

Stock Code: 603444

Stock Name: G-bits

G-bits Network Technology (Xiamen) Co., Ltd.
2024 Annual Report (Summary)

March 2025

Should there be any discrepancy between the English version and the Chinese version of this Report, the Chinese version shall prevail.

Part I Important Notes

I.The summary of the Annual Report is extracted from the full text of the Annual Report. To gain a thorough understanding of the Company's operational achievements, financial condition, and future development plans, investors are advised to carefully read the full Annual Report on the website (www.sse.com.cn).

II.The board of directors (or the “Board”), supervisory board, directors, supervisors, and senior management of the Company guarantee the truthfulness, accuracy, and completeness of this Annual Report, ensuring that there are no false records, misleading statements, or material omissions. They also bear individual and joint legal responsibilities.

III.All directors of the Company attended the board meeting for the review of the Annual Report.

IV.KPMG Huazhen LLP has issued a unqualified audit opinion for the Company.

V.The profit distribution proposal or capital reserve capitalization plan for the Reporting Period, as approved by the Board of Directors.

The Company plans to distribute a cash dividend of RMB 35.00 per 10 shares (including taxes) based on the total number of shares outstanding on the equity registration date of the 2024 annual profit distribution plan, excluding repurchased shares. This profit distribution will not involve any capital reserve transfer to share capital or other forms of profit distribution.

The total cash dividend for 2024 (including the interim dividend already distributed and the annual dividend declared but yet to be implemented) is expected to be RMB 717.56 million, accounting for 75.94% of the net profit attributable to shareholders of the Company.

Since its IPO in January 2017, the Company has cumulatively distributed cash dividends totaling RMB 6.02 billion (including the announced but not yet implemented annual dividend for 2024), which is 6.69 times the net proceeds raised from the initial public offering.

To share operational achievements and enhance investor confidence, the Company

intends to authorize the Board to determine and implement the 2025 interim cash dividend plan (including semi-annual and first three quarters distributions) under the following conditions: (1) The Company is profitable for the period, and the accumulated undistributed profits are positive. After evaluating the current operating conditions and the funds required for sustainable future development, the Board of Directors deems the funds to be sufficient, and it is suitable to distribute cash dividends for the period; (2) The cumulative amount of cash dividends during the period shall not exceed 100% of the net profit attributable to shareholders of the Company.

The above proposal is subject to approval by the shareholders' meeting.

Part II Basic Information of the Company

I. Company Profile

Stock Profile				
Types of Stocks	Stock Exchange	Stock Name	Stock Code	Previous Stock Name
A-shares	Shanghai Stock Exchange	G-bits	603444	N/A

Contact Information	Board Secretary	Securities Affairs Representative
Name	LIANG Lili	CAI Luxi
Telephone	0592-3213580	0592-3213580
Office Address	G-bits Building, No.4 Wang Hai Road, Software Park II, Xiamen	G-bits Building, No.4 Wang Hai Road, Software Park II, Xiamen
Email	ir@g-bits.com	ir@g-bits.com

II. Key Accounting Data and Financial Indicators of the Company

(I) Key Accounting Data and Financial Indicators for the Past 3 Years

Unit: RMB Yuan				
Item	31 December 2024	31 December 2023	YoY+/- (%)	31 December 2022
Total assets	6,923,548,235.25	6,636,771,238.42	4.32	6,490,420,298.78
Equity attributable to shareholders of the Company	4,902,079,614.40	4,463,842,027.96	9.82	3,978,734,566.03
Item	2024	2023	YoY+/- (%)	2022
Operating revenue	3,695,682,593.56	4,184,851,388.03	-11.69	5,167,615,488.17
Net profit attributable to shareholders of the Company	944,919,757.13	1,125,119,212.35	-16.02	1,460,874,459.68
Net profit attributable to shareholders of the Company after deducting non-recurring profits and losses	877,172,509.47	1,118,962,328.86	-21.61	1,468,317,227.00
Net cash flows from operating activities	1,248,636,979.54	1,185,500,983.67	5.33	1,752,393,962.54
Weighted average return on equity (%)	19.79	26.04	a decrease of 6.25 percentage points	32.49
Basic earnings per share (RMB/share)	13.15	15.63	-15.87	20.33

Description:

i. Overview of Main Game Revenue and Profits

The Company's operating revenue primarily derives from its self-developed core products: *Ashtao (PC)*, *Ashtao (Mobile)*, and *Overmortal (Mainland version)*. During the Reporting Period, the game gross billings¹ generated from these three products are as follows:

Unit: RMB million Yuan

Item	2024	2023	YoY+/- (%)
Ashtao (PC)	1,118.84	1,076.50	3.93
Ashtao (Mobile)	2,073.26	2,339.85	-11.39
Overmortal (Mainland version)	595.64	1,035.66	-42.49
Total	3,787.74	4,452.01	-14.92

1. Domestic Game Business

(1) The operating revenue and profit of *Ashtao (PC)* remained largely stable year-over-year during the Reporting Period.

(2) The operating revenue, distribution expenses and profit of *Ashtao (Mobile)* declined year-over-year during the Reporting Period.

(3) The operating revenue, distribution expenses and profit of *Overmortal (Mainland Version)* and *Aobi Island: Dreamland* saw a significant year-over-year decrease during the Reporting Period.

(4) Newly launched titles, including *Alchemy Family*, *Chinese Cuisine Cruise* and *League of Gods: Fantasyland* contributed incremental revenue. As of the end of the Reporting Period, *Chinese Cuisine Cruise* has achieved modest profitability, while *Alchemy Family* and *League of Gods: Fantasyland* remained unprofitable.

2. Overview of Overseas Business

The Company's overseas operating revenue for the period totaled RMB 499.79 million, representing an 83.92% year-over-year increase. This growth was primarily driven by the launch

¹ The game gross billings refer to the amount of player recharges. The difference between gross billings and the Company's operating revenue is primarily due to factors such as revenue-sharing costs paid to operators, related taxes and fees, and unutilized player items.

of *Dragon POW! (Overseas Version)*, *Monster Never Cry (Overseas Version)*, and *Outpost: Infinity Siege (Steam)*. *Overmortal (European and American Version)*, which launched in August 2023, completed its first full year of operations, recording an increase in both revenue and profit compared to the prior year. As of the end of the Reporting Period, the overall overseas game business has yet to achieve profitability.

ii. Overview of Equity Investment Business

The Company's investment targets mainly consist of upstream and downstream enterprises in the game industry or industry investment funds. The financial results from investment activities during the Reporting Period, including investment income, fair value changes, and asset impairment losses, are detailed in the table below:

Unit: RMB Yuan

Item	2024	2023
Investment income recognized under the equity method for joint ventures and associates (Profits of the investee recognized based on ownership percentage)	-13,841,708.75	9,207,061.64
Provision for impairment of long-term equity investments (Impairment of equity investments)	-49,376,948.28	-19,961,119.52
Investment income (Gain on disposal of equity investments)	43,732,263.19	2,198,115.56
Gain or loss from fair value changes of other non-current financial assets (Fair value changes of investees)	-15,375,777.68	-42,380,484.84
Investment income during the holding period of other non-current financial assets (Dividends from investees)	10,000,000.00	
Total	-24,862,171.52	-50,936,427.16

iii. Overview of Foreign Exchange Gain/Losses

The period-end central parity rate of the USD against the RMB was 7.1884, representing an increase of 1.49% compared to the end of the previous year. Some of the Company's transactions are settled in USD, and the Company holds a significant amount of USD. The income generated from exchange rate fluctuations during the Reporting Period amounted to RMB 34.91 million (of which RMB 21.69 million is attributable to shareholders of the Company), compared to RMB 31.51 million (RMB 19.17 million attributable to shareholders) in the same

period last year, representing a year-over-year increase of RMB 3.40 million.

iv. Overview of Operating Cash Flow

The net cash flow from operating activities for the year increased by 5.33% year-over-year, as cash inflows from operating activities exceeded outflows. Cash inflows from operating activities decreased by 7.19% compared to the previous year, primarily due to a decline in revenue from key titles such as *Ashtao (Mobile)* and *Overmortal (Mainland Version)*. Meanwhile, cash outflows from operating activities decreased by 11.76% year-over-year, mainly due to a reduction in distribution expenses and other expenditures.

v. Overview of Deferred Game Revenue

As of December 31, 2024, the Company's unamortized deferred game revenue balance amounted to RMB 478.38 million, an increase of RMB 37.87 million compared to the previous year-end balance of RMB 440.51 million. This increase was primarily driven by the launch of new titles during the year, including *League of Gods: Fantasyland*, *Monster Never Cry (Overseas Version)*, and *Monster Never Cry (Mainland Version)*, resulting in higher deferred revenue based on item consumption progress or the estimated lifespan of paying players.

vi. Adjusted Net Profit Attributable to Shareholders of the Company

To better reflect the operating performance of the Company's core business, the impact of exchange rate fluctuations, investment activities, and property impairments on profit has been excluded. The adjusted net profit attributable to shareholders of the Company is summarized as follows:

Unit: RMB Yuan			
Item	2024	2023	YoY+/- (%)
1. Net profit attributable to shareholders of the Company	944,919,757.13	1,125,119,212.35	-16.02
Less: (1) Income from disposal of long-term equity investments	43,731,831.20	2,198,115.56	1,889.51
(2) Changes in Equity Holdings Period (Gains or losses from changes in fair value, investment income, and asset impairment losses, etc.)	-34,659,572.85	-62,251,938.72	44.32
(3) Foreign exchange gains	21,689,916.00	19,167,301.84	13.16
(4) Taxes and charges related to investment	5,218,166.99	-2,522,112.51	306.90

Item	2024	2023	YoY+/- (%)
operations and foreign exchange movements			
2.Adjusted net profit attributable to shareholders of the company (excluding property impairment)	908,939,415.79	1,168,527,846.18	-22.21
Less: (5) Fixed asset impairment and related taxes	-39,357,026.75	-4,450,939.89	-784.24
3.Adjusted net profit attributable to shareholders of the Company (including property impairment)	948,296,442.54	1,172,978,786.07	-19.15

Note: 1) The data listed in the table above are attributable to shareholders of the Company.
2) Given the significant change in property impairment this year compared to the previous year, the Company has separately presented adjusted operating performance excluding property impairment for enhanced comparability.

(II) Quarterly Key Accounting Data during the Reporting Period

	Q1	Q2	Q3	Q4	Q4 2024 QoQ+/- (%)
Operating revenue	927,265,003.93	1,032,384,127.82	858,632,540.87	877,400,920.94	2.19
Net profit attributable to shareholders of the Company	253,363,007.32	264,464,585.84	139,673,592.50	287,418,571.47	105.78
Net profit attributable to shareholders of the Company after deducting non-recurring profits and losses	197,973,093.10	264,624,775.23	150,808,990.71	263,765,650.43	74.90
Net cash flows from operating activities	230,570,533.67	363,712,658.76	232,736,935.51	421,616,851.60	81.16

Description:

1. The increase in net profit attributable to shareholders of the Company in Q4 compared to Q3 was mainly due to:

(1) Adequate bonus accruals based on operating performance in the first three quarters, with a partial reversal in Q4 based on the Company's full-year performance, project results, and employee performance.

(2) A decrease in distribution expenses in Q4 compared to Q3.

(3) Foreign exchange gains of RMB 41.12 million in Q4, compared to a foreign exchange loss of RMB 26.94 million in Q3, resulting in a quarter-over-quarter increase of RMB 68.06 million (resulting in a quarter-over-quarter increase of RMB 43.01 million attributable to shareholders of the Company).

(4) Xiamen Leiting Interactive Network Co., Ltd. reversed the difference between the 25% accrued corporate income tax for 2023 and the actual tax settlement amount. Based on cautious consideration, income tax was still provisioned at a rate of 25% for the year 2024.

2. The increase in net cash flow from operating activities in Q4 compared to Q3 was mainly due to:

(1) The Company typically pays monthly salaries on the 5th of the following month. However, due to the National Day holiday, September salaries were paid in advance at the end of September, leading to lower salary payments in Q4 compared to Q3.

(2) A decrease in distribution expenses in Q4 compared to Q3.

(3) A higher number of matured fixed deposits in Q4 compared to Q3, resulting in a quarter-over-quarter increase in interest cash inflow.

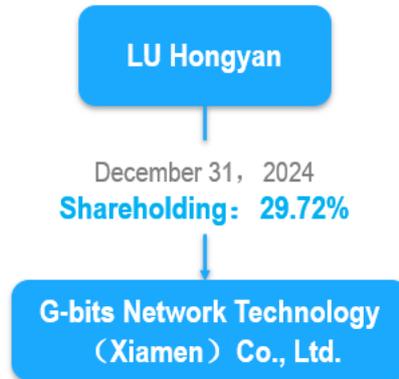
III. Shareholder Composition

(I) Number and shareholding of the Company's shareholders

Total number of ordinary shareholders at the end of the Reporting Period						22,355	
Total number of ordinary shareholders as of the end of the previous month before the disclosure date of the Annual Report						20,190	
Total number of preferred shareholders with voting rights restored at the end of the Reporting Period						-	
Total number of preferred shareholders with voting rights restored as of the end of the previous month before the disclosure date of the Annual Report						-	
Top 10 shareholders							
Name of shareholder	Increase/decrease in the Reporting Period	Number of shares held at the end of the Reporting Period	Shareholding percentage (%)	Restricted shares held	Pledged, marked, or frozen shares		Nature of Shareholder
					Status	Quantity	
LU Hongyan		21,412,615	29.72		None		Domestic individual
CHEN Tuolin		8,240,025	11.44		None		Domestic individual
Hong Kong Securities Clearing Company Ltd.	-1,193,001	5,865,811	8.14		None		Overseas corporation
HUANG Zhihui		1,374,782	1.91		None		Domestic

							individual
LI Peiyong		1,350,000	1.87		None		Domestic individual
Guotai Asset Management Co., Ltd. - Social Security Fund Portfolio 1102	1,055,936	1,055,936	1.47		None		Other
China Minsheng Bank Co., Ltd. - Huaxia CSI Animation & Game Exchange-Traded Open-End Index Securities Investment Fund	201,788	883,796	1.23		None		Other
Agricultural Bank of China Co., Ltd. - CSI 500 Exchange-Traded Open-End Index Securities Investment Fund	441,970	645,101	0.90		None		Other
Basic Pension Insurance Fund 1006 Portfolio	620,050	620,050	0.86		None		Other
Agricultural Bank of China Co., Ltd. - Ping An Low Carbon Economy Mixed Securities Investment Fund	620,000	620,000	0.86		None		Other
Related or acting-in-concert parties among the shareholders listed above	N/A						
Explanation of preferred shareholders with voting rights restored and their shareholding quantities	N/A						

(II) Diagram of Equity and Control Relationships Between the Company and Controlling Shareholder



(III) Diagram of Equity and Control Relationships Between the Company and the Ultimate Controlling Party



Part III Management Discussion and Analysis

I. Discussion and Analysis of Business Operations

The Company specializes in the development and operation of online games, with a focus on nurturing innovative talent and promoting efficiency. The Company's mission is to present unique products and enriching entertainment to a global audience.

Since its establishment in 2004, the Company has been deeply engaged in the game market, successfully developing multiple titles rooted in Chinese traditional culture, including *Asktao (PC)*, *Asktao (Mobile)*, *Overmortal* and *Immortal Sword*. *Asktao (PC)* has been in continuous operation for nearly 19 years since its launch in 2006. Building on its strong user base and IP popularity, the Company launched the mobile version of the MMORPG *Asktao (Mobile)* in April 2016, which has maintained solid market performance through continuous iterations and user experience enhancements over the past 9 years. In February 2021, the Company launched *Overmortal*, an ink-wash style idle mobile game about the Taoist cultivation of immortality, which has been consistently updated over the past 4 years. Through its long-term operation, the Company has gained extensive experience in sustaining and evolving idle cultivation games. In January 2025, the Company released *Immortal Sword*, a 3D idle cultivation mobile game with sword-fighting mechanics, which has demonstrated steady performance post-launch. Additionally, the Company's proprietary publishing platform, Leiting Games, leverages years of operational expertise to support the success of both self-developed and licensed titles.

In 2024, the Company continued to optimize its overseas market strategy, achieving overseas revenue of RMB 499.79 million, reflecting an 83.92% year-on-year growth. Several titles, including *Dragon POW! (Overseas Version)*, *Monster Never Cry (Overseas Version)*, and *Outpost: Infinity Siege (Steam)*, were launched during the year.

Looking ahead, the Company will continue to iterate and update existing products to enhance game performance and user experience. It will also implement appropriate user-friendly designs based on player feedback while continuing to build its IP portfolio to extend product lifecycles. In new product development, the Company will prioritize talent density in core projects, reinforcing its R&D capabilities with a focus on three types of initiatives: engaging and

commercially successful titles, engaging titles with breakeven or minor losses, and technology-driven exploratory projects. In operations, the Company will further refine its strategic focus, concentrating resources on core product operations and key user engagement while enhancing the efficiency and focus of its publishing business.

(I) Major Product Performance

Overview of Launched Products:

Name	In-house Developed/Licensed	Genre	Release Date
Asktao (PC)	In-house Developed	Turn-Based MMORPG	April, 2006
Asktao (Mobile)	In-house Developed	Turn-Based MMORPG	April, 2016
Overmortal	In-house Developed	Idle Taoist Immortality Cultivation Game	February, 2021
Immortal Sword	In-house Developed	Idle Taoist Immortality Cultivation Game	January, 2025
Aobi Island: Dreamland	Licensed	Casual Simulation	July, 2022
League of Gods: Fantasyland	Licensed	Chinoiserie RPG	October, 2024
Outpost: Infinity Siege	In-house Developed	First-Person Shooting PC Game	March, 2024
Funny Fighters: Battle Royale	In-house Developed	Casual Competitive RPG	July, 2019
Gumballs	Licensed	Roguelike and Simulation	December, 2016

Note: All the games are mobile games except *Asktao (PC)* and *Outpost: Infinity Siege*.

i. Asktao (PC)

The Company's first independently developed PC game, *Asktao (PC)*, was launched in April 2006 and quickly became a favorite among players, even reaching a peak of nearly one million concurrent users. Since its release in 2006, *Asktao (PC)* has been continuously updated in response to market trends and player feedback, extending its life cycle and increasing its IP value, and delivering fresh experiences to players while maintaining strong profitability.



ii. Ashtao (Mobile)

In April 2016, the Company launched *Ashtao (Mobile)*, an in-house developed and self-operated MMORPG, leveraging the strong user base and IP value accumulated by *Ashtao (PC)* over the past decade. Since its launch nearly nine years ago, *Ashtao (Mobile)* has maintained solid market performance. To further extend its life cycle, the Company has continuously expanded the *Ashtao* IP and strengthened its brand presence.

In 2024, *Ashtao (Mobile)* continued its annual four major version updates and introduced a special-themed update for the first time in November, which received positive feedback. During the Reporting Period, *Ashtao (Mobile)* maintained an average ranking of 46th on the App Store's bestselling game list, with a peak ranking of 10th.



iii. Overmortal

Overmortal is an in-house developed, idle Taoist immortality cultivation mobile game with a traditional Chinese ink wash art style. The game depicts a Taoist realm inhabited by humans, immortals, monsters, and demons. It faithfully recreates the stages and mechanisms of Taoist spiritual cultivation, as well as displaying abilities and techniques from similar novels of the genre. Since 2024, *Overmortal* has introduced three new cultivation paths—Sword Cultivator, Ghost Cultivator, and Scholar Cultivator—continuously delivering fresh gameplay experiences for players.

After over 4 years of operation, *Overmortal* has accumulated more than 27million registered users. In the subsequent operational strategy, the Company will focus more on existing users, refine user acquisition strategies to improve efficiency, and optimize brand exposure. The Company will actively explore innovative marketing methods, focusing on live streaming, Key Opinion Consumer (KOC) promotion, community re-engagement, and other diversified user operations initiatives.



iv. Immortal Sword

Immortal Sword is an in-house developed 3D idle cultivation mobile game with sword-fighting mechanics, launched on January 2, 2025, in Mainland China. The game features 3D aerial combat, faithfully recreating Taoist cultivation experiences such as "sword flight" "mid-air battles" and the use of magical talismans. Players begin as wandering immortals and progress

to become core members of a sect, embarking on an extraordinary journey to battle across the three realms. Within its first week of launch, the game surpassed one million registered users. From January to February 2025, *Immortal Sword* maintained an average ranking of 41 on the App Store's bestselling game list, with a peak ranking of 14.

Immortal Sword will be gradually launched in Hong Kong, Macau, and Taiwan regions, as well as in Europe and North America.



(II) Overview of Main Reserve Products

The introduction of some reserve products is as follows:

i. Scepter and Sword (Codename M88)

Scepter and Sword (Codename M88) is an in-house developed immersive idle MMORPG mobile game. Within the game, players have the freedom to customize their characters, combine diverse skillsets, and select their preferred class branches. Employing strategies to combat formidable foes, players explore the realm of lost mysterious legends in this world of sword and magic. You can build your own homes, engage in guild activities, participate in team battles, and embark on adventurous journeys with other players, relaxing in the laid-back idle game experiences. The game has obtained its ISBN license and is scheduled to be launched in the first half of 2025.



ii. Jiu Mu Zhi Ye

Jiu Mu Zhi Ye is a season-based SLG game set in the Three Kingdoms era, operated by the Company. In the game, players assume the role of a regional lord, recruiting famous generals from the Three Kingdoms, developing territories and cities, and competing for supremacy in the Central Plains with other players. Key gameplay features include "free movement without grid-based restrictions" and "real-time combat with multiple team formations," offering a unique and differentiated experience. *Jiu Mu Zhi Ye* has obtained its ISBN license and is scheduled to be launched in Mainland China in the second half of 2025.

The launch plans for reserve products are subject to various factors and may involve uncertainties. They are provided for reference only.



(III) Investment Activities Overview

The Company continues to deepen its presence in the game market, with a focus on the research, development, and operation of online games. Simultaneously, it invests in upstream and downstream enterprises related to the game industry, including high-quality game developers, publishers, and industry funds.

Below is an overview of some of the enterprises in which the Company has invested or holds equity stakes:

Investment Target	Shareholding Percentage	Company Description
	18.55%	Qingci Games, the developer of the classic hand-drawn idle mobile game <i>The Marvelous Snail</i> and the Roguelike mobile game <i>Gumballs</i> , was listed on the Hong Kong Stock Exchange in December 2021 (6633.HK).
	9.67%	TapTap platform is a renowned third-party platform connecting game developers, publishers, and players, allowing users to download high-quality games and share their experiences with others. Its parent company XD Inc., is listed on the Hong Kong Stock Exchange (2400.HK).
	20.00%	Xiamen Yongshi co-developed the popular 2D naval combat game <i>Azur Lane</i> , which has been a best-seller both domestically and internationally. Its self-developed game <i>Eye of Deep Space</i> has received over 140,000 five-star reviews on the App Store.
	30.00%	Xiamen Taojin created the popular roguelike series <i>Dungeon Survivor</i> .
	10.00%	Xiamen Zhenyouqu owns several popular games, including <i>Sausage Party</i> and <i>Ulala: Idle Adventure</i> . <i>Sausage Party</i> , a shooting survival game, has accumulated over 250 million downloads on TapTap.
	1.60%	Unity China is a joint venture of the U.S. game engine developer Unity Technologies. It launched the Tuanjie Engine in 2023, providing creative support across industries such as game, automotive, industrial manufacturing, and film animation.
	15.00%	Developed by Guangzhou PeroPero, the music game <i>Muse Dash</i> with parkour elements has sold over 10 million copies and boasts a 90% approval rating on Steam.

II. Industry Overview During the Reporting Period

(I) Industry Landscape

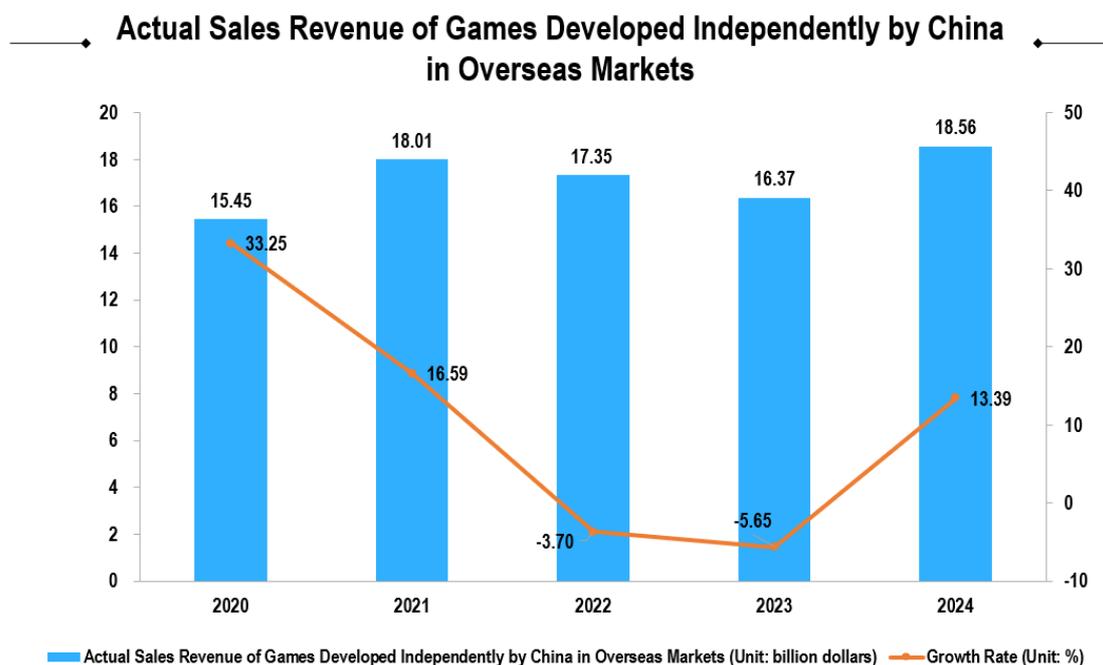


According to the *2024 China Game Industry Report* released by the Game Publishing Working Committee (GPC) of the China Audio-Video and Digital Publishing Association, the number of game users in China reached 674 million in 2024, representing a year-on-year increase of 0.94%. The Chinese game industry has entered a phase of mature market competition. The actual sales revenue of the Chinese game market amounted to RMB 325.78 billion, a 7.53% increase compared to the previous year. This growth was primarily driven by the increase in the number of new releases, the launch of blockbuster products, the stable operation of evergreen titles, and the strong performance of mini games. In the segmented market, mobile game still maintained a dominant position, accounting for 73.12% of actual sales revenue.

According to the *2024 China Mobile Game Advertising and Marketing Report* released by Gamma Data (CNG), increasing traffic acquisition costs have continued to compress corporate profits, leading to a decline in net profits for more than 50% of major listed game companies. Operating costs have been steadily increasing, and industry competition has become more intense. Game companies must make breakthroughs in differentiated innovation and the sustainable development of high-quality products. Focusing on niche markets, strengthening

competitive advantages through differentiation, and continuously enhancing user experience will be crucial for the long-term growth of companies.

Regarding the overseas market, Chinese game companies are actively responding to the challenges of slowing global market growth and intensified competition, continuing to explore expansion opportunities abroad. In 2024, the actual sales revenue of Chinese independently developed games in international markets reached USD 18.56 billion, a year-on-year increase of 13.39%.



(II) Impact of Industry Policies on the Company's Sector

In recent years, regulatory authorities have placed significant emphasis on the healthy and standardized development of the game industry, continuously introducing new requirements and standards across various areas, including the protection of minors, cultural values, online ecosystem governance, data security, personal information protection, and management of emerging technologies. These measures aim to guide the industry toward regulated, high-quality growth. In the long term, well-structured regulatory policies are crucial for promoting the industry's development and progress.

In response, the Company will focus on a strategy centered around high-quality, differentiated, and globalized products, with a strong commitment to cultural confidence and

technological innovation, to offer exceptional game experiences to players worldwide. The Company will prioritize content development, enhance its internal management systems, and continue to implement regulatory measures throughout the game lifecycle, including pre-launch, operational, and post-launch stages. Additionally, the Company will intensify efforts in content ecosystem governance, strengthen protections for minors, and maintain a healthy game environment for its products.

III. Overview of Core Business During the Reporting Period

(I) Core Business Operations of the Company

The Company specializes in the development and operation of online games. The Company's mission is to present differentiated products and services to global users, creating and sharing delightful experiences in the entertainment industry. During the Reporting Period, the Company achieved a revenue of RMB 3.70 billion, representing a year-on-year decrease of 11.69%.

In terms of in-house developed games, the Company has continuously iterated and updated its products such as *Ashtao (PC)*, *Ashtao (Mobile)*, and *Overmortal*, launching multiple events and versions to maintain user engagement, generating revenue and profit contributions.

Leiting Games, the platform operated independently by the Company, has developed strong game management capabilities. The platform has successfully managed a diverse portfolio of games, including *Ashtao (Mobile)*, *Overmortal*, *Immortal Sword*, *Aobi Island: Dreamland*, *Tale of Immortal (PC)*, *Funny Fighters: Battle Royale*, *Gumballs*, and other successful titles.

(II) Primary Business Model of the Company

i. Revenue Streams

The payment models for online games primarily include pay for virtual items, pay for downloads, pay based on playtime, and in-game advertising. The Company's game product revenue mainly comes from the payment model based on virtual items, wherein players can enter the game for free, and the operator primarily profits from selling virtual items within the game.

Payment for virtual items is the prevalent revenue model adopted by the online game industry in China.

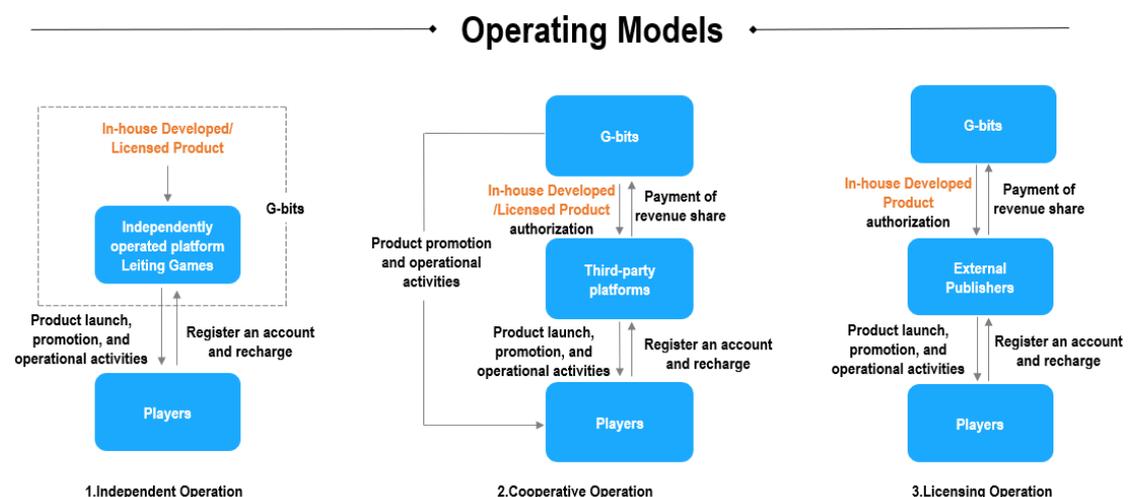
ii. Operating Models

There are three main operating models for the Company's games: independent operation, cooperative operation, and licensing operation. Among them, *Asktao (PC)* is licensed to Beijing Guangyu Online Technology Co.,Ltd. Other in-house developed and licensed products mainly adopt independent operation and cooperative operation models. The three operation models are as follows:

1.Independent Operation: The Company publishes games on its platform and is responsible for promotion and operation. These games might be developed by the Company or by external developers.

2.Cooperative Operation: The Company partners with third-party platforms, such as the App Store and Android app store including Huawei, vivo, and Google Play, to co-publish and promote its games, whether developed in-house or licensed.

3.Licensing Operation: The Company licenses its self-developed games to external publishers, who are responsible for managing the game's publishing and promotion. The Company's responsibilities are limited to providing technical support and ongoing content development.



(III) Analysis of Core Competencies During the Reporting Period

i. Strong Independent Research and Development (R&D) Capabilities

1. Overview of the Company's R&D Performance

→ Maintaining High R&D Investment to Support Innovation ←

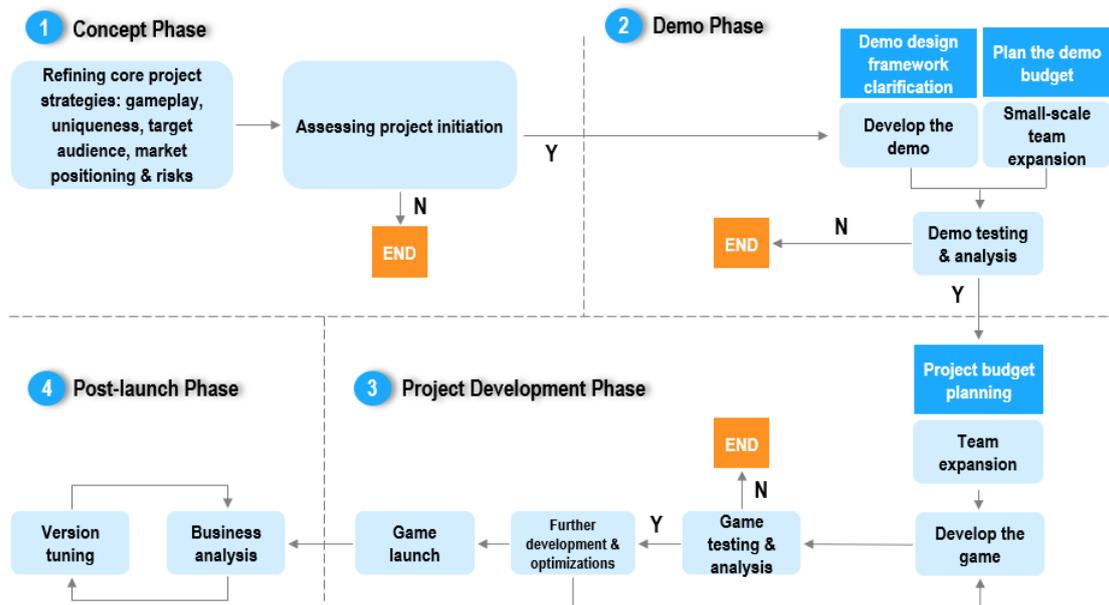


The Company attached great importance to R&D and talent development. Its in-house developed products, such as *Asktao (PC)*, *Asktao (Mobile)*, and *Overmortal*, have received widespread market recognition and positive feedback. During this Reporting Period, The Company's R&D expense amounted to RMB 757.63 million, accounting for 20.50% of its revenue. This sustained investment has laid the foundation for its innovation.

The Company continues to enhance its R&D and innovation capabilities. As of December 31, 2024, the Company and its subsidiaries hold 1,254 registered trademarks, 358 software copyrights, 60 art copyrights, 8 music copyrights, 7 literary copyrights, 11 audio product copyrights, 2 cinematographic works copyrights, and 129 domain names. Additionally, the Company has obtained 20 invention patents.

2. Boost R&D Performance with the Minimum Viable Product (MVP) Approach

The Company places significant emphasis on product innovation, striving to develop games that stand out both unique and commercially. By focusing on differentiation, the Company continuously explores innovative approaches in core gameplay, conceptualization, art style, and other aspects, thereby enhancing the competitive edge of its products. However, this pursuit of differentiation also escalates the complexity of project development, necessitating enhanced capabilities in gameplay refinement, project management, and data analysis within the development teams. Drawing from years of experience, the Company has embraced an iterative development model known as the MVP approach in its R&D process.



At the initial stage, producers must define the core concept of a project, including key aspects such as core gameplay, uniqueness, target players, market positioning, and potential risks. Once the project passes evaluation, a prototype is rapidly developed based on the creative vision and validated through user testing. Throughout the development process, high-frequency iterations and optimizations are conducted, leveraging test data for precise user feedback analysis. Issues are addressed promptly to enhance R&D efficiency. The Minimum Viable Product (MVP) approach enables the Company to maintain product direction and avoid inefficient investments. Meanwhile, the Company continuously refines its R&D framework to ensure the seamless integration of validated core gameplay, art assets, and monetization mechanisms.

The MVP approach involves the Company's operations team working closely with the R&D team on a variety of tests and analyses. This allows the Company to gain a deep understanding of the market and users of its products, so that the Company can tailor its strategies and minimize the risks and costs of release.

3. Centralized Platform Construction, A Strong R&D Foundation

The Company focuses on the development of a centralized R&D platform, providing strong support for product development across various areas including technology, art design, music production, and product testing. This platform spans the entire product development cycle, effectively ensuring research and development efficiency and product quality. The establishment

of the centralized R&D platform has minimized redundant resource allocation between different projects, enhancing the reuse of human resources, knowledge, and other assets, thereby controlling R&D costs and improving the stability of the R&D system.

Additionally, the Company is actively exploring the application of AI technologies in game development to continuously improve production efficiency. In 2023, the Company launched the AIWebHub platform, integrating various commonly used AI drawing tools and models to facilitate the use of AI in game development. In 2024, the platform was optimized based on user feedback, with improvements made to underlying algorithms and model training processes to enhance usability and operational efficiency. Through the application of cutting-edge technologies like AIGC in game art, the Company has effectively reduced content production time and resource consumption, ensuring high-quality outputs while further boosting art production capabilities and overall efficiency.

ii. Exceptional Game Operations

1. Overview of Company's Game Operations

Leiting Games, an independently operated platform, follows a quality-first approach with a focus on user experience. The high-quality, unique, and highly engaging games under Leiting Games' operations have gained significant popularity and earned an excellent reputation.

With years of experience, Leiting Games has developed a comprehensive understanding of operating various game genres including MMORPG, Roguelike, idle games, and casual simulation. Classic MMORPG *Ashtao (Mobile)* has been running steadily for nearly 9 years, while *Overmortal* and *Immortal Sword* have laid a solid foundation for the Company's idle cultivation genre. Games such as *Tale of Immortal (PC)*, and *Dungeon Survivor* are beloved by players.

Exceptional Game Operations

Outstanding Performance in Classic MMORPG



Ashtao (Mobile)

- Having been on the market for nearly 9 years, it continues to deliver impressive performance.
- With ongoing IP development, it continually enhances its value and extends its product lifecycle.
- Regular offline events like "Face-to-face Gathering" and "National Competition" to deepen understanding of player needs and foster long-term engagement.

Strong Performance in Idle Games



Overmortal

- Launched 4 years ago, with over 27 million registered users to date.
- Regular offline meetups to engage with players and refine game development plans through interactive Q&A.
- Innovative marketing strategies focus on existing users, with refined user acquisition efforts to minimize inefficient investment.



Immortal Sword

- Launched on January 2, 2025, with over 1 million registered users in the first week.
- Focused on core user engagement, continuously optimizing the player experience.

High-Quality Games Popular with Players



Tale of Immortal (PC)

- Dominated the Steam global bestseller charts multiple times, over 4 million copies sold worldwide.
- Ranked 4th in global concurrent players, with a peak of over 180,000 concurrent users.



Gumballs

- Launched over 8 years ago, *Gumballs* has become a classic in the Roguelike genre, earning over 180,000 five-star reviews on the App Store.

2. Player-Centric Approach for Long-Term Operations

The Company remains committed to a player-centric game design and operations philosophy, gaining deep insights into user needs to create high-quality original games that resonate with players.

The Company deeply understands user needs and creates high-quality original games beloved by players. After the game launches, the Company strengthens communication with players through various channels. For example, the *Ashtao (Mobile)* project team conducts online activities annually and organizes offline events to interact with core players regarding game version planning, promotion plans, and other aspects. Moreover, the Company listens to feedback from key opinion leaders (KOLs) and collaborates with players to "customize" the game. The official community app, *Ashtao Hub*, serves as a convenient interactive platform for players to access game information, share experiences, and engage directly with the project team, further integrating them into the *Ashtao* universe.

The Company actively responds to user demands, providing sincere and comprehensive customer service. Guided by the service philosophy of "becoming an official friend to users and

creating a wonderful service experience," the Company embeds a "Contact Customer Service" button within games. It provides players with comprehensive and meticulous service through various channels such as a 24-hour customer service, WeChat customer service official account, customer service forums, and customer service email, catering to users' real-time inquiries, complaints, feedback, and other requests. Additionally, to improve response speed, the Company utilizes advanced technologies such as AI to build an intelligent self-service system, further enhancing customer service levels. A service quality inspection team is also established to monitor service quality daily, aiming to enhance player experience.

3. Exploring Precision and Effective Marketing Promotion Strategies

"Buying traffic" is one of the key methods for promoting games; however, rising user acquisition costs have impacted profitability. The Company remains committed to leveraging differentiated, high-quality products as the foundation for its marketing strategy. By analyzing product characteristics, market positioning, and player behavior patterns, the Company formulates tailored promotion plans and reaches target users through diverse methods, including daily live streaming, KOC (Key Opinion Consumer) promotion, content development, and community engagement. These approaches reduce reliance on paid acquisition. In 2024, the Company actively explored innovative marketing channels such as e-commerce live streaming, and precision-segmented ad placement, achieving strong results.



The Company prioritizes user experience in user relationship management and fosters deep engagement with players. For example, *Ashtao (Mobile)* regularly organizes events such as “Designers Talk” enabling developers to gain insights into player needs and continuously refine gameplay to enhance user retention. *Overmortal* hosts annual offline meet-ups in cities including Hangzhou, Wuhan, Shenzhen, Beijing, and Chengdu, where players participate in Q&A sessions and interactive activities, strengthening their connection with the game. Additionally, in November 2022, the Company launched the official community platform *Leiting Games Membership Center*, integrating game news, exclusive rewards, customer support, and direct communication with developers. This platform offers players a seamless one-stop service while providing the Company with direct insights into user feedback, enabling more precise optimization of products and services.

The Company enriches game universes through novels, animations, and music, enhancing player immersion and reinforcing brand value. *Ashtao (Mobile)* has released a series of IP-based content, including the novels *Ashtao: Dashing Spear* and *Ashtao: Tao in the Heart*, the animated series *Wulong Daoist Adventures in Zhongzhou*, as well as audiobooks, merchandise, and short films. These efforts continuously expand the *Ashtao* IP and elevate brand recognition. Similarly, *Overmortal* builds an original IP centered on Taoist cultivation, featuring derivative works such as the animated series *I Am Xiaoyao*, the comic *Overmortal*, the audiobook *Between Demon and Immortal*, and a series of game-themed soundtracks. These content expansions further develop the game’s narrative and player engagement.

The Company continuously refines its advertising models to align with market dynamics and user behavior, maximizing acquisition efficiency and return on investment (ROI). *Ashtao (Mobile)* has achieved strong performance on Douyin’s (TikTok China) live streaming platform, with single-session GMV (gross merchandise value) ranking among the top in the virtual goods category.

The Company also leverages high-affinity IP collaborations to expand user reach and brand recognition, partnering with franchises spanning games, novels, animated films, and online series. In addition, the Company employs diversified marketing strategies, including third-party gaming platforms, KOC (Key Opinion Consumer) recommendations, WeChat and QQ player

communities, and official channels to drive organic growth and long-term engagement.

During the Reporting Period, multiple Company titles received prominent recommendations on leading platforms such as the App Store and TapTap, further boosting visibility.

Part IV Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Prepared by: G-bits Network Technology (Xiamen) Co., Ltd.

Unit: RMB Yuan

Item	31 December 2024	31 December 2023
CURRENT ASSETS		
Cash and Cash equivalents	2,253,009,828.62	2,397,018,382.09
Settlements Provision		
Loans to banks and other financial institutions		
Financial assets held for trading	1,435,396,307.08	1,125,621,695.38
Derivative financial assets		
Notes receivable		
Accounts receivable	170,942,573.07	238,756,746.14
Financing receivables		
Prepayments	22,245,193.89	21,422,780.34
Insurance premium receivable		
Due from reinsurers		
Receivable reinsurance contract reserve		
Other receivables	34,265,183.81	5,599,445.09
Including: Interest receivable		
Dividends receivable		
Financial assets purchased under agreements to resell		
Inventories		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	90,973,351.97	11,536,441.92
Other current assets	281,959,717.03	11,746,515.71
Total current assets	4,288,792,155.47	3,811,702,006.67
NON-CURRENT ASSETS		
Loans and advances		
Debt investment		
Other debt investments	62,266,260.00	
Long-term receivables	8,989,823.06	11,908,237.48
Long-term equity investments	1,075,222,525.77	1,164,814,123.76
Other equity instruments investments		
Other non-current financial assets	602,066,150.96	620,273,547.42
Investment properties	156,375,069.50	170,713,042.03
Fixed assets	507,350,079.26	596,402,026.29
Construction in progress	13,431,458.49	1,660,948.61
Productive biological assets		
Oil and gas assets		
Right-of-use assets	28,342,929.44	36,327,899.47
Intangible assets	69,907,892.54	69,766,821.60
Development expenditures		
Goodwill	3,808,266.80	3,808,266.80
Long-term prepaid expenses	6,864,207.10	20,045,631.47
Deferred tax assets	97,135,440.71	83,259,745.81
Other non-current assets	2,995,976.15	46,088,941.01
Total non-current assets	2,634,756,079.78	2,825,069,231.75
Total assets	6,923,548,235.25	6,636,771,238.42
CURRENT LIABILITIES		
Short-term borrowings		
Borrowing from the central bank		
Deposits and balances from banks and other financial		

Item	31 December 2024	31 December 2023
institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	170,472,236.21	188,815,811.08
Receipts in advance	74,748.52	501,832.24
Contract liabilities	464,751,114.10	417,007,621.68
Financial assets sold under agreements to buy		
Customer deposits and balances from banks and other financial institutions		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Payroll and employee benefits payable	400,566,410.82	455,196,050.52
Taxes payable	135,025,450.02	182,803,660.02
Other payables	32,777,170.23	34,516,136.28
Including: Interest payable		
Dividend payable		
Fees and commission payable		
Payable reinsurance		
Liabilities classified as held for sale		
Current portion of non-current liabilities	11,734,902.95	10,800,876.22
Other current liabilities	9,724,489.99	13,186,313.60
Total current liabilities	1,225,126,522.84	1,302,828,301.64
NON-CURRENT LIABILITIES		
Insurance reserves		
Long-term borrowings		
Bonds payable		
Including: Preference share		
Perpetual debt		
Lease liabilities	19,880,603.50	28,132,847.55
Long-term Payable		
Long-term payroll and employee benefits payable		
Provisions		
Deferred income	87,778.30	159,642.70
Deferred tax liabilities	897,700.30	705,651.53
Other non-current liabilities	44,083,682.13	57,336,347.24
Total non-current liabilities	64,949,764.23	86,334,489.02
Total liabilities	1,290,076,287.07	1,389,162,790.66
SHAREHOLDERS' EQUITY:		
Paid-in capital	72,041,101.00	72,041,101.00
Other equity instruments		
Including: Preference share		
Perpetual debt		
Capital reserve	1,398,264,013.33	1,400,918,753.30
Less: treasury shares	52,171,629.00	
Other comprehensive income	87,935,700.64	73,375,545.86
Special reserve		
Surplus reserve	36,020,550.50	36,020,550.50
General reserve		
Retained earnings	3,359,989,877.93	2,881,486,077.30
Equity attributable to shareholders of the Company	4,902,079,614.40	4,463,842,027.96
Non-controlling interests	731,392,333.78	783,766,419.80
Total shareholders' equity	5,633,471,948.18	5,247,608,447.76
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,923,548,235.25	6,636,771,238.42

Legal Representative: Lu Hongyan Chief Accountant: Lin Jiajin Head of Accounting
Department: Chen Hualiang

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Prepared by: G-bits Network Technology (Xiamen) Co., Ltd.

Unit: RMB Yuan

Item	31 December 2024	31 December 2023
CURRENT ASSETS		
Cash and Cash equivalents	126,458,627.40	172,514,364.01
Financial assets held for trading	105,155,515.28	328,976,474.94
Derivative financial assets		
Notes receivable		
Accounts receivable	25,280,804.28	45,693,275.98
Financing receivables		
Prepayments	1,280,806.63	1,158,216.36
Other receivables	33,997,089.23	70,829,561.42
Including: Interest receivable		
Dividends receivable	33,497,000.00	69,977,500.00
Inventories		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	1,978,689.92	5,555,356.97
Other current assets	96,996,599.12	383,623.67
Total current assets	391,148,131.86	625,110,873.35
NON-CURRENT ASSETS		
Debt investment		
Other debt investments		
Long-term receivables	1,268,157.79	2,486,121.17
Long-term equity investments	2,478,180,639.42	2,150,458,973.88
Other equity instruments investments		
Other non-current financial assets	143,178,860.92	148,546,250.01
Investment properties	261,816,064.39	283,235,747.11
Fixed assets	8,981,768.94	10,328,855.38
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	617,078.37	423,898.63
Development expenditures		
Goodwill		
Long-term prepaid expenses	169,543.80	364,995.95
Deferred tax assets		
Other non-current assets		
Total non-current assets	2,894,212,113.63	2,595,844,842.13
Total assets	3,285,360,245.49	3,220,955,715.48
CURRENT LIABILITIES		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	3,061,010.67	3,091,805.96
Receipts in advance	43,115.13	534,094.42
Contract liabilities	17,564,542.09	19,695,860.98
Payroll and employee benefits payable	99,610,356.66	103,614,920.85
Taxes payable	15,018,456.17	27,210,531.94
Other payables	4,673,453.22	5,012,208.17
Including: Interest payable		
Dividend payable		
Liabilities classified as held for sale		

Item	31 December 2024	31 December 2023
Current portion of non-current liabilities		
Other current liabilities	1,214,022.53	1,454,183.60
Total current liabilities	141,184,956.47	160,613,605.92
NON-CURRENT LIABILITIES		
Long-term borrowings		
Bonds payable		
Including: Preference share		
Perpetual debt		
Lease liabilities		
Long-term payable		
Long-term payroll and employee benefits payable		
Provisions		
Deferred income	87,778.30	151,675.64
Deferred tax liabilities		
Other non-current liabilities	1,623,576.65	1,777,206.67
Total non-current liabilities	1,711,354.95	1,928,882.31
Total liabilities	142,896,311.42	162,542,488.23
SHAREHOLDERS' EQUITY:		
Paid-in capital	72,041,101.00	72,041,101.00
Other equity instruments		
Including: Preference share		
Perpetual debt		
Capital reserve	1,210,012,752.39	1,210,019,236.80
Less: treasury shares	52,171,629.00	
Other comprehensive income	112,635.16	-24,035.06
Special reserve		
Surplus reserve	36,020,550.50	36,020,550.50
Retained earnings	1,876,448,524.02	1,740,356,374.01
Total shareholders' equity	3,142,463,934.07	3,058,413,227.25
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,285,360,245.49	3,220,955,715.48

Legal Representative: Lu Hongyan Chief Accountant: Lin Jiajin Head of Accounting
Department: Chen Hualiang

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Prepared by: G-bits Network Technology (Xiamen) Co., Ltd.

Unit: RMB Yuan

Item	2024	2023
1. Total revenue	3,695,682,593.56	4,184,851,388.03
Including: Operating revenue	3,695,682,593.56	4,184,851,388.03
Interest income		
Net earned premiums		
Net fee and commission revenue		
2. Total cost of sales	2,389,403,151.73	2,500,157,080.35
Including: Cost of sales	448,479,228.99	479,905,478.93
Interest expenses		
Fees and commission expenses		
Surrenders		
Net payments for insurance claims		
Net provision of insurance reserve		
Policyholder dividends		
Reinsurance expenses		
Taxes and surcharges	24,707,911.51	25,074,744.32
Selling expenses	980,482,774.25	1,127,241,515.96

Item	2024	2023
General and administrative expenses	312,182,573.76	314,983,930.97
Research and development expenses	757,625,465.26	679,358,601.39
Financial expenses	-134,074,802.04	-126,407,191.22
Including: Interest expense	1,639,894.15	1,561,576.37
Interest income	100,167,430.25	90,555,821.67
Add: Other income	16,400,083.76	41,385,502.91
Investment income/(loss)	73,242,971.14	34,921,944.16
Including: Share of profits or loss of associates and joint ventures	-13,841,708.75	9,207,061.64
Gain from derecognition of financial assets measured at amortized cost		
Exchange gains or losses		
Net exposure hedging gains/ (losses)		
Gain/ (loss) on the changes in fair value	-11,816,645.41	-32,966,781.00
Credit impairment losses	347,177.32	3,727,608.72
Assets impairment losses	-101,852,983.95	-25,895,706.04
Gain/ (loss) from disposal of assets	21,837.84	326,039.11
3. Operating profit	1,282,621,882.53	1,706,192,915.54
Add: Non-operating income	6,109,433.41	576,190.90
Less: Non-operating expenses	2,215,344.61	6,800,538.08
4. Profit/(loss) before tax	1,286,515,971.33	1,699,968,568.36
Less: Income tax expense	107,588,613.64	238,876,135.03
5. Net profit /(loss)	1,178,927,357.69	1,461,092,433.33
(1) Categorized by operation continuity		
Net profit from continuing operations	1,178,927,357.69	1,461,092,433.33
Net profit from discontinuing operations		
(2) Categorized by ownership		
Net profit attributable to shareholders of the Company	944,919,757.13	1,125,119,212.35
Net profit attributable to non-controlling interests	234,007,600.56	335,973,220.98
6. Other comprehensive income, net of tax	16,168,648.05	14,236,742.09
(1) Other comprehensive income, net of tax, attributable to shareholders of the Company	14,560,154.78	13,665,517.62
(i) Other comprehensive income that will not be reclassified to profit or loss		
Remeasurement gains or losses of a defined benefit plan		
Other comprehensive income using the equity method that will not be reclassified to profit or loss		
Changes in fair value of other equity instrument investments		
Changes in fair value of enterprise's own credit risk		
(ii) Other comprehensive income to be reclassified to profit or loss	14,560,154.78	13,665,517.62
Other comprehensive income that can be reclassified to profit or loss in equity method	3,300,287.66	3,870,111.84
Changes in fair value of other debt investments	904,387.10	
Amount of financial assets reclassified into other comprehensive income		
Provision for credit impairment of other debt investments		
Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)		
Exchange differences on translation of foreign currency financial statements	10,355,480.02	9,795,405.78
Others		
(2) Other comprehensive income, net of tax, attributable to non-controlling interests	1,608,493.27	571,224.47
7. Total comprehensive income	1,195,096,005.74	1,475,329,175.42
Total comprehensive income attributable to shareholders of the Company	959,479,911.91	1,138,784,729.97
Total comprehensive income attributable to non-controlling interests	235,616,093.83	336,544,445.45

Item	2024	2023
8. Earnings per share		
Basic earnings per share (yuan / share)	13.15	15.63
Diluted earnings per share (yuan / share)		

Legal Representative: Lu Hongyan Chief Accountant: Lin Jiajin Head of Accounting
Department: Chen Hualiang

INCOME STATEMENT OF COMPANY

For the year ended 31 December 2024

Prepared by: G-bits Network Technology (Xiamen) Co., Ltd.

Unit: RMB Yuan

Item	2024	2023
1. Total revenue	357,647,674.92	358,670,329.43
Less: Total cost of sales	48,285,996.02	47,110,325.74
Taxes and surcharges	5,050,375.95	4,621,644.92
Selling expenses		
Administrative expenses	49,628,847.90	49,461,736.62
Research and development expenses	124,382,705.86	119,182,218.79
Finance expenses	-8,304,055.30	-13,529,502.51
Including: Interest expenses (expressed with positive value)		
Interest income (expressed with positive value)	8,144,699.82	11,999,749.20
Add: Other income	2,047,908.85	23,161,446.02
Investment income/(loss)	468,565,992.15	643,832,058.16
Including: Share of profits or loss of associates and joint ventures	-8,919,794.46	-45,879,868.75
Gain from derecognition of financial assets measured at amortized cost		
Net exposure hedging gains/ (losses)		
Gain/ (loss) on the changes in fair value	-2,925,038.39	-4,565,761.05
Credit impairment losses	1,339,931.97	-509,115.93
Assets impairment losses		
Gain/ (loss) from disposal of assets	979.59	419.03
2. Operating profit/Loss	607,633,578.66	813,742,952.10
Add: Non-operating income	9,204.64	6,345.58
Less: Non-operating expenses	1,133,277.11	1,525,892.86
3. Profit/(loss) before tax	606,509,506.19	812,223,404.82
Less: Income tax expense	4,001,399.68	14,264,764.61
4. Net profit /(loss)	602,508,106.51	797,958,640.21
(1) Net profit from continuing operations	602,508,106.51	797,958,640.21
(2) Net profit from discontinuing operations		
5. Other comprehensive income, net of tax	136,670.22	
(1) Other comprehensive income, net of tax		
Other comprehensive income that will not be reclassified to profit or loss		
Other comprehensive income using the equity method that will not be reclassified to profit or loss		
Changes in fair value of other equity instrument investments		
Changes in fair value of enterprise's own credit risk		
(2) Other comprehensive income to be reclassified to profit or loss	136,670.22	
Other comprehensive income that can be reclassified to profit or loss in equity method		
Changes in fair value of other debt investments	136,670.22	
Amount of financial assets reclassified into other comprehensive income		
Provision for credit impairment of other debt investments		
Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)		

Item	2024	2023
Exchange differences on translation of foreign currency financial statements		
Others		
6. Total comprehensive income	602,644,776.73	797,958,640.21
7. Earnings per share		
(1) Basic earnings per share (yuan / share)		
(1) Diluted earnings per share (yuan / share)		

Legal Representative: Lu Hongyan Chief Accountant: Lin Jiajin Head of Accounting
Department: Chen Hualiang

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

Prepared by: G-bits Network Technology (Xiamen) Co., Ltd.

Unit: RMB Yuan

Item	2024	2023
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	3,959,328,716.83	4,275,602,815.62
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash premiums received on original insurance contracts		
Net cash received from re-insurance business		
Net increase in deposits and investments from insurers		
Cash received from interest, fees and commission		
Net increase in funds deposit		
Net increase in repurchase business funds		
Net income from securities trading brokerage business		
Tax refunds received		
Cash received relating to other operating activities	150,891,386.08	153,020,528.31
Sub-total of cash inflows from operating activities	4,110,220,102.91	4,428,623,343.93
Cash paid for purchase of goods and services	574,742,236.60	689,290,600.25
Net increase in loans and payments on behalf of customers		
Net increase in deposits with central bank and other financial institutions		
Payments for claims for original insurance contracts		
Net increase in funds lent		
Cash paid for interest, fees and commission		
Commissions on insurance policies paid		
Cash paid to and on behalf of employee	1,092,340,038.95	1,042,923,072.57
Cash paid for taxes	334,875,996.31	465,104,414.01
Cash paid relating to other operating activities	859,624,851.51	1,045,804,273.43
Sub-total of cash outflows from operating activities	2,861,583,123.37	3,243,122,360.26
Net cash flows from operating activities	1,248,636,979.54	1,185,500,983.67
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal of investments	7,561,018,868.14	5,032,510,000.00
Cash received from investment income	69,515,836.97	78,529,048.99
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	75,174.00	1,310.00
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	7,630,609,879.11	5,111,040,358.99

Item	2024	2023
Purchase of property, plant and equipment, intangible assets and other non-current assets	23,496,173.73	55,673,991.85
Cash paid for investments	8,222,344,051.44	5,545,911,111.00
Net increase in secured loans		
Net cash paid for acquisition of a subsidiary and other operating units		
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	8,245,840,225.17	5,601,585,102.85
Net cash flows from investing activities	-615,230,346.06	-490,544,743.86
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from investment		63,743,604.71
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		
Proceeds from borrowings		
Cash receipts relating to other financing activities		
Subtotal of cash inflows from financing activities		63,743,604.71
Repayments for debts		
Cash payments for distribution of dividends or profit and interest expenses	754,415,956.50	1,013,195,819.00
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries	288,000,000.00	283,992,000.00
Cash payments relating to other financing activities	65,922,097.31	9,796,328.24
Subtotal of cash outflows from financing activities	820,338,053.81	1,022,992,147.24
Net cash flows from financing activities	-820,338,053.81	-959,248,542.53
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	43,527,048.98	36,832,233.24
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	-143,404,371.35	-227,460,069.48
Add: Cash and cash equivalents at beginning of year	2,395,180,751.59	2,622,640,821.07
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	2,251,776,380.24	2,395,180,751.59

Legal Representative: Lu Hongyan Chief Accountant: Lin Jiajin Head of Accounting
Department: Chen Hualiang

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

Prepared by: G-bits Network Technology (Xiamen) Co., Ltd.

Unit: RMB Yuan

Item	2024	2023
1. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the sale of goods and the rendering of services	352,536,908.14	311,647,085.47
Tax refunds received		
Cash received relating to other operating activities	65,510,325.41	86,859,266.26
Sub-total of cash inflows from operating activities	418,047,233.55	398,506,351.73
Cash paid for purchase of goods and services	7,232,984.69	4,520,905.45
Cash paid to and on behalf of employee	179,599,915.81	182,754,174.90
Cash paid for taxes	41,972,342.95	54,430,631.86
Cash paid relating to other operating activities	22,344,394.81	24,747,344.33
Sub-total of cash outflows from operating activities	251,149,638.26	266,453,056.54
Net cash flows from operating activities	166,897,595.29	132,053,295.19
2. CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from disposal of investments	1,684,500,102.32	760,500,000.00
Cash received from investment income	517,113,107.17	735,185,796.88
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		

Item	2024	2023
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows from investing activities	2,201,613,209.49	1,495,685,796.88
Purchase of property, plant and equipment, intangible assets and other non-current assets	1,080,677.38	3,792,909.09
Cash paid for investments	1,894,117,907.25	1,098,900,000.00
Cash Paid for disposal of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows from investing activities	1,895,198,584.63	1,102,692,909.09
Net cash flows from investing activities	306,414,624.86	392,992,887.79
3. CASH FLOWS FROM FINANCING ACTIVITIES		
Cash received from investment		63,743,604.71
Proceeds from borrowings		
Cash receipts relating to other financing activities		
Subtotal of cash inflows from financing activities		63,743,604.71
Repayments for debts		
Cash payments for distribution of dividends or profit and interest expenses	466,415,956.50	729,203,819.00
Cash payments relating to other financing activities	52,447,216.71	413,368.72
Subtotal of cash outflows from financing activities	518,863,173.21	729,617,187.72
Net cash flows from financing activities	-518,863,173.21	-665,873,583.01
4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	-1,533.56	993.26
5. NET INCREASE IN CASH AND CASH EQUIVALENTS	-45,552,486.62	-140,826,406.77
Add: Cash and cash equivalents at beginning of year	171,682,308.46	312,508,715.23
6. CASH AND CASH EQUIVALENTS AT END OF THE YEAR	126,129,821.84	171,682,308.46

Legal Representative: Lu Hongyan Chief Accountant: Lin Jiajin Head of Accounting
Department: Chen Hualiang

Item	2024														
	Equity attributable to shareholders of the Company												Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others			Subtotal
	preference share	Perpetual debt	Others												
(ii) Transfer to general Reserve															
(iii) Distribution to shareholders											-466,415,956.50		-466,415,956.50	-288,000,000.00	-754,415,956.50
(iv) Others															
(4) Transfer within equity															
(i) Capital reserves converted to share capital															
(ii) Surplus reserves converted to share capital															
(iii) Loss made up by surplus reserves															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(5). Special reserve															
(i). Additions															
(ii). Utilisation															
(6) Others					-2,654,739.97								-2,654,739.97	9,820.15	-2,644,919.82
4. Balance at the end of the period	72,041,101.00				1,398,264,013.33	52,171,629.00	87,935,700.64		36,020,550.50		3,359,989,877.93		4,902,079,614.40	731,392,333.78	5,633,471,948.18

Item	2023														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
(4) Transfer within equity															
(i) Capital reserves converted to share capital															
(ii) Surplus reserves converted to share capital															
(iii) Loss made up by surplus reserves															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(5). Special reserve															
(i). Additions															
(ii). Utilisation															
(6) Others					271,400.40								271,400.40	99,502.59	370,902.99
4. Balance at the end of the period	72,041,101.00				1,400,918,753.30		73,375,545.86		36,020,550.50		2,881,486,077.30		4,463,842,027.96	783,766,419.80	5,247,608,447.76

Legal Representative: Lu Hongyan

Chief Accountant: Lin Jiabin

Head of Accounting Department: Chen Hualiang

Item	2024										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(5). Special reserve											
(i). Additions											
(ii). Utilisation											
(6) Others					-6,484.41						-6,484.41
4. Balance at the end of the period	72,041,101.00				1,210,012,752.39	52,171,629.00	112,635.16		36,020,550.50	1,876,448,524.02	3,142,463,934.07

Item	2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
1. Balance at the end of previous year	71,866,482.00				1,143,391,521.98		-24,035.06		35,941,112.50	1,662,880,135.80	2,914,055,217.22
Changes in accounting policies											
Corrections of prior period errors											
Others											
2. Balance at the beginning of the year	71,866,482.00				1,143,391,521.98		-24,035.06		35,941,112.50	1,662,880,135.80	2,914,055,217.22
3. Increase/(decrease) during the period	174,619.00				66,627,714.82			79,438.00	77,476,238.21	144,358,010.03	
(1) Total comprehensive income									797,958,640.21	797,958,640.21	
(2) Shareholders' contributions and reduction	174,619.00				66,627,714.82					66,802,333.82	
(i) Shareholders' contributions in ordinary share	174,619.00				63,568,985.71					63,743,604.71	
(ii) Other equity instruments contributions											
(iii) Amount of share-based payments recognized in equity					3,058,729.11					3,058,729.11	

Item	2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
(iv) Others											
(3). Profit distribution								79,438.00	-720,482,402.00	-720,402,964.00	
(i) Transfer to surplus reserve								79,438.00	-79,438.00		
(ii) Distribution to shareholders									-720,402,964.00	-720,402,964.00	
(iii) Others											
(4) Transfer within equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Loss made up by surplus reserves											
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(5). Special reserve											
(i). Additions											
(ii). Utilisation											
(6) Others											
4. Balance at the end of the period	72,041,101.00				1,210,019,236.80		-24,035.06	36,020,550.50	1,740,356,374.01	3,058,413,227.25	

Legal Representative: Lu Hongyan

Chief Accountant: Lin Jiajin

Head of Accounting Department: Chen Hualiang