and welcomes readers to contact us through the following channels. Your suggestions will help us further improve this report and the Company's overall CSR performance.

# Message from Chairman

Since its establishment in 2009, YOOZOO Games has gone through ten years. We run with the dream and remain true to our original aspiration. On the road of "Create Global Entertainment Classics", we have been working hand in hand with our employees, users, shareholders, partners and other interested parties.

In the ten years of ingenuity, we always adhere to the user centered approach, and insist in creating the elite products with ingenuity. We adhere to three strategies of "Elite Products, Globalization and Transmedia IP", strive to expand overseas business horizontally and cultivate competitive categories vertically. At the same time, we actively participate in building a healthy and sustainable industrial ecology. With the development of 5G technology, we set our sights on the future and lay out artificial intelligence, cloud games and other fields in advance. We seize new opportunities for change in the wind of the times and bravely meet the wave of intelligence in all directions.

In the ten years of inheritance, bearing in mind the cultural responsibility and responsibility endowed by the times, we inherit civilization through science and technology. While maintaining our sensitivity to cutting-edge technologies and insight into the needs of users, we regard products as works. We continuously enrich the content of works and actively expand the value of games so as to realize the mutual empowerment between the beauty of technology and splendid civilization, as well as to promote the 5,000 years of Chinese culture to a broader world stage.

In the ten years of hard struggle, we join hands with all of our employees to forge ahead in the changing times. Excellent talents have always been our core asset. We effectively protect the interests of employees, provide them with a broad development platform, and strive to promote the compound growth of talents. We care for every employee, encourage all YOOZOO Games employees to keep striving for growth and feel the beauty of the world together with YOOZOO Games.



We share our happiness, guard our dreams, and pass on our goodness and kindness to society. We continue to improve the "anti-addiction system" and "filtering and shielding system for sensitive words", to create a green and healthy game environment, to protect the physical and mental health of young gamers. At the same time, we have established the YOOZOO Public Welfare Foundation to work with public welfare partners to improve the growing environment of young people in remote and poor areas of China and help them grow up healthily and happily. After the spread of the COVID-19 epidemic in 2020, we made full use of our own resources and donated materials at the first time to help fight the coronavirus, so as to help win this war.

An educated gentleman cannot but be resolute and broad-minded, for he has taken up a heavy responsibility and a long course. After ten years of hard work, we are about to open a new chapter for the next decade. Facing the future, we will take the fulfillment of corporate social responsibility as our own responsibility, and continue to deliver positive value to the society, making the interesting things more meaningful and the things we like more valuable.

Chairman  
Lin Qi



# Our Footprints of Sharing

Founded in 2009, YOOZOO Games was listed on the Shenzhen Stock Exchange in 2014 (Stock Code: "002174"). As the leading interactive entertainment provider in China, YOOZOO Games adheres to the strategy of "Fit-For- Growth", comprehensively develops four major arenas, including globalized games Research and Development (R&D) and publishing, well-known IP management, big data and intelligent technology, and pan-entertainment industry investment. The Company bases on the three major directions of "Transmedia IP", "Globalization" and "Elite Products", attaches great importance to technology-driven forces, and creates products with ingenuity.

On the way to realizing the vision of "Create Global Entertainment Classics", we adhere to the corporate mission of "Share Simple Happiness", create and deliver positive values, help to spread traditional Chinese culture, and continue to fulfill our responsibilities to the environment, society and investors.



## VISION

Create Global Entertainment Classics



## MISSION

Share Simple Happiness



## VALUES

Emotional experiences bring value to others;  
Fight for what you believe in, stay young, and strive to discover the beauty in this world;  
With the spirit of showing sword and elite consciousness

Based on the global market, our happy sharing footprints are all over the world. Our branches are located in Germany, UK, India, Singapore, Japan, Korea, Turkey, Thailand, etc. We adhere to the principle of "global products, regional operations", with more than 1,000 strategic partners. We have developed a regional strategy based on the characteristics of different markets, launched in more than 200 countries and regions around the world, and provided high-quality game products and services to nearly 1 billion players around the world, so as to share the simple happiness with everyone.

In 2019, the 10th anniversary of YOOZOO Games, we are adjusting and growing in a changing market. We have been selected in the Internet top 100 list jointly released by the Internet Society of China and the Industrial Development Center for Cyber Security of the Ministry of Industry and Information Technology for six consecutive years. At the same time, in product innovation, concept innovation, social contribution and other aspects, we have also received a high

recognition. In the future, we will continue to integrate upstream and downstream resources of the industrial chain to create high-quality content, tell classic stories, share simple happiness and create global classic cultural brands.



"Outstanding Mobile Game Publisher of the Year" issued by The 4th Golden Gyro Award



"The most influential mobile game publisher" issued by 2019 Excellent Game Selection Competition (Golden Plume Award)



"The Best Exported Game Enterprise" issued by The 6th Golden Tea Award



"The Most Socially Responsible Listed Company" issued by The 8th Listed Company Summit Forum



"2019 Brand Value Communication Award" issued by the 12th Times Weekly Marketing Awarding Ceremony



"China Top 10 Game Innovation Enterprise of the Year" issued by 2019 China Game Industry Annual Conference "Game Top"



"2019 Industry Model Enterprise" issued by Internet Access Service Association of China



"Shanghai Model Unit" issued by 2017-2018 Shanghai Advanced Unit of Spiritual Civilization Construction

Received Awards of YOOZOO Games in 2019



# Motivity of Happiness

Adhering to the corporate mission of "Share Simple Happiness", YOOZOO Games has always kept its social commitments and shouldered industrial and cultural responsibilities. While we continue to create stable income, also constantly to promote the upgrading and innovation of the cultural and entertainment industry and make unremitting efforts to build a sustainable cultural and creative industrial ecology.

## 1.1 Social Responsibility Management

YOOZOO Games is committed to integrating the concept of corporate social responsibility and sustainable development into our products and services. We hope to adhere to the principle of "Fight for what you believe in, stay young, and strive to discover the beauty in this world", persist in creating high-quality products with our heart, bringing pleasant experience to the vast number of users, share simple happiness and energizing the industry with emotion to drive social and economic development. Our social responsibility work is under the leadership of the Chairman, the Department of Social Responsibility takes the lead and coordinates with all departments to promote the implementation of social responsibility work in an orderly manner.

## Communication with Stakeholders

YOOZOO Games always believes that coordination between business interests and the needs of stakeholders is important to the sustainable development and management of the enterprise. The Company's key stakeholders include employees, investors/shareholders, game users, suppliers, non-profit organizations, regulatory agencies/governments, medias, business partners, business/industry associations, etc. We have established a two-way and regular communication mechanism with stakeholders, understand and implement their expectations, and actively respond to relevant appeals, so as to continuously promote the optimization of the Company's social responsibility work.

Stakeholders	Issues Concerned with Social Responsibility	Responses in this Report
Employees	Employee Compensation and Benefits Staff Training and Development Equal and Diverse Employment	3. Share Happiness with Employees
Investors/Shareholders	Rights and Interests of Investors Compliance Operation Intellectual Property Protection	1.2 Corporate Governance 1.3 Compliance Operation



Game Users	Quality and Operation Stability of the Game Information Security and Privacy Protection Player Satisfaction and Customer Service	2. Share Happiness with Users
Suppliers	Anti-corruption and Commercial Bribery Suppliers' Social Responsibility	1.3 Compliance Operation
Non-profit Organizations	Community Contributions Public Welfare Charity and Targeted Poverty Alleviation Impact of Business on Society	4. Share Happiness with the Community
Regulatory Agencies/Governments	Compliance Operation Public Welfare Charity Intellectual Property Protection Environmental Protection	1.3 Compliance Operation 4. Share Happiness with the Community
Medias	Information Security and Privacy Protec- tion Impact of Players' Mental Health and Safety Impact of Business on Society	2.2 Data Security and Privacy 4. Share Happiness with the Community
Business Partners	Anti-unfair Competition Intellectual Property Protection Anti-corruption and Commercial Bribery Quality and Operation Stability of the Game	1.3 Compliance Operation 2.1 Diversified Game Products
Business/Industry Associations	Intellectual Property Protection Impact of Business on Society Impact of Players' Mental Health and Safety	1.3 Compliance Operation 2.3 Attentive Customer Service 4. Share Happiness with the Community

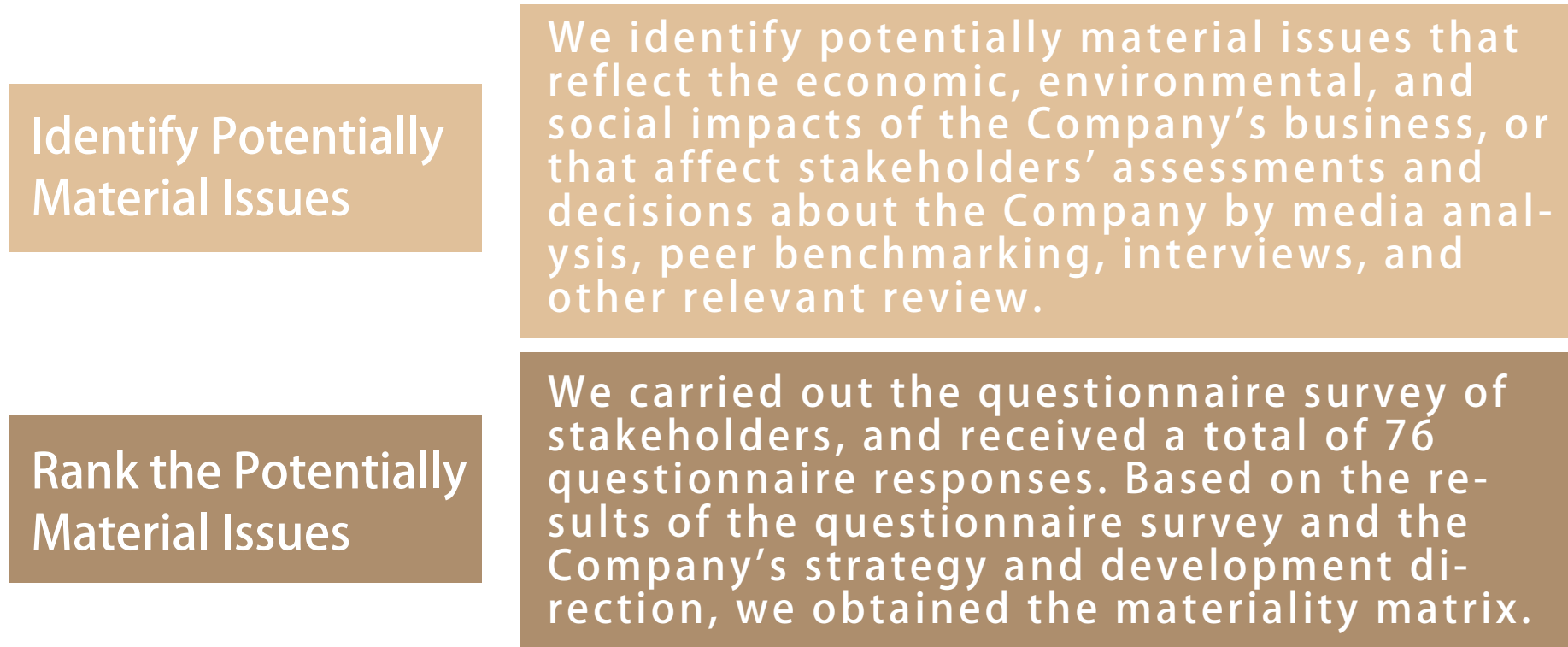
The Company is committed to the establishing and effective investor relations management system, and continues to innovate, broaden the channels and ways of communication with investors. We opened a hotline for investors and dedicated E-mail. Through the “Easy Interactive” platform, we respond promptly to investor concerns, and constantly promote the benign relationship between the Company and investors, so as to enhance investors’ further understanding and familiarity with the Company. We strive to foster a good investor relations management culture that serves and respects investors. During the reporting period, we responded to 127 questions on the “Easy Interactive” platform, and promptly responded to investor relations emails, so that the communication channels of investors were guaranteed.

# Major Investor Activities in 2019

- 1. On May 10, 2019, the Company held the "2018 YOOZOO Games Annual Online Performance Presentation Meeting", the Company's Chairman and General Manager Mr. Lin Qi, the Chief Financial Officer Mr. Lu Jun, the Secretary of the Board of Directors Mr. Xu Bin, and Independent Director Chen Donghua attended the meeting.
- 2. July 18, 2019, the Company's Chairman and General Manager Mr. Lin Qi, the Chief Financial Officer Mr. Lu Jun, the Secretary of the Board of Directors Mr. Xu Bin, attended the "Investor Online Collective Reception Day of Listed Companies in Fujian Province in 2019".
- 3. September 20, 2019, the Company's Deputy General Manager Mr. Chen Libiao, the Secretary of the Board of Directors Mr. Xu Bin and other people attended the "Online Roadshow of Convertible Bond Issuance of YOOZOO Games".

## Materiality Analysis

YOOZOO Games integrates the opinions and expectations of various stakeholders with social responsibility management. We have conducted a materiality analysis based on a scientific process to proactively and specifically respond to the concerns of various stakeholders in this report. The assessment of the materiality is mainly carried out in the following two stages:



## 1.2 Corporate Governance

YOOZOO Games keeps establishing a more robust governance framework and enhancing the value and management transparency in strict accordance with the relevant laws, regulations and requirements such as the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, the Work Guidelines on the Relationship between the Listed Companies and Investors issued by China Securities Regulatory Commission, and Stock Listing Rules of the Shenzhen Stock Exchange etc.

As of December 31, 2019, there have been nine members in the Board of Directors, namely six executive directors and three independent non-executive directors. The Board of Directors is in charge of decision-making, management and supervision regarding the production and management of the Company. The Board of Directors consists of four special committees, including the Strategy Committee, Audit Committee, Nomination Committee and Remuneration Committee, which carry out the overall management, supervision, and periodic review for the Company, guaranteeing the rigorous and efficient decision-making.

We establish and strictly follow the Information Disclosure System, Information Insider Registration Management System and other internal control systems related to information disclosure and insider information. The Company, in the hope of a timely, accurate and complete information disclosure, puts efforts to strengthen the management and fulfill the obligation of information disclosure. Within the reporting period, the Company has convened the meetings of the board of directors, meetings of the board of supervisors, general meetings of shareholders for 12, 12 and 4 sessions respectively, disclosed 204 announcements in total, and replied to the inquiry letters from Shenzhen Stock Exchange and China Securities Regulatory Commission for 7 times. The consideration matters involved in the above meetings mainly include the convertible bond scheme and its issuance, use of raised funds and capital investment, election and appointment of senior executives for the Board of Directors and Board of Supervisors, foreign investment industry funds, asset sale and relevant associated transaction items, 4 phases of periodic reports and regular consideration matters. The annual meeting of the board of directors lay the foundation for 2019 operating management and strategic planning of the Company, while other interim meetings of the board of directors cover the major issues which have great influences on the operating management and financial management of the Company or which are reviewed by according to the regulatory requirements. We have disclosed a total of 216 regular reports and temporary announcements on the designated information disclosure media Securities Times and [www.cninfo.com.cn](http://www.cninfo.com.cn). There is no information that should be disclosed but have not been disclosed, which can ensure the openness and transparency of the Company's operation and information disclosure, so that the investors will understand the Company's business condition in a timely manner.

Furthermore, YOOZOO Games attaches great importance to the reasonable return for investors. In 2018, we conducted targeted share repurchases, amounting to CNY 440 million of dividend, which was far more than that stipulated in laws and regulations (namely above 10% of the distributable profit dividend limit every year). Meanwhile, we developed the YOOZOO Games: Shareholder Returns Planning in the Next Three Years (2018-2020), thus guaranteeing the return on investment for investor and enhance investors' confidence in the Company.



## 1.3 Compliance Operation

Integrity and compliance is not only the bottom line of corporate operation, but also the cornerstone of corporate sustainable development. We strictly abide by the applicable laws and regulations, keep improving the internal control mechanism, and try our best to build a compliance management system which covers all employees, overall process and all aspects when carrying out the business activities, thus ensuring the efficient, steady and sustainable development of the Company.

### Intellectual Property Management

YOOZOO Games attaches great importance to the protection of its own intellectual property rights, and gives full respect to the intellectual property rights of third parties. We strictly abide by the laws and regulations such as the Tort Liability Law of the People's Republic of China, the Protection Ordinance on Information Network Transmission Right, the Administrative Protection Measures on Internet Copyright, etc. and enact the internal normative documents like the Guidelines on Infringement Complaint Handling of YOOZOO Games. We form a professional intellectual property lawyer team, establish the intellectual property rights protection system, and implement the systematic arrangement and dynamic management for the works, trademark and patents of the Company through an online management system.

With the development strategies of Elite Products, Globalization and Transmedia IP, YOOZOO Games always takes intellectual property rights into account when introducing the top-level film and television, animation IPs from all over the world, and sets up the specific process, as shown below:

The internal legal personnel shall deal with the contract terms related to the cooperation, sorting out the rights and obligations of both parties, unified statistical management of IP, and translate the contract into a language which can be understood by the business personnel, so as to ensure that the business personnel can implement the agreements of both parties, and guarantee that the products of the other party can conform to the agreements and comply with the regulations before the cooperation .



As for the projects with identified risks during the cooperation consultation and daily cooperation, it shall be carried out risk avoidance, project termination and other operations to intervene in time and control before risks occur.



In terms of successful cooperation projects, authorization scope, time node and other key information can be dynamically managed by the online OA electronic system, so as to improve information sharing efficiency via electronic system.

In the Guidelines on Infringement Complaint Handling of YOOZOO Games, we standardize the infringement types and their handling procedures, and will continuously create a standard, conforming, transparent and healthy development model by providing the common infringement platform and complaint channels.



**Infringement Complaint Handling of YOOZOO Games**

In addition to the above, we organize the business divisions to receive the shared intellectual property legal services and systematic training on a regularly manner, to further enhance the intellectual property awareness of employees and improve the intellectual property environment of the industry.

As of December 31, 2019, the cumulative intellectual property application and authorization of YOOZOO Games are as follows:

Quantity of Patents Applied	14
Quantity of Software Copyright Applied	251
Quantity of Software Copyright Authorized	32
Quantity of Trademark	387

**Game Compliance**

We keep optimizing the game compliance system and "game product overall lifecycle control" mechanism. We define the standardization and compliance of game in the whole process of project approval, research and development, operation and introduction, etc., increase the participation of issue producer in the operation and management of the Company with the issue producer as a core, and clarify the responsibility division and right ownership of the projects. Our compliance team plays an important role in project decision-making, and we accurately control the project progress and direction, and adjust the organization, release strategy, budget and schedule, etc. timely, ensuring that the game conforms to the laws and regulations throughout the lifecycle.

To comply with the laws and regulations on game products enacted by different regions around the world, we carry out the preliminary qualification and infringement risk self-inspection as per

the Project Compliance Self-inspection Checklist regarding the overseas games, assign the domestic team to perform the preliminary self-inspection, and employ the local lawyers overseas to provide advice to meet the local compliance requirements. During the daily business cooperation, our legal team and external lawyers will control the default risk of introducing the overseas games and related intellectual property rights. In accordance with the relevant regulations of General Data Protection Regulation ("GDPR") in the EU, we have hired the professional lawyer team to deal with the game information collection, privacy policy, player questionnaire and other related matters.

In addition, we have organized and implemented several internal game compliance and network security trainings, which aimed to create a better compliance atmosphere, further cultivate employees' legal awareness, and promote the compliance construction and stable development of the Company.

## Anti-addiction

We have established the teenager anti-addiction system, and apply the real-name authentication and anti-addiction rules to all games through the release platform of the Company in accordance with the national regulations, to guide the teenagers to enjoy the pleasure from game in a healthy way. We initiate the "filtering and shielding system for sensitive words" for the subordinate games and constantly create a green and healthy game environment. We also cooperate with parents and launched the parent monitoring project, for which parents can manage the backstage technically and set the daily game time and consumption quota of children. Different monitoring methods are used to create a healthier environment for the growth of teenagers.

### Parent Monitoring Project

We launch and run the Parent Monitoring Project to promote the parents to monitor the minors' participation in online games and guide them to play online games in a healthy and green way. We set the following three functions to allow the parents to correct some minors' addiction to games:

#### ● Game Time Management

Parents can know about the game state of children, help children arrange time more reasonably, and may limit the login.

#### ● Recharge Limit Management

Parents can set the monthly recharge limit, and forbid the top-up by One-Click, thus managing the consumption of children reasonably.

#### ● Multiple Accounts Management

Parents can manage multiple accounts of children, and conduct a comprehensive monitoring management on the same page.



## Participation in Industry Initiative, Creation of Healthy and Green Network Space

During the reporting period, we participated in the 2019 Game Responsibility Forum, and proposed the Initiatives on Game Appropriate Age Tips jointly with dozens of game companies, which divide the range of game appropriate age into 4 grades, corresponding to 18+, 16+, 12+, 6+, and announced the requirements for these age groups respectively. In the coming years, we will continue to strengthen the education and protection for teenagers, and create a healthy and green network space, embracing a promising future of online game industry in China.。



## Compliance Marketing and Publicity

YOOZOO Games always pays close attention to the compliance management of product marketing and advertising while accelerating global and regional layout. We proactively understand and strictly abide by the laws and regulations of the countries and regions where the products are released and operating, and perform the self-inspection and review throughout the lifecycle of games, to ensure that our online and offline advertising contents are accurate without any misleading or exaggerated contents. At the same time, in the marketing and advertising process, we always uphold the original intention, focus on helping users to start with happiness, and explore and discover more game value.

## Honesty and Integrity

YOOZOO Games concentrates on creating a fair and good-standing business environment and ethical culture, and rejects any bribery and corruption behaviors. Our anti-corruption policies cover all employees and partners of the Company. In the Employee Code of Conduct of YOOZOO Games, we specify that employees shall not conduct bribery and duty encroachment, etc. in the process of business operation, and allow them to report any behaviors violating the requirements of integrity to the Company. We will accept real or non-real name reports, investigate and collect evidences immediately within the scope permitted by laws and the Company's system, and then timely give the feedback of investigation results according to the information received.

Anti-corruption of procurement link plays a key role in the construction of honesty and integrity. We inform all employees and suppliers about the relevant provisions of Statement on Partner Integrity Transaction by E-mail, which details the reporting approach, real-name reporting, information confidentiality, false reporting and other management methods. In case the supplier has the behaviors prohibited by the regulations in related procurement businesses, such as

commercial bribery, important information snooping, commercial gift, fete, entertainment, associated transaction, etc., the whistleblower can report through the following E-mail: jian-cha@yoozoo.com based on the fact.

On the principle of "permanent confidentiality and minimum informing range", the Company develops the whistleblower protection mechanism, and takes strict measures to keep all reporting information strictly confidential, which are regarded as the most confidential data. The Company will take legal actions and serious disposal against the behaviors of leaking the personal information of the whistleblower or retaliating the whistleblower, witnesses and investigator in any way.

More importantly, the Communist Party of China ( "CPC" ) Branch of the Company adheres to incorruptibility and self-discipline education, promotes the construction of ethical party and government, and carries out the "Stay True to the Mission, Keep Diligent and Ethical" themed with anti-corruption; implements the guiding principles of "Eight Rules" on improving the work style and maintaining close ties with the masses issued by the Party Central Committee, further implements the responsibility system for promoting ethical party and government, and devotes greater efforts to the integrity supervision and accountability of party organization leader, thus realizing the management for rights, matters, and personnel through the system.

### Innovate Party Day Activities, Advocate a Clean and Righteous Environment



For improving the party members faith, that is "remain true to our original aspiration and keep our mission firmly in mind" and self-disciplined, as well as to strengthen the honest and pragmatic work style and the learning style of hard work. Party members went to Chen Yun Memorial Hall in Qingpu to carry out the theme of the party day activities. Through the study of material objects and video materials in the exhibition hall, they deeply felt comrade Chen Yun’s spirit of "personal fame and wealth is as light as water, the party’s cause is

as heavy as mountain", and learned his integrity and self-discipline and the great spirit of serving the people all one’s life, which encourages the Company’s party members to strengthen study, exercise strict self-discipline, do practical work, pursue pragmatic dreams.

During the reporting period, there was no corruption in YOOZOO Games.

### Supplier Management

We are committed to win-win cooperation with suppliers, and continue to improve the supplier management system and standardize the supplier management process. We have established such documents as Supplier Management System of YOOZOO Games and Procurement Management System of YOOZOO Games to standardize the overall lifecycle management of suppliers from source seeking, entry to exit. We regularly carry out supplier performance evaluation

through product quality, procurement cost, delivery capacity, service quality and other dimensions, and actively advocate suppliers to strengthen the awareness and construction of integrity, information security and so on. As of December 31, 2019, we have 238 suppliers in total, including 235 in China and 3 in overseas regions.

## 1.4 Party Construction Activities

Since the establishment of the CPC Branch in 2015, YOOZOO Games has always attached great importance to the party construction work, always adhering to the concept of "focusing on the economy to grasp the party construction, do a good job in party construction to promote the development", closely focusing on the overall situation of the Company's reform and development, carrying out research and advancing party building and business development at the same time, so as to achieve win-win results through sharing the same frequency and promoting mutual benefit.

In 2019, the CPC Branch of YOOZOO Games guided by the educational spirit of "remain true to our original aspiration and keep our mission firmly in mind", studied Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era. To thoroughly implement the spirit of the 19th CPC national congress, we diligently followed the accountability system for grass-roots party construction, and further enhanced the cohesion and combat effectiveness of the party organization. We also consolidated the study of political theory, strengthened the construction of the branch team, actively organized and carried out various forms of thematic activities. We mainly carried out party construction work from such aspects as "Carrying out thematic education to promote development and reform", "Consolidating theoretical learning to improve political literacy", "Learning from each other and broadening the carrier of our thinking", and "Stimulating the vitality of the 'new economic organizations and new social organizations' and promoting high-quality development".

At the beginning of 2020, the party's construction work of YOOZOO Games had grown stronger after five years of unremitting efforts, and the CPC Committee of YOOZOO Games Co., Ltd. was formally established.

### Carry out Thematic Education and Promote the Development and Reform

In September 2019, the CPC Branch of the Company started the planning, organization and implementation of the second batch of educational activities themed "remain true to our original aspiration and keep our mission firmly in mind" for three months. In accordance with the general requirements of "adhering to the original intention, carrying out the mission, finding the gap and grasping the implementation", we will comprehensively focus on the objectives and tasks of "theoretical learning is fruitful, ideological and political baptism, doing pioneering work, solving problems for the people, and being a model of integrity", and make learning and education normalized and institutionalized by combining "studies on the theoretical and practical issues of party building". Through the Party branch meeting, thematic organizational meeting and other forms, we carried out this theme education



in the whole party member scope by the way the superior leads the subordinate, so as to cover all of them and not omit anything.

## Strengthen Theoretical Study and Improve Political Literacy

The CPC Branch of the Company focuses on theoretical study, promotes the active learning of party members, and conducts theoretical study in a variety of ways, including "Spirit of General Secretary Xi Jinping's Important Speech during the National 'Two Sessions'", Opinions of the CPC Central Committee on Strengthening the Party's Political Construction, Regulations on the Education and Administration of Party Members, etc.; We organized party members to watch party lectures on special red films such as Zhou Enlai's Return to Yan'an and Amazing, My Country.

## Learn from Each Other and Broaden the Carrier of Thinking



The CPC Branch of the Company and the CPC Branch of Shanghai Walre Consulting Co., Ltd. carried out co-construction study and exchange activities, and both sides conducted in-depth and detailed exchanges and discussions on the standardized construction, work innovation and daily work of the CPC Branch in combination with the characteristics of their respective enterprises, so as to jointly promote the construction of grass-roots party organizations in practice.

## Stimulate the Vitality of the "New Economic Organizations and New Social Organizations" and Promote High-quality Development

On January 15, 2020, the establishment meeting of the CPC Committee of YOOZOO Games and the first party member meeting of the Company were held in the YOOZOO Building, marking that the party construction work has developed into the party committee system through unremitting efforts since the establishment of the CPC Branch in 2015. The meeting elected and produced the First CPC Committee of YOOZOO Games, which has three CPC branches, a total of 117 members. The establishment of the CPC Committee of the Company is to carry out the spirit of general secretary Xi Jinping's earnest recommendation to the majority of party members and grass-roots party construction work in Shanghai: continue to explore and lead the way.



In addition, all party members in YOOZOO Games bear in mind that the interests of the people are above all else. They should stand on their own merits, take the lead in making contributions, and actively carry out their original mission when the people need it most.

### Party Members in YOOZOO Built Fortresses in the Rear against the Epidemic

Since the outbreak of COVID-19, the CPC Committee of YOOZOO Games has actively implemented various arrangements and requirements on the prevention and control of the epidemic. The party committee immediately issued a proposal on the "YOOZOO micro-party building" system platform, calling on all party members to join in the prevention and control of the epidemic; All kinds of online anti-epidemic activities were held, such as "Together with YOOZOO to fight the epidemic" themed party day activities, warm messages, "I am a party member and I promise" themed activities, so as to actively convey positive energy; launched a donation initiative to fight the epidemic, covering 93 party members and raising a total of CNY 19,158.2.

At the same time, party members in YOOZOO Games volunteered to participate in packaging related protective materials for customs clearance, and took multiple measures to send anti-epidemic materials to the front line to help the war "epidemic"; They also responsible for the prevention, control, inspection and elimination of the Company's work, and effectively maintain the safety of employees' lives and the order of the Company to work, and build a strong backing for epidemic prevention.

# Share Happiness with Users

YOOZOO Games has always been committed to optimizing the product matrix and accelerating globalization and regionalization of the layout. We adhere to the high-quality cooperation and self-research IP creation, at the same time attach great importance to data security and privacy, and provide fans and players in more regions with audio-visual entertainment feasts through the sustained efforts on the development of the games, culture, and distribution concept.

## 2.1 Data Security and Privacy

We believe that data security and privacy protection are the top priority of YOOZOO Games’ operation management and one of our core competencies. We always take data security and privacy protection as the key point of daily risk control. Through the improvement of the system, the strengthening of the technology and the publicity and implementation of the consciousness, we constantly improve the Company’s overall data security and privacy protection level.

### Management structure

Management Level	Data Security Protection Duty	Privacy Protection Duty
Chief Technology Officer	Coordinating and taking charge of data security and privacy protection.	
Data Security Management Team (Technology Resource Platform-Information Center-Information Security Department)	Responsible for formulating and maintaining the classification definition of data, conducting data security risk assessment on application of extraction of confidential and top-secret data, and making recommendations on data security measures.	Responsible for conducting personal data processing, conducting insulation information security impact assessments, and putting forward measures and recommendations. Developing access control strategies and measures for the processing of personal data. Undertaking training of personnel in various aspects of personal data processing on the current backbone knowledge, skills and security responsibilities for protection of users’ personal information. Conducting an inspection and a supervision of rectification at least once a year.



Management Level	Data Security Protection Duty	Privacy Protection Duty
All departments of data	Department heads are responsible for the examination and approval of data extraction requirements of cross-departmental and external institutions. Department personnel shall exercise security control over their respective data in accordance with the Data Safety Management Regulations.	
Data Management Department	The Data Center is responsible for data security control in the system, including access control and authority management. The Operations and Maintenance Center is responsible for data backup and recovery testing.	Responsible for data security control in the system, including access control and authority management Performing the data extraction operation and operation of transferring data externally, etc. according to the data extraction needs of internal or external institutions. Responsible for the de-identification processing of personal sensitive information data.

## Data Security Protection

We will continue to strengthen the construction of the data security management system, constantly build the Identify, Protect, Detect, Response and Recovery ("IPDRR") capability framework for data security, and realize the whole process coverage of "before, during and after the incident", take efforts to achieve the transition from the core of the protection capability to the model of the detection capability, and realize the real-time audit of data security.

Technically, we deployed database audit system, sensitive data access, download audit log large data system, web application firewall, data backup management system, etc. to realize the defense, detection, response and traceability of data from boundary to application to database

In terms of the management system process, we manage the data by classification and grading, and have formulated the Data Security Management Regulations, which defines the control and protection measures of data documents of different security classifications and the corresponding punishment mechanism for non-compliance with the Company's data control requirements, and stipulates all the processing activities related to the Company's data documents, including but not limited to data generation, access, storage, use, transmission, destruction, etc. so as to ensure the confidentiality, integrity, availability, and auditability of data and to meet the requirements of relevant laws and regulations. At the same time, we have formulated the Regulations on the Management of Information Security Emergency Plan, which identifies multiple information security incident scenarios and defines the implementation process of the emergency plan implemented by the Information Security Emergency Team to ensure that the incidents can be properly resolved.

## Data Leakage Incident Emergency Plan

In view of a data leakage incident, we will follow the emergency plan processing procedure of incident assessment and grading, start-up of the emergency plan, incident confirmation, cause analysis and evidence collection, formulation of the emergency disposal scheme, implementation of the emergency disposal and the internal and external communication, incident eradication and summary report, to make the emergency disposal of the data leakage incident.

We strictly carry out data security protection in accordance with the relevant provisions of the Measures for the Management of Information Security Classified Protection. Our User Forum Center and User Management Center have obtained the three-level certificate of information system security classified protection of the Ministry of Public Security of China.

In view of the information security management of suppliers, we have formulated the Supplier Information Security Management Regulation of YOOZOO Games, which defines the standards on evaluation and selection of suppliers in information security, and requires that a confidentiality agreement shall be signed to control the information security risk in business cooperation.

## User Privacy Protection

We attach great importance to the protection of users' privacy, and have formulated the management system of Personal Information and Privacy Protection Management Process of YOOZOO Games, Personal Information and Privacy Right Support Process of YOOZOO Games and so on, to protect users' data and privacy security according to law, and protect users' legitimate rights and interests and social public interests to the maximum extent. We have formulated and publicized User Privacy Policies and promised to take appropriate security measures, such as application layer, network layer and database encryption, network access anomaly monitoring, database access anomaly detection, etc., to protect users' personal information in accordance with mature security standards.

At the same time, we take all reasonable and feasible measures to minimize the collection of personal information and guarantee that we do not collect irrelevant personal information. We will disclose the users' personal information only within the shortest period of time for the purpose stated in the User Privacy Policies, unless the retention period extension is required or permitted by law.

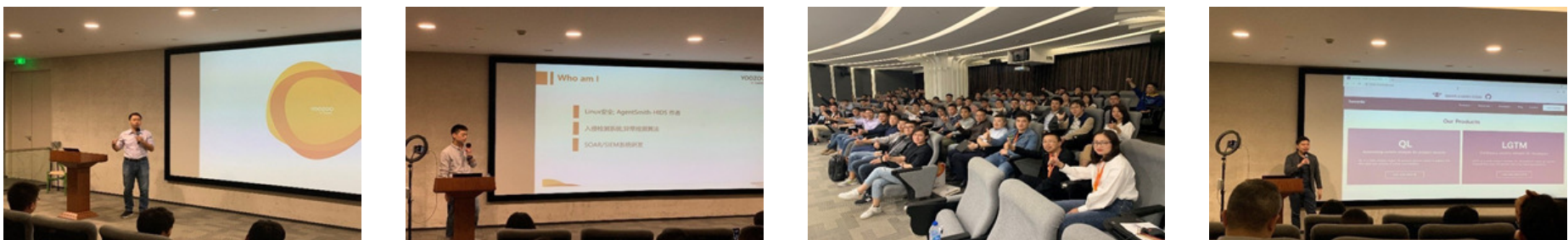
We do not share users' personal information with any company, organization or individual other than YOOZOO Games except for the special circumstances specified in the User Privacy Policies. For companies, organizations and individuals that we share the personal information with, we will sign strict confidentiality agreements with them requiring them to handle the personal information in accordance with our instructions, the User Privacy Policies and any other relevant confidentiality and security measures.

Users of YOOZOO Games have the right to access, modify and correct personal information (except for routine cases stipulated by laws and regulations), and may request the deletion of personal information. We will not retain the relevant information upon receiving the corresponding deletion request.

In order to protect the personal privacy information of overseas users, we formulate and implement the whole process of protecting the privacy of GDPR users' personal information to ensure the privacy security of overseas users in the process of overseas service. For details please refer to: <http://www.gtarcade.com/en/privacy.html>

Please refer to the User Privacy Policies for more privacy information: <https://www.youzu.com/about/privacy.html>

During the reporting period, through the implementation of information security monthly reporting mechanism, as well as a number of data security and privacy protection related training activities, we constantly enhance the safety awareness of all employees and enterprise data security management level. If an employee violates the relevant provisions of the data security rules, he or she will be punished in accordance with the provisions on illegal acts and handling in the Code of Employee Conduct of YOOZOO Games. At the same time, in 2019, we actively held security innovation developer salon activities to promote the communication and exchange of information security technicians within the Company, and constantly enhance the Company's information security management and control capability and level.




2019 Security Innovation Developer Salon of YOOZOO Games

## 2.2 Attentive Customer Service

YOOZOO Games firmly believes that the user's trust is the foundation of the Company's survival and development. We base on the service strategy of "from satisfaction to trust to reliance", to insight into the needs of users, to improve the quality of service while providing users with high-quality game products, so that to establish sustainable relationship with users from satisfaction to trust to reliance.



We adhere to the "3A" service concept at anytime, anywhere and at will, committed to providing 7\*24 hours of all-weather, all-round user service. On the basis of setting up various artificial service channels such as customer service hotline and on-line customer service, in order to meet the increasing demand of users in the information age and save the valuable time of each user, we have launched self-service experience system from customer service center, covering personal center, on-line customer service, my event, recharging management, client download, YOOZOO's help, game question and the common question totally eight big functions, striving to create an efficient and happy interactive service platform.

		
Customer Service Hotline	Self-service	Online Customer Service

User Service Channels of YOOZOO Games

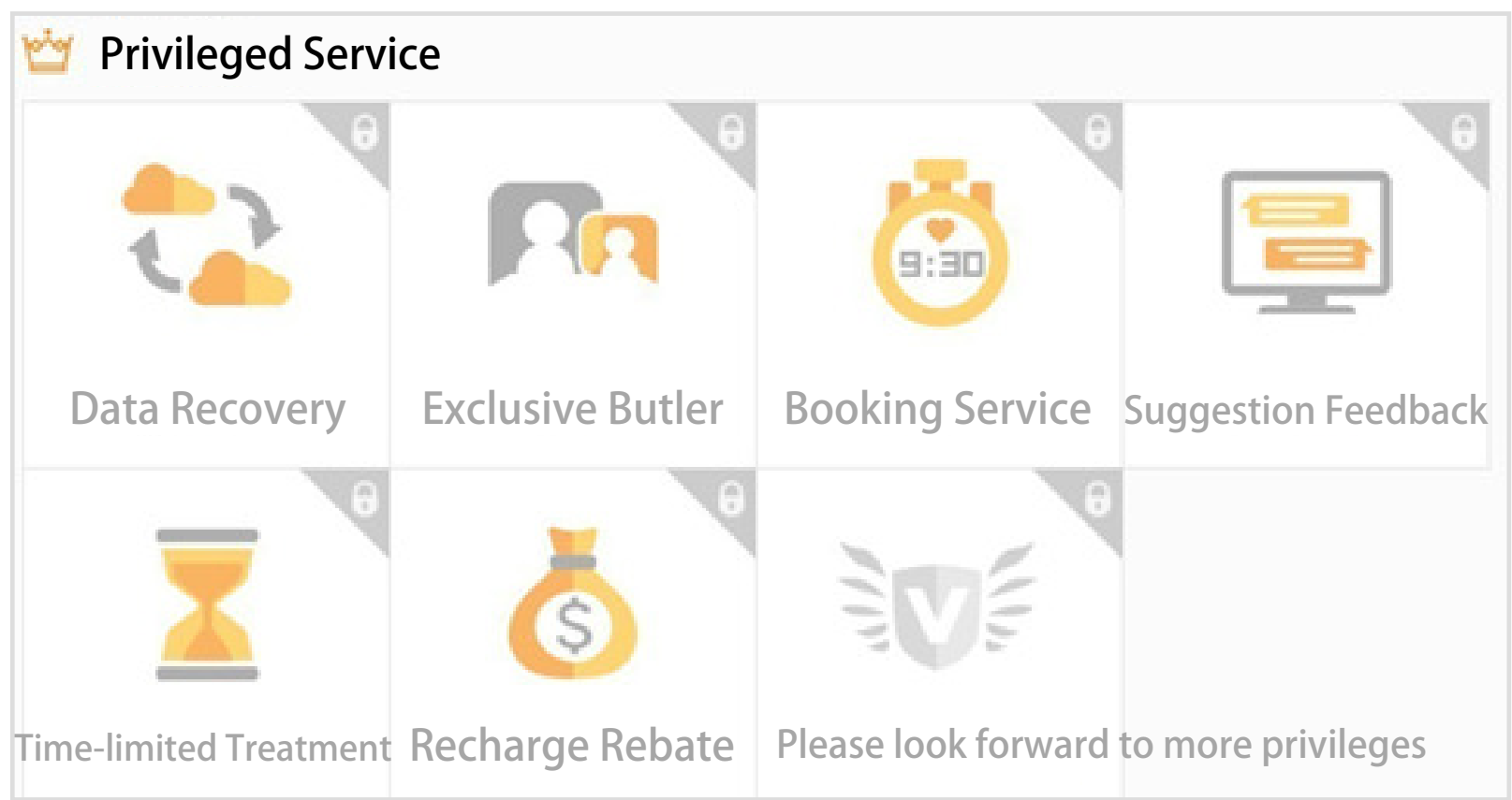
In order to achieve the active service and interaction effect, and realize the user's reliance on customer service, YOOZOO Games innovatively designs the active task in the Customer Relationship Management ("CRM") system, and brings personalized delicate service to the player in the form of tag management. Based on the basic information of users, we make different personality tags in the CRM system. These multi-label dimensions are excavated and collated to generate the active interaction task of customer service in the complex dimension, which makes the service pre-and passive service become active consciousness, so as to improve the satisfaction of users.



Customer Interaction Task of YOOZOO Games



In addition, we implement proactive hierarchical customer management, to create a full-cycle VIP service system for core users and transform users and services into core customers through WeChat-specific services and in-game IM service tools. During the reporting period, hierarchical customer management and featured "3A" services contributed to the growth of users' monthly retention rate.



Service Content for Core Users of YOOZOO

AI Customer Service "YOOZOO Elves"

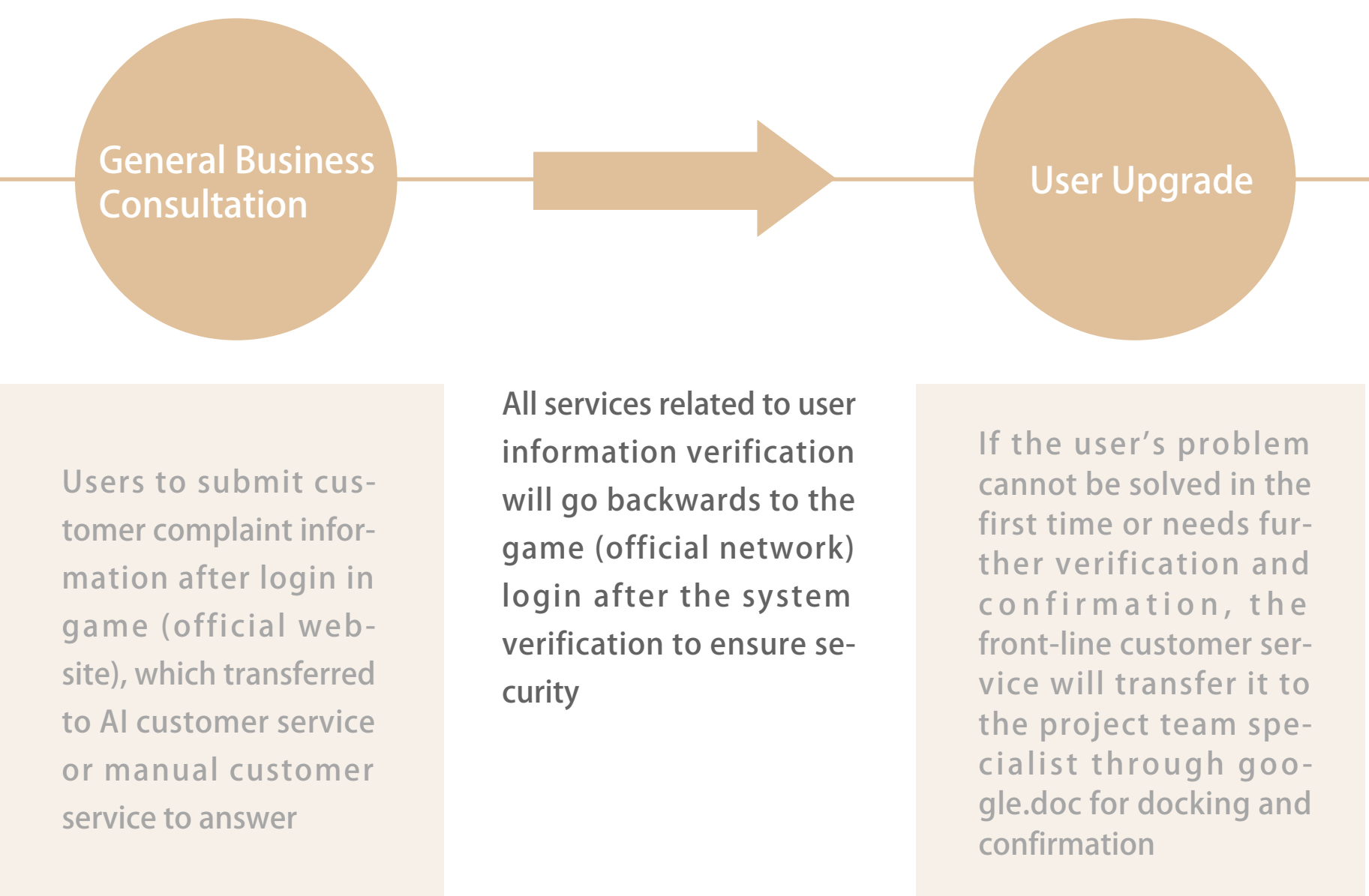
In order to cater to the transformation from online games era to mobile games era, we use Artificial Intelligence ("AI") technology to embed intelligent customer service (YOOZOO Elves) into the game to ensure the timeliness of users' access of information getting and problem solving.

Our product YOOZOO Elves is a set of service products based on intelligent customer service system, including knowledge management, natural language understanding, automatic question answering, player mutual answering, messages pushing and so on. It can not only realize the customer-oriented knowledge management of huge knowledge content, the fast and effective communication between product and massive users based on natural language, but also complete the users' mutual questions and answers that are conducive to the construction of the game atmosphere. In addition, YOOZOO Elves can complete the detailed operation of the required data statistics points, can be combined with user tags, actively pushing the personalized content including game strategy, game information, questionnaires, user activities and so on.

In 2019, the number of historical visitors to YOOZOO Elves was 5.3 million, and a total of 2.9 million user questions were answered, 95.30% of them were solved, and the satisfaction rate was 87.23%.

As an international operation platform, we also attach importance to the service quality of overseas users. Our team is distributed in various countries and regions in Europe and Asia. Our overseas services are mainly in English, and we are deeply involved in regional development, focusing on regional user experience. We constantly optimize the form, language and content of our services, and strive to make our services more in line with the habits of users in different regions. By December 31, 2019, we had 17 languages of service, and the number of global service users had increased by more than 3 million over 2018.

We set up InGame-Ticket, E-mail, Facebook, Discord and other service channels for overseas users, and set up a perfect processing mechanism for different user consultation content. We have increased AI customer service and standardized service products to timely handle and feedback user requests, so as to minimize the impact of information lag caused by overseas multi-jet service, and maintain an average processing time of 1.5 hours in Europe and the United States, 20 minutes in Japan, South Korea and Southeast Asia.



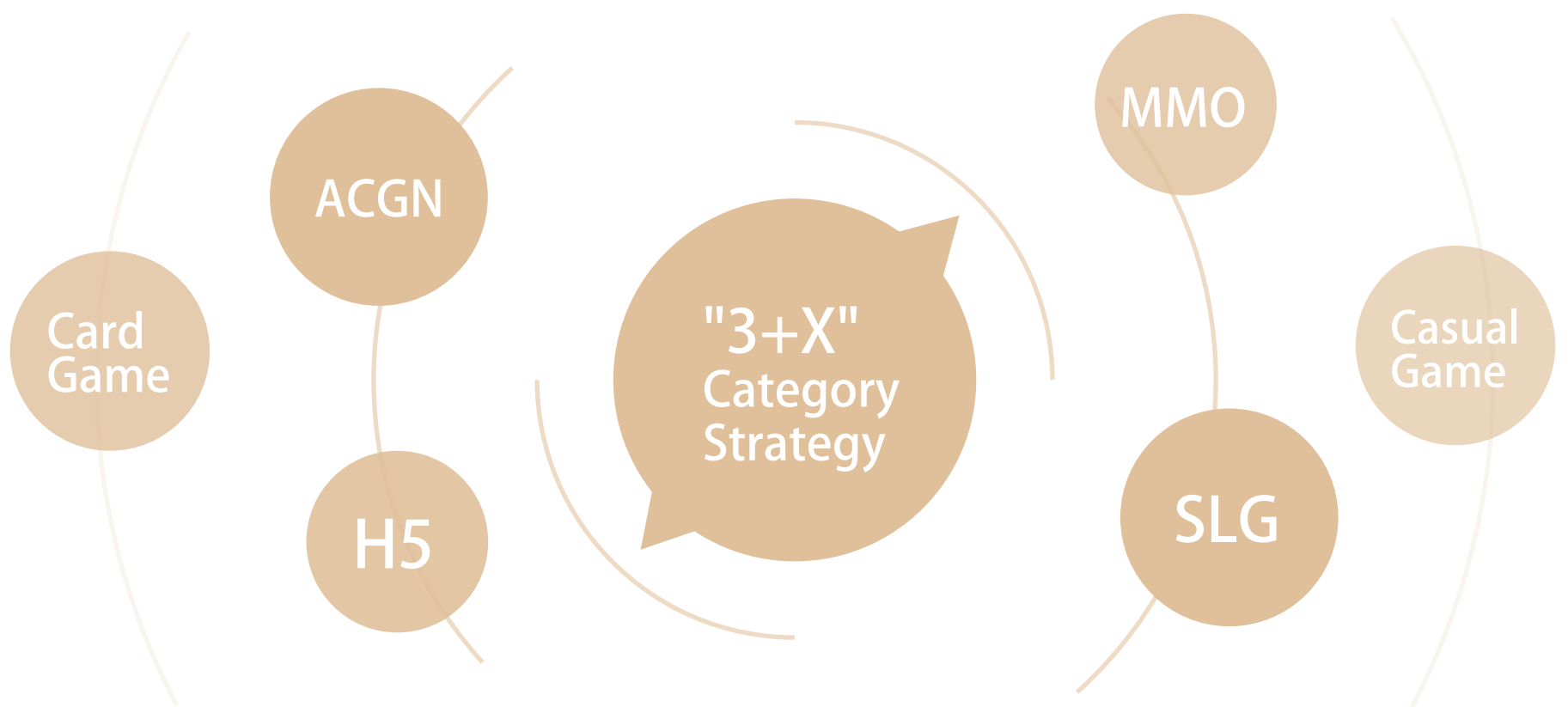
Overseas User Consultation Processing Mechanism

We not only pay more attention to the service in the process of user consultation, but also pay more attention to the return visit analysis after each consultation, through timely collection of service evaluation, regular investigation of targeted services and other ways, we clarify and clarify the user's demands and needs, categorize the problems, and feedback to the iteration of R&D planning assistance project, so as to effectively improve our products and services quality.

During the reporting period, with excellent game quality and considerate customer service, the overall satisfaction rate of domestic users reached 95.14%, and that of overseas users reached 4.1 points (full score 5 points). The average number of interactions between our overseas users has been reduced from 6 to 3, and the one-time solution rate has been raised to 70%. At the same time, it has also improved the time limit for solving important problems such as user account security problems and payment problems.

## 2.3 Diversified Game Products

YOOZOO Games always adheres to the implementation of "3+X" category strategy, relying on self-research+ agent two-pronged model, to create a multi-platform, multi-category matrix, with the total number of operating products nearly 50. We continue to develop three core products of Card Game ,Simulation Game ("SLG") and Massive Multiplayer Online ("MMO") through product R&D innovation and upgrading, make a deep differentiation of our products and consolidate our core business advantages; at the same time, we are actively exploring new markets in the game industry. Through introducing new products of different categories, such as ACGN, Casual games and H5, we strive to meet the diversified needs of our customers and further enhance the competitiveness of our enterprises



"3+X" Category Strategy of YOOZOO Games

As an important part of the cultural and creative industry, YOOZOO Games is well aware of the cultural communication mission of the game practitioners, and actively responds to the state's strategic guidelines for the cultural industry to go global, becoming one of the first batch of game enterprises to export.

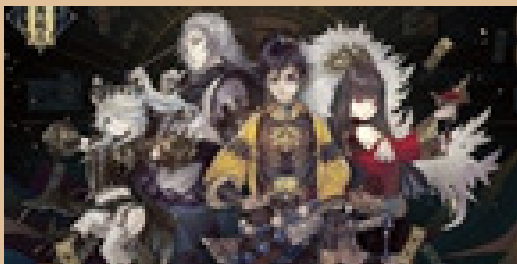
Our mission is to spread oriental culture around the world, to deepen the positive value of game products, and to become the overseas business card of Chinese light entertainment products. In order to make more deeper use of China’s excellent traditional culture, YOOZOO Games has set up a cultural research team to fully excavated the quintessence of the classics, deeply cultivated the connotation, and continuously integrated the traditional culture and the oriental philosophy into the game works, enriched the cultural connotation of the works, and realized the shaping of the value of the game culture, and created many kinds of game products, such as Junior Three Kingdom, The 36 Stratagems, and Shanhai Jinghua, which were born out of the classical culture, so as to realize the global export of Chinese culture.

Junior Three Kingdom II



In 2019, YOOZOO Games launched Junior Three Kingdom II as the official sequel of the classical mobile game Junior Three Kingdom. The game is based on Chinese classical masterpieces. It recounts the history of the Three Kingdoms to the world through the warm-blooded painting style and made a contemporary interpretation of the traditional story and spirit. At the same time, Junior Three Kingdom reached cooperation with Sichuan Opera Academy during the reporting period, and launched the "National Style Juvenile Guardianship Project", which is dedicated to realize the combination of the youth series and the national quintessence of Sichuan Opera, the change of Sichuan Opera’s face, singing and other artistic forms and game products.

Shanhai Jinghua



Shanhai Jinghua is the first self-developed 2D mobile game of YOOZOO Games, based on the book of The Classic of Mountains and Seas, integrated with the adventure elements of Flowers in the Mirror, fully excavates the ancient Chinese myths and stories, and interprets the fantasy world of ancient Chinese. In the aspect of art creation, Shanhai Jinghua is based on the content of Chinese traditional culture, combining tradition with science and technology to perfectly present a mountain and sea world of witchcraft and science and technology.

The 36 Stratagems



The mobile game The 36 Stratagems continues the technology and experience accumulated by YOOZOO Games’ years of deep cultivation in SLG category, and also confirms its deep user base and R&D strength precipitation in the SLG field. This game integrates the traditional military classics, and takes the troubled times that princes vied for supremacy in Spring and Autumn Period, enabling players to experience the grand and magnificence in the ancient Chinese war epic. During the public survey, it was recommended by major APP stores and got excellent results on the new best-seller list.

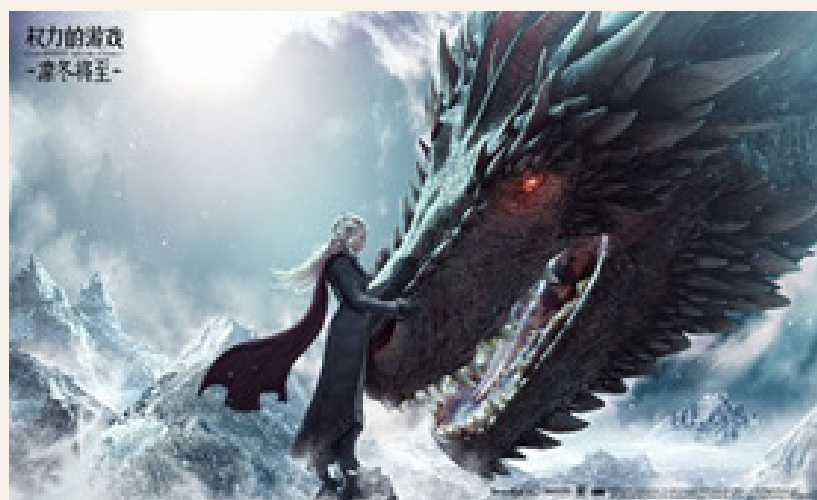


Based on the self-study model, we actively introduce world-class top IP - Game of Thrones to enrich our IP matrix, and combine Chinese characteristics with games creation, which will arouse new sparks in the collision and blending of Chinese and Western cultures. At the same time, we continue to optimize the overseas product matrix, operate Legacy of Discord-Furious Wings, League of Angels, Era of Celestials and other excellent works in long term to further enhance the penetration of overseas markets and achieve a better vision of "Create Global Entertainment Classics".

## Game of Thrones, Winter is Coming

YOOZOO Games was officially authorized by Warner Bros Interactive Entertainment under the license of Home Box Office ("HBO"), and independently developed epic war strategy game - Game of Thrones Winter is Coming based on three characteristics including the classic IP elements restore, extreme game graphics and innovative strategy. In March 2019, the English version of this web game was officially launched the overseas public beta, which was sought after by the global SLG players and recommended by Facebook for four times, showing the world the R&D strength of Chinese creative enterprises.

In July 2019, The mobile game - Game of Thrones Winter is Coming launched on the domestic market, with the ultimate restoration of the IP scene, the game was recognized by both the industry and users and got official recommendation by Apple App Store for three times in five days, smoothly into the SLG category head position, at the same time won the "Best Game Animation Performance Award" issued by the 11th China Game Developers Award ("CGDA").



# Share Happiness with Employees

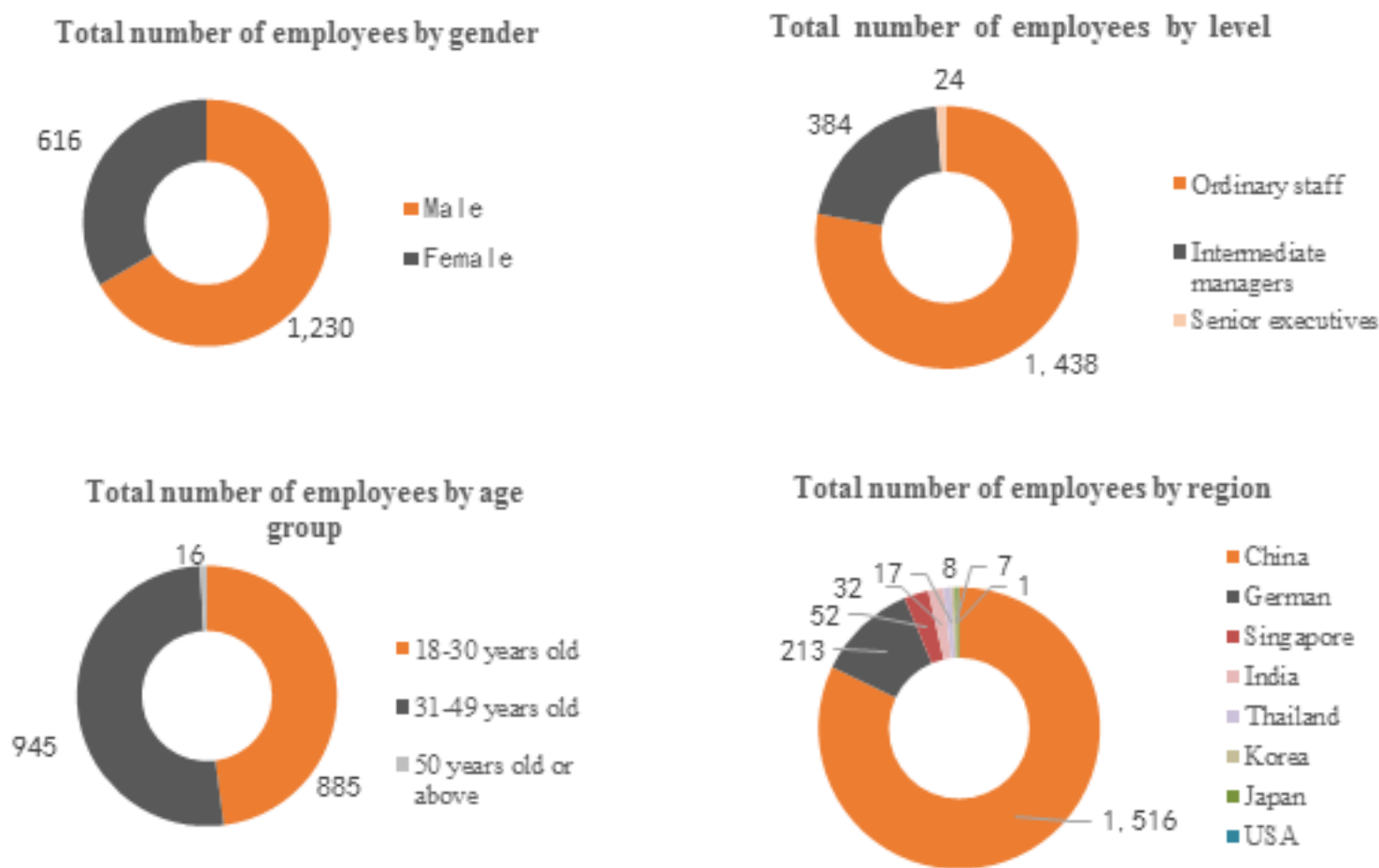
Employees are an important contribution to the sustainable development of an enterprise and an important wealth of an enterprise. We fully respect and protect the basic rights and interests of every employee, implement the diversified development strategy of talents, pay attention to employees' physical and mental health, strive to create an inclusive, equal, mutual trust, cooperative and happy working environment, give full play to the enthusiasm of our employees, stimulate everyone's creativity, encourage employees to work together and grow together with the Company.

## 3.1 Diversity of Employment

As a global operating company, YOOZOO Games advocates and respects the diversity of employees. The diversity of the work environment and the employee background is the key for us to provide continuous multivariate innovation game experience for users. We respect differences in nationality, gender, age, race and religious belief among our employees, respect human rights, and resolutely oppose discrimination and injustice. We strictly abide by the relevant laws and regulations on employment in all operating areas of the world, formulate and continuously improve the internal management system such as the Recruitment Management System of YOOZOO Games, and ensure the legitimate rights and interests of employees in recruitment, promotion, resignation, working hours, compensation and benefits through the establishment and standardization of the human resources management system, and eliminate the use of child labor and forced labor through standardized management.

Adhering to the recruitment principles of "open recruitment, equal competition, preferential recruitment of the Company's internal employees, recruitment by selection on merits, meritocracy, use by oneself and information confidentiality", we are constantly absorbing diverse talents and continuously expanding our diversified teams through a variety of channels. We actively expand and maintain college and university resources, and attract high-quality talents through school-enterprise cooperation and other forms, in the meanwhile, provide practical opportunities for college students. During the reporting period, we established our practice bases in cooperation with the Department of Philosophy and Chinese, East China Normal University and the Department of Chinese, Tongji University. In addition, we exclusively title sponsored the 2019 ACM Program Design Competition of East China Normal University, and reached a strategic cooperation intension for in-depth cooperation on construction of laboratories, joint teaching and other aspects with the Department of Computer Science and Technology of East China Normal University.

As of December 31, 2019, the global total number of employees in YOOZOO Games is 1,846, shown as the below figures by gender, level, age and region:



In 2019, having been recognized by the society, YOOZOO Games won the title of "2019 Labor Relations Harmonious Enterprise Title", "2019 Best Employer of Shanghai", "2019 BOSS Award for Cherishing Talents", "2019 China's TOP 100 in Best Practice of Recruitment Management Informatization" and other human resources management awards.

## 3.2 Compensation and Benefits

We are committed to providing employees with a sound and competitive compensation and benefits system that enables all employees to get a fair and equitable return on performance compensation through the link between compensation and performance. In addition to the statutory benefits, we understand the needs and expectations of our employees in a timely manner, and strive to provide them with more benefits so as to continuously enhance their work enthusiasm, achieve the goal of attracting, motivating and retaining outstanding talents, and continuously enhance their sense of belonging, identity and well-being to the enterprise.

Statutory Benefits	Extra benefits, including but not limited to
<ul style="list-style-type: none"><li>• Social insurance</li><li>• Housing accumulation fund</li></ul>	<ul style="list-style-type: none"><li>• Commercial insurance</li><li>• Annual physical examination</li></ul>

Statutory Benefits	Extra benefits, including but not limited to
<ul style="list-style-type: none"> <li>• Official holidays</li> <li>• Paid leave</li> </ul>	<ul style="list-style-type: none"> <li>• Group construction tourism</li> <li>• Fun to play holiday activities and special holiday benefits</li> <li>• Daily lunch supplement</li> <li>• Overtime refreshments and overtime transportation reimbursement</li> <li>• YOOZOO exclusive gym</li> <li>• YOOZOO's cinema</li> <li>• 10-day annual leave (also for new employees)</li> <li>• Cash gift and consolation money, etc. for wedding, having a baby, etc.</li> </ul>

In addition, we focus on bringing more holiday happiness to our employees. On Thanksgiving Day, New Year's Day, Christmas Day, Programmer's Day and other special days, we will prepare the surprise benefit distribution activities, so that employees can gain the holiday happiness in different festivals, to constantly improve their happiness and sense of belonging.

 <p>The image shows a festive New Year's gift box. It is red with gold and blue accents. The text '春朝纳福' (Spring Morning Welcomes Fortune) is prominently displayed in gold. Below it, smaller text reads '游族福运宝盒喜迎金鼠吉年' (Yoozoo Fortune Treasure Box Welcomes the Golden Rat Auspicious Year). The box is decorated with a red ribbon and a small framed picture.</p>	 <p>The image shows a Christmas-themed poster. It features a blue background with white snowflakes and a central Christmas tree. The text 'Christmas' is written in a large, elegant script. Below it, the Chinese characters '绮梦仙境' (Enchanted Dream Fairyland) and '圣诞季' (Christmas Season) are displayed. At the bottom, it says '2019游族圣诞节活动特辑' (2019 Yoozoo Christmas Activity Special Edition) and '惊喜冬日×温暖相聚' (Surprise Winter × Warm Gathering).</p>
New Year's Benefits Distribution	Christmas Benefits Distribution



### 3.3 Employee Development Support

YOOZOO Games attaches great importance to the growth and development of its employees, and is committed to helping them grow through a sound training system and development channels. During the reporting period, in line with the needs of strategic development and the requirements of systematic management, we improved the career development channels for our employees and defined the direction of development. We set up two channels, Professional (P) and Management (M), in combination with the business architecture and classification and the development needs of future key talents. By broadening the development of the professional channel and adding the management channel, we can provide our employees with different opportunities for development under different channels, encourage them to rotate their posts, conduct multi-post work and manage multi-project, mobilize their potentials, stimulate their internal growth motivation, and enable our employees to gain more space for growth in YOOZOO Games.

Based on the Training Management System of YOOZOO Games, we are committed to providing a variety of training development programs for employees at all levels. As for new employees, professional echelon staff and management team staff, we meet the learning needs of employees at all levels through the combination of on-line and off-line training and internal and external training.

At the same time, we encourage and support employees to actively participate in external professional qualification certification to achieve a win-win situation between the Company and the employees.

#### Support Employees to Obtain Professional Qualification Certification

As a global game enterprise, we always put social benefits first. We hope to launch more positive and health games with correct value orientation and rich cultural connotation. To this end, we will set up a clear standardized, rigorous and normative game examination and approval mechanism. At the same time, we encourage employees to sign up for the "Professional Qualification Examination for Published Professional Technicians" to obtain relevant professional qualification certification, and give each person who has passed the examination a reward of CNY 8,000.

During the reporting period, our total investment in staff training amounted to CNY 2.7841 million, with a total of 3,409 trainees and 9,154 hours of training.

## U-level Student Program

During the reporting period, we launched the program of "U-level Students" for the first time, namely "Management Trainee Selection", focusing on the one-year exclusive training in game development, operation, distribution, strategy, financial investment and human resources management and others, to help the management trainee improve the overall quality of business management, and quickly find the most suitable career development path. At the same time, we have also strengthened our management talent reserve.



## New Prominent Plan

As a basic talent reserve program of the game planning and development direction, New Prominent Plan will be equipped with instructors and line managers with strong professional ability. The purpose is to select new employees in game industry who are of both high thinking logic and high learning ability and are able to get started quickly through the intensive and high-quality internal training and assessment of the trainees in a period of time, combined with the training and evaluation of their actual positions in the game project. In 2019, for IP literary creation, numerical planning, COCOS language development and other market shortage positions, a total of three phases of training had been conducted, in which trainees fully challenged their brain, energy and physical strength, and quickly completed the transformation from a fresh of games to professional talents.



## U-growth Program

U-growth program, that is, the fresh graduate training program, is a one-year study training carried out through the collection of outstanding graduates from many colleges and universities at home and abroad, to make the fresh graduates fully understand and master the three main courses of planning, procedures and operations as well as general management courses, to further help them realize the transformation of the students in campus to the professionals in workplaces.



## New Manager Growth Accelerator

In order to constantly improve the management consciousness and management ability of the management personnel, we excavate the management ability to be improved of the existing middle-level management through talent review, and help the middle-level management staff to acquire the skills of role cognition, performance management and relationship building in the form of combination of on-line and off-line training so as to improve the management ability of the middle-level management personnel constantly.



## Cultural Lecture Hall

We attach importance to the recognition and cultivation of the employees' traditional culture. During the reporting period, we conducted a series of lectures of The Great Wisdom and the Great Pattern of Chinese Culture. Through systematic and structural explanations, we provided employees with a comprehensive and profound understanding of the great wisdom of Chinese culture and the great pattern of Chinese history, and made them gain management experience, life wisdom, historical logic and cognitive improvement from traditional culture. Through this Cultural Lecture Hall, we hope to provide a platform for cultural workers to associate by means of literature and to improve humanity together, provide managers with Chinese great wisdom clearly analyzing the domestic saints and the foreign kings and a case study of enlightening management and provide opportunities to discover the wisdom of traditional culture in life and work to our companions who strive to improve themselves.



## Training The Trainer (TTT) Program

In order to promote the positive circulation and continuous operation of the internal lecturer mechanism, we continuously empower the internal lecturers with teaching technology. During the reporting period, we carried out the TTT program to continue to do the reserve work for the Company's training of gold medal lecturers.

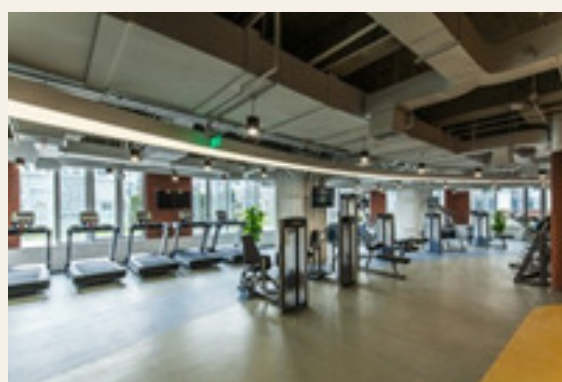




## 3.4 Employee Care

We strive to create a relaxed and happy communication atmosphere, encourage employees to create a stage name in the Company to inherit and carry forward the Company's open and diversified culture, build a perfect communication channel and an interactive platform, listen to employees' opinions through the internal network of the enterprise, WeChat public platform, regular meetings, round tables and other channels, encourage employees of different levels, different regions and from different backgrounds to communicate with each other and constantly shape and promote the Company's common values and cultural integration.

We help our employees achieve a good balance in their life and work, and pay omni-directional attention to their physical and mental health and all-round development. We have built open gyms for our employees, set up comfortable cinemas and game rooms, and let more employees relax and enjoy themselves in various activities.



Gym



Cinema



Game Rooms

In addition, we actively enrich the employees' amateur culture and spiritual life. We have established reading, electric sports, movies, fitness, wine hunting, basketball, football, table tennis and other associations, and regularly hold rich and colorful corporate cultural activities to constantly enhance the cohesion of the team, while helping employees reduce stress.



E-sports Association



Fitness Association





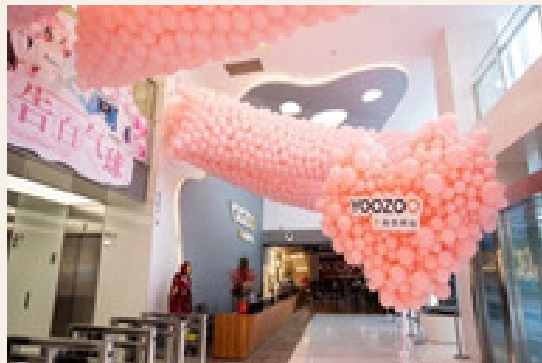
Wine Hunting Association



Table Tennis Association



Honor the Classic  
Staff's Birthday Party



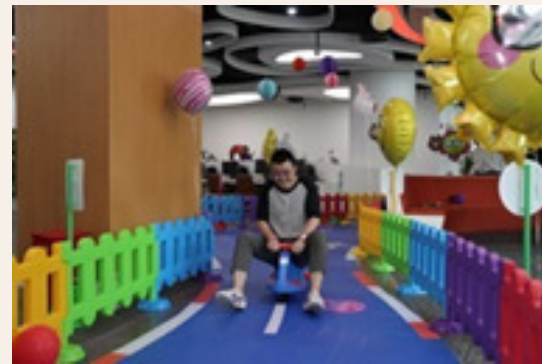
Announcement Balloon  
Activities for Valentine's Day



Special Activities of the  
Programmer's Day



Women's Day Activities of the  
Third Quarter of the Goddess  
Season



Children's Day Activities of  
Identity Swapping and Great  
Carnival



Christmas Activities of Fantasy  
Dreamland Christmas Season



We pay great attention to the health and safety of our employees. We provide free physical examinations for our employees every year, have formulated a systematic emergency plan handling mechanism, and carried out occupational health and safety-related training in an irregular manner. During the reporting period, in order to deepen the popularization of the company's fire safety knowledge, we issued a Fire Safety Knowledge Manual, which vividly introduces the basic knowledge of fire safety through the form of cartoons to constantly raise the whole employees' awareness of fire safety.

Fire Safety Knowledge Manual of YOOZOO Games

In 2020, in response to COVID-19 epidemic, YOOZOO Games set up an epidemic prevention and control working group at the first time and published the Encyclopedia of Fighting 'the Epidemic' of YOOZOO. We provide our employees with perfect protection measures during the epidemic period. We set up a number of temperature monitoring points in the office building, and conduct real-time temperature measurement for the employees in and out. We advocate employees to go on and off duty and eat avoiding the peak hours and carried out high frequency disinfection work to the Company restaurant, conference room, tea room and other areas. In addition, we have made every effort to ensure the health and safety of employees during the epidemic period by providing basic information on the prevention and control of the epidemic, carrying out mental health counseling for employees, and implementing employees' travel schedule and health information reporting mechanism.



Restaurant Cleaning and Disinfection



Office Area Cleaning and Disinfection

# Share Happiness with the Community

YOOZOO Games is committed to making contribution to harmonious community construction. In our daily operations, we cherish and protect the ecological environment, encourage employees to participate in public welfare activities, vigorously promote excellent traditional culture, adhere to the mission of the enterprise, share happiness with the community, and continuously create value to give back to the society.

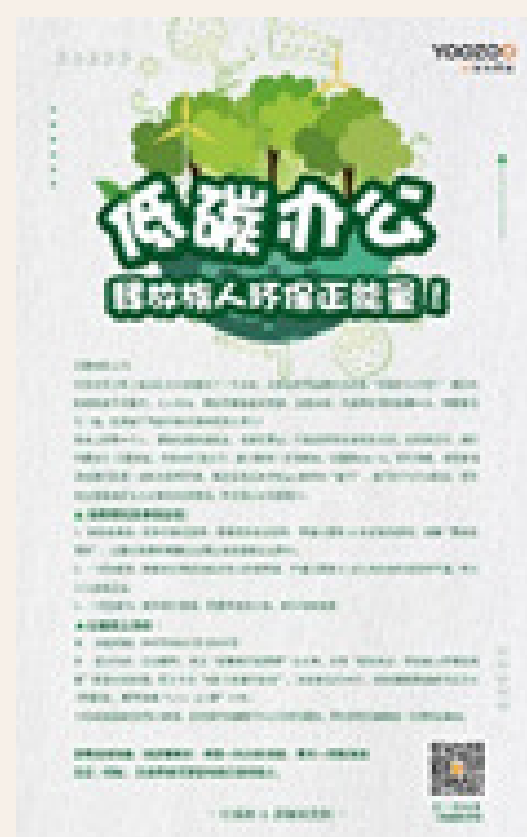
## 4.1 Propagate Green Positive Energy

YOOZOO Games has been actively building itself as an environment-friendly enterprise, and actively assuming the responsibility of environmental protection. We actively advocate and practice green office in day-to-day operation, further enhance staff's awareness of green environment protection, and practice sustainable life style together with our employees. Through implementing garbage classification system, setting air-conditioning temperature limits, strengthening patrols to eliminate unnecessary water and electricity utilization, controlling the use of disposable goods, implementing paperless office and other environmentally friendly measures, we reduce energy and resources consumption in the operation process so as to reduce carbon footprint.

### Low-carbon Office to Release Environmental Positive Energy

During the reporting period, we actively promoted paperless office by realizing paperless in meetings, reports, interviews, data storage and other office links, and planned to promote the upgrading of digital office tools to facilitate paperless comprehensive coverage. In addition, we updated the rules for use of bottled mineral water and paper towels in conference rooms, reduced the use of disposable goods, control air-conditioning temperature and eliminate unnecessary water and electricity utilization to reduce energy consumption.

From August 23, 2019, we launched a one week "low carbon office, release the Environmental Protection Positive Energy of YOOZOO People" public welfare online campaign, calling on more people to implement the concept of "Green Environmental Protection" and reduce their own carbon footprint.





Practice Classification of Garbage, Being a Protector of Environment and Resources

During the reporting period, in order to respond to and implement the spirit of the notification on the opinions of promotion of classification system construction and implementation of Regulations on the Management of Household Garbage in Shanghai, we formally implemented the garbage classification in Huaxin and Putian office areas. We have set up dry and wet garbage classification places in the office areas, and informed employees of the specific classification rules of garbage through the "Travel Service Executive Housekeeper" WeChat official account and the toilet culture propaganda bar so as to raise employees' awareness of garbage classification and promote the effective implementation of garbage classification work.



The energy consumption management of servers is an important part of our practice of energy saving. We focus on server overall lifecycle management, strictly control the energy consumption standard, and improve server utilization with virtualization technology, at the same time we use high energy efficiency power supply system, which can effectively control and optimize server energy consumption so as to reduce environmental burden and control greenhouse gas emissions.

Main Energy-saving Measures of Servers	
Computer Room Design	The power supply of our communication room adopts a dual power supply system of primary high-voltage direct current (HVDC) power supply with alternating current uninterruptible power supply, of which the HVDC system efficiency reaches 96.5%. The cabinets adopt the design of wire displacement up and air supply down, and the design of more energy-saving fully enclosed cold pool.
Equipment Upgrade	We regularly check and replace server equipment. As for the aging or high energy consumption server equipment or server equipment not in line with the Company's energy-saving related management standards, we will conduct scrapping disposal in accordance with the relevant provisions of the State.
Optimization of Technology	Virtualization technology is the key to build a green energy-saving data center. Through virtualization technology, we combine a large number of non-core applications running on low-end and low-usage servers into high-end servers, improving greatly the server usage so as to reduce the number of servers, power supply, cooling and other devices, and manage the energy consumption of servers from the source.

We not only propagate the green positive energy internally, but also bring the concept of sustainable development into our daily operation. By actively exploring the development of functional games, we transmit the environmental value horizontally, spread the green positive energy outwards, and contribute to the building of a harmonious natural environment.

## "Garbage Classifying" Transmits Environmental Value

In order to actively respond to the Regulations on the Management of Household Garbage in Shanghai, we dug deep into the advantages of enterprise resources, gave full play to the functions of game products as edutainment to develop the "Garbage Classifying" WeChat mini-game. By allowing players to participate in the whole process of garbage classification from classifying to recovery processing, the game can spread the knowledge of garbage classification to the public in a relaxed and entertaining way, as well as to spread the positive energy of green and environmental protection.



## 4.2 Promote the Development of the Industry

As China's leading interactive entertainment provider, we are always committed to promoting the industry's technological level in addition to striving to develop our own innovative R&D capabilities. We have teamed up with GopherChina to create the "Go Hack" Geek Camp, which aims to connect geeks around the world to solve important and pressing problems and becomes the latest solution to future industry problems.

### "Go Hack 2019" Geek Marathon

During the reporting period, YOOZOO Games co-hosted the "Go Hack 2019" Geek Marathon Competition with GopherChina. The competition is dedicated to creating a "developer's carnival", requiring contestants or teams to plan and develop their products by taking a "Go language" as the core development language within a specified time, and matched tech-savvy instructors for the contestants to create sparks in the creation.

Under the "4+X" scoring principles of "Go Innovation", "Go Integrity", "Go Show", "Go Feasibility" and "X Plus Subitem", we selected the champion project KAP among a large number of outstanding works in this competition, as it uses "Go language" to protect ELF files and adds value to the construction of Geek Empire.



## 4.3 Warm the Society with Love

As a responsible enterprise citizen, while promoting the high-quality and healthy development of the game industry, YOOZOO Games has always paid attention to community livelihood issues, actively carried out all kinds of public welfare activities, cared for the social vulnerable groups, and contributed to the harmonious development of society. In 2015, we set up a YOOZOO Public Welfare Foundation with the vision of "sharing happiness and protecting dreams". In the past four years, we have combined the Company's business with our own advantages, carried out various public welfare activities, and continued to make efforts to become a Chinese public welfare practitioner, innovator and promoter.

During the reporting period, we encouraged our employees to take an active part in all kinds of voluntary activities, and actively practiced corporate social responsibility by tapping into the needs of vulnerable groups to help the poor against poverty.

### YOOZOO Commonweal, Warming Children by Sending Winter Clothes

In December 2019, with the arrival of the strong cold wave, concerned about the basic living security of the children in remote mountain areas, YOOZOO Games launched the "YOOZOO Commonweal, Warming Children by Sending Winter Clothes" loving care clothing donation activities. Through the YOOZO Public Welfare Foundation, we sent 90 sets of down and cotton padded clothes to Xikou Village, Mingshuihe Town, Arxan City, Inner Mongolia, which were further distributed to the local poor students with registration cards by the Party Group Service Center.

Through this love donation activity, we hope that the children in the poverty-stricken areas will feel the love from the society and be inspired to study hard to feed the society.



### Poverty Alleviation through Education and Growth Assistance

We are very concerned about education of teenagers in poverty-stricken areas. At the beginning of 2020, the YOOZOO Public Welfare Foundation launched and implemented a computer donation activity. We donated the collected computers to Pingbian County Committee of Honghe Prefecture, Yunnan Province, to provide teaching hardware resources for local schools, to help improve the teaching environment and to create a better learning environment for local teenagers.



At the end of 2019, a sudden epidemic gripped the hearts of the nation. YOOZOO Games joined the fight against the COVID-19 epidemic in the first time, and rapidly responded to the epidemic prevention and control needs to assist the first-line epidemic prevention and control work on the basis of doing a good job in internal prevention and control work in a solid way and practically ensuring the health and safety of the employees.

### Race against the Clock to Assist the Epidemic Areas, and to Overcome the Difficulties of the Times

At the beginning of 2020, after learning about the shortage of first-line medical supplies for epidemic prevention and control, YOOZOO Games gave full play to overseas resources advantages, in conjunction with branches and subsidiaries in Singapore, Germany, Korea, Japan and other countries, urgently raised 160,000 face masks worldwide, as well as total 130,000 pieces of protective clothing, surgical isolation suits, disposable hats, shoe covers and others, for the donation of first-line and the work security of "racing against the clock to assist to fight the epidemic". With the help of the material distribution team formed by the volunteers of the YOOZOO Public Welfare Foundation, we donated the medical materials raised to Hubei, Shanghai, Beijing, Zhejiang and other places in time. We did our best to fulfill the enterprise social responsibility and to support the medical staff at the forefront of the fight against the epidemic, assisting them to win the war of prevention and control of the epidemic. Through this love donation activity, we hope that the children in the poverty-stricken areas will feel the love from the society and be inspired to study hard to feed the society.



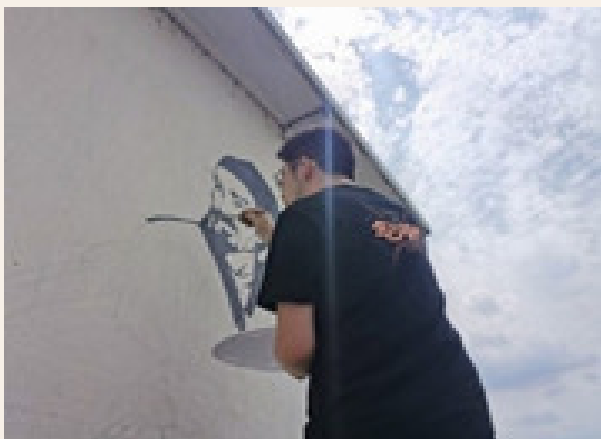
## 4.4 Cultural Inheritance and Spread

In addition to bringing the responsibility concept of "carrying forward Chinese culture" into the core of our main business, we are committed to giving full play to the cultural and creative advantages of YOOZOO Games to help teenagers further expand their cultural horizons and inherit China's excellent traditional culture, and to assist them to grow healthily and happily.



## Hand-painted Wall, Creating a "Chinese Style" Campus

On August 31, 2019, the YOOZOO Public Welfare Foundation organized volunteers to come to Wenhe Primary School, a civilian-run primary school in the Minhang District, to do wall color painting on campus before the beginning of the new semester. In the activity, the volunteers gave full play to their creativity of design. On the basis of carefully designed historical figures, they skillfully integrated the core values of "learning the personhood" of Wenhe Primary School and continued the inheritance of Chinese culture and campus culture. For the sake of children's health, the YOOZOO Public Welfare Foundation specially selected the quick-drying environmental protection pigment and finished the creation by hand painting, creating a brand-new "Chinese style" campus environment for the nearly 600 students of the primary school for migrant workers' children.



## Enjoy the Beauty of Rhythm and Experience Chinese and Western Culture

The YOOZOO Public Welfare Foundation invited 50 teachers, students and their parents from civilian-run Wenhe Primary School in Minhang District, Shanghai to the Grand Theater of China to watch a cross-border concert and let the children feel the beauty of rhythm on the spot. This activity carefully selected the cross-border work Peony Pavilion Music Legend--listen to the dialogue between Du Liniang and Bach by Donghua\_Cai, which mashes up cross-border Chinese and Western musical instruments with the unbound combination of 600-year Kunqu Opera, creatively interprets the historical evolution from Kunqu Opera to Kun Opera, so that children can deeply feel the charm of the blending of Chinese and Western culture. During the activity, the YOOZOO Public Welfare Foundation presented children with music books, picture books and percussion instruments to encourage them to experience the beauty of art.





# Care for the Left-Behind Children and Carry Forward Traditional Culture

YOOZOO Games has been committed to empowering the game products with excellent traditional culture, and successfully created a variety of "Junior Three Kingdom" series products to continue to deliver positive value to the society. On December 13, 2019, the YOOZOO Public Welfare Foundation carried out “Commonweal, Travel to Zhong City” public welfare activities in Zhong County, Chongqing, where the spirit of loyalty among the Three Kingdoms is concentrated. We invited the left-behind children from Jinghua Primary School in Xinli Town to visit the Zhongzhou Museum in the Zhong City to experience the profound history and culture of the Three Kingdoms. At the same time, we donated CNY 100,000 to Jinghua Primary School to enrich students’ extra-curricular life and to create a healthy and happy environment for children to grow up.



# Appendix - GRI

## Standard Content Index

Disclosure Topic/ Disclosure Item	Title of Disclosure Item	Sections Index
GRI 101: Basis		
GRI 102: General Disclosures		
Organizational Profile		
102-1	Name of the Organization	2.3 Diversified Game Products
102-2	Activities, Brands, Products, and Services	About this Report
102-3	Location of Headquarters	Our Footprints of Sharing
102-4	Location of Operations	
102-5	Ownership and Legal Form	Please refer to the 2019 Annual Report of YOOZOO Games Co., Ltd. for details.
102-6	Markets Served	Our Footprints of Sharing
102-7	Scale of the Organization	Our Footprints of Sharing 3.1 Diversity of Employment
102-8	Information on Employees and Other Workers	3.1 Diversity of Employment
102-9	Supply Chain	1.3 Compliance Operation
102-10	Significant Changes to the Organization and Its Supply Chain	Significant changes to the organization and its supply chain are not involved.
102-12	External Initiatives	1.3 Compliance Operation 4.2 Promote the Development of the Industry
Strategy		
102-14	Statement from Senior Decision-maker	Chairman’ s Statement
102-15	Key impact, Risks, and Opportunities	1.3 Compliance Operation
Ethics and Integrity		
102-16	Values, Principle, Standards, and Norms of Behavior	1.3 Compliance Operation
102-17	Ethical Recommendations and Mechanisms of Concern	

Governance		
102-18	Governance Structure	1.1 Social Responsibility Management
102-19	Authorization	
102-21	Consultation with Interested Parties on Economic, Environmental and Social Issues	
102-29	Identification and Management of Economic, Environmental and Social Impacts	
102-31	Review of Economic, Environmental and Social Issues	
102-32	The Role of the Highest Governance Agency on the Sustainability Report	
102-33	Communication of Key Concerns	
102-34	The Nature and Total Number of Important Concerns	
Interested Parties Engagement		
102-40	List of Interested Parties Group	1.1 Social Responsibility Management
102-41	Collective Bargaining Agreement	
102-42	Identifying and Selecting Interested Parties	
102-43	Approach to Interested Parties Engagement	
102-44	Key Topics and Concerns Raised	
Reporting Practice		
102-45	Entities Include in the Consolidated Financial Statements	About this Report
102-46	Defining Report Content and Topic Boundaries	
102-47	List of Material Topics	1.1 Social Responsibility Management
102-50	Reporting Period	About this Report
102-52	Reporting Cycle	One year
102-53	Contact Person for Questions Regarding the Report	About this Report
102-54	Statement of Reporting in Accordance with the GRI Standards	
102-55	GRI Content Index	Appendix - GRI Standard Content
GRI 103: Management Method		
General Requirements for Reporting Management Methods		
103-1	Explanation of the Material Topic and Its Boundary	1.1 Social Responsibility ManagementIndex

Material TopicsTopics		
Economy		
GRI 201: Economic Performance		
Management Method  201-1  201-2	Please refer to the 2019 Annual Report of YOOZOO Games Co., Ltd. for details.	
	Economic value directly generated and distributed	Please refer to the 2019 Annual Report of YOOZOO Games Co., Ltd. for details.
	Government Subsidies	
GRI 202: Market Performance		
Management Method	Please refer to the 2019 Annual Report of YOOZOO Games Co., Ltd. for details.	
GRI 204: Purchasing Practice		
Management Method	1.3 Compliance Operation	
GRI 205: Anti-corruption		
Management Method  205-2  205-3	1.3 Compliance Operation	
	Communication and Training of Anti-corruption Policies and Procedures	1.3 Compliance Operation
	Confirmed cases of corruption and actions taken	
GRI 206: Unfair Competition		
Management Method  206-1	1.3 Compliance Operation	
	Legal Actions against Unfair Competitive, Antitrust and Anti-monopoly Practices	No relevant legal proceedings
Environment		
GRI 301: Material		
Management Method	4.1 Propagate Green Positive Energy	
GRI 302: Energy		
Management Method  302-4  302-5	4.1 Propagate Green Positive Energy	
	Reduce energy consumption	4.1 Propagate Green Positive Energy
	Reduce energy demand for products and services	

GRI 303: Water Resource		
Management Method	4.1 Propagate Green Positive Energy	
GRI 305: Discharge 2016		
Management Method	103-1 Explanation of the Material Topic and Its Boundary	4.1 Propagate Green Positive Energy
GRI 306: Sewage and Waste		
Management Method	103-1 Explanation of the Material Topic and Its Boundary	4.1 Propagate Green Positive Energy
GRI 307: Environment Compliance		
Management Method 307-1	4.1 Propagate Green Positive Energy	
	Breach of Environmental Laws and Regulations	No breach of environmental laws and regulations occurred.
Society		
GRI 401: Employment		
Management Method 401-2	3. Share Happiness with Employees	
	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2 Compensation and Benefits
GRI 403: Occupational Health and Safety (OHS)		
Management Method	3.4 Employee Care	
GRI 404: Training and Education		
Management Method 404-1	3.3 Employee Development Support	
	Average Hours of Training Per Year Per Employee	3.3 Employee Development Support
404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	
GRI 405: Diversity and Equal Opportunity		
Management Method 405-1	3.1 Diversity of Employment	
	Diversity of Governance Agency and Employees	3.1 Diversity of Employment
GRI 406: Non-discrimination		
Management Method	3.1 Diversity of Employment	
GRI 408: Child Labour 2016		
Management Method 408-1	3.1 Diversity of Employment	
	Operations and Suppliers at Significant Risk of Child Labour Incidents	Not involved



<b>GRI 409: Forced or Compulsory</b>		
Management Method 409-1	3.1 Diversity of Employment	
	Operations and Suppliers at Significant Risk of Forced or Compulsory Labour Incidents	Not involved
<b>GRI 413: Local Communities</b>		
Management Method 413-1	4. Share Happiness with the Community	
	Operations with Local Community Involvement, Impact Assessment and Development Plans	4.3 Warm the Society with Love 4.4 Cultural Inheritance and Spread
413-2	Operations with Significant Actual and Potential Negative Impacts on	Not involved
<b>GRI 418: Customer Privacy</b>		
Management Method 418-1	2.1 Data Security and Privacy	
	Certified Complaints Related to Violations of Customer Privacy and Loss of Customer Information	2.1 Data Security and Privacy
<b>GRI 419: Social and Economic Compliance</b>		
Management Method 419-1	1. Motivity of Happiness 2. Share Happiness with Users 3. Share Happiness with Employees	
	Breach of Social and Economic Laws and Regulations	No breach of social & economic laws and regulations occurred.