



Stock Code: 603444

2024 Sustainability Report

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

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An illustration of a woman with long black hair styled in a bun, wearing a flowing orange and white traditional Chinese dress. She is standing in a forest with vibrant autumn foliage in shades of orange, red, and yellow. The scene is bathed in warm, golden light, suggesting a sunset or sunrise. The ground is covered in fallen leaves. The overall style is soft and painterly.

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Information about this Report

This is the 2024 Sustainability Report of G-bits Network Technology (Xiamen) Co., Ltd. (hereinafter referred to as “G-bits”, “We” or “the Company”) (stock code: 603444). Through the Report, we hope to fully communicate with all stakeholders on G-bits’ sustainability philosophy, performance, and commitment to corporate sustainable development.

Reporting scope

This Report covers the period from January 1, 2024 to December 31, 2024 (the “Reporting Period” or “this year”) for G-bits and all its subsidiaries.

Report release date

This Report is released concurrently with the Company’s Annual Report.

Data description

The information, data and cases used in this Report are sourced from the Company’s official documents, statistical reports, financial reports or public documents, as well as functional departments’ statistics and summaries of environmental, social and governance (ESG) practice information. The reporting currency of the financial data in this Report is Renminbi (“RMB”).

Preparation principles and basis

This report has been prepared in accordance with the *Guidelines No. 1 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardized Operation (revised in December 2023)*, with reference to the Global Reporting Initiative (GRI) Standards and the UN Sustainable Development Goals (SDGs). In addition, we have proactively referred to the *Guidelines No. 4 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report Preparation* and the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)*.





About G-bits Ⅱ

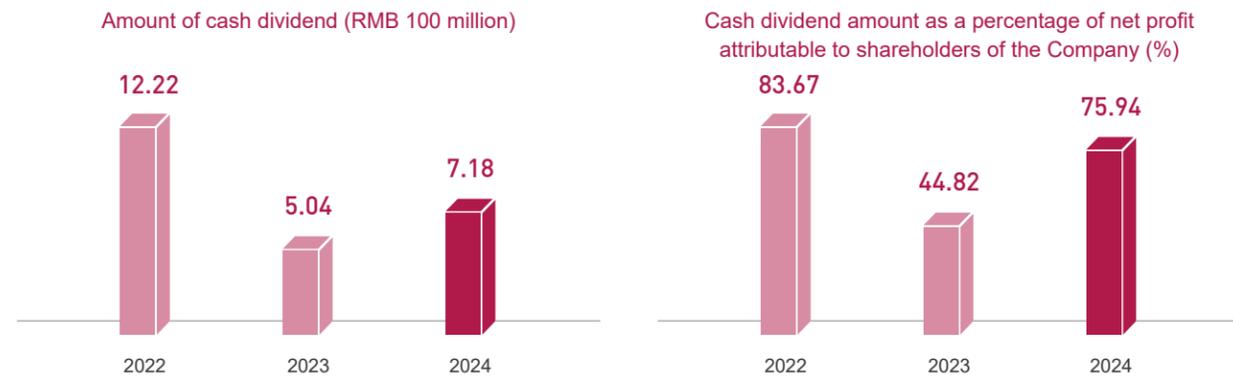
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Company profile

G-bits Network Technology (Xiamen) Co., Ltd. is a company specialized in creative design, R&D, production and commercial operation of online games. The Company aims to provide "original, high-quality, and ethical" online games and is committed to creating original online games with a focus on positive content, as well as high cultural and artistic standards for entertainment experiences.

We observe our corporate social responsibilities all the time to promote the co-development of the industry and the co-creation of social value. Since our founding in 2004, we have remain deeply engage in the game market, making unremitting efforts to create high-quality and wholesome recreational products and providing global users with differentiated products and services. Looking ahead, we will actively promote R&D and innovation, consistently creating high-quality game products. By leveraging technology and creativity, we aim to drive the sustainable development of the industry and contribute to the ongoing creation of social value.

Emphasis on shareholder returns



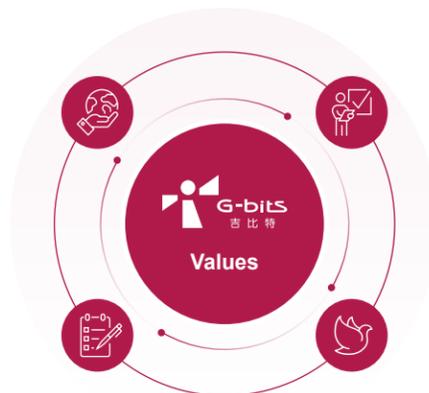
Corporate culture

Act with Integrity (Integrity)

We focus on long-term benefits, do what is more valuable and right for long-term development, and establish positive cooperative relationships with all those we work with.

Benefit from Humility (Humility)

We encourage our employees to be humble rather than arrogant or complacent. We believe that it is essential to respect others' opinions and view ourselves from their perspective.



Clarity of Essence (Clarity)

We grasp the essence of things and address problems from their root causes. We delve deeply into user needs, prioritize the user experience, and guide our work by standing in the user's perspective to evaluate the outcomes.

Elegance in Behavior (Elegance)

We encourage our employees to follow a decent discipline, pursue a quality lifestyle, and cultivate an appreciation for aesthetics.

Mission

G-bits strives to gather and nurture innovative talent and pursue efficient working methods. We aim to provide global users with differentiated products and services. We wish to create and disseminate delightful experiences in the cultural and entertainment field.

Behavioral pattern

Respect, Integrity, Compliance with Rules, Professionalism, Progress, Perseverance and Honesty

Party-enterprise integration

Always adhering to General Secretary Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, the General Party Branch of G-bits studies and implements the spirit of the 20th CPC National Congress and that of the third plenary session of the 20th CPC Central Committee. The Company has fully implemented the spirit of the Central Economic Work Conference and the resolutions and plans of the CPC Central Committee and the State Council, thereby actively promoting high-quality development in the cultural industry. Grounded in party building and rooted in China's outstanding cultural heritage, G-bits showcases cultural confidence through game content and demonstrated its mission responsibility through regulation.

This year, the Company continued to integrate Party building into governance, culture and responsibility, driving integration of Party building efforts with business development. Besides, we actively conducted various forms of learning and activities to strengthen Party member education and enhance the level of corporate spiritual civilization.

In January 2024

The Company's General Party Branch actively participated in the Spring Festival charity event organized by the Siming District Community Volunteers Association. We delivered care packages to migrant children, demonstrating our commitment to supporting vulnerable groups through tangible actions and embodying the Company's compassion and care for the community.



In March 2024

The Company's Party members actively participated in the public welfare event organized by the "New Xiamen Residents Library". With the support from volunteers and medical personnel, they organized a one-day educational excursion to Gulangyu Island for 30 migrant children as part of the 37th "Sparkling Red Star" event. Through cultural immersion, the event aimed to support the growth and development of the migrant children.



In April 2024

The Company's party members held a Qingming Festival memorial event at the Xiamen Revolutionary Martyrs Cemetery. Centered on the theme of "Remembering Revolutionary Martyrs, Inheriting the Spirit of Dedication", the event commemorated the monumental achievements of the revolution, promoted the national spirit, and inspired volunteers to learn from the dedication of the revolutionary martyrs.



In July 2024

The Company held a general meeting of Party members on 1st July, where participants delved into the discourse of Xi Jinping on new quality productive forces. The meeting emphasized the role of innovation in driving development, guiding corporate practices, and fostering high-quality growth.



In September 2024

The Company's General Party Branch convened a study session focused on the spirit of the third plenary session of the 20th CPC Central Committee. The session centered on studying the Resolution of CPC Central Committee on Further Deepening Reform Comprehensively to Advance Chinese Modernization. All Party members, probationary members, and applicants for Party membership integrated their professional practices with the study, engaging in in-depth exchanges of insights and offering suggestions. With such efforts, we aimed to empower the Company's sustainable development through Party building and education.



Honors



From 2017 to 2024

The Company has been selected for 8 consecutive years in the “Top 100 China Internet Enterprises with Comprehensive Strength” list jointly issued by the Internet Society of China and the Ministry of Industry and Information Technology

From 2022 to 2024

The Company has been awarded “Grade A” by the Shanghai Stock Exchange (SSE) for the annual information disclosure for 3 consecutive years.¹

From 2022 to 2024

The Company and its subsidiaries have been selected as “Cases of Game Public Welfare Ceremony” by People’s Daily

In September 2024

The Company was listed in the “2024 Top 500 Chinese Private Enterprises in R&D Investment” by the All-China Federation of Industry and Commerce

From 2021 to 2024

The Company has been awarded the honorary title of “Relatively Outstanding Enterprise in Social Responsibility Performance of Chinese Game Enterprises” by People’s Daily for 4 consecutive years

In March 2024

The Company was selected as a “National Cultural Industry Demonstration Base” by the Ministry of Culture and Tourism

In November 2024

Shenzhen Leiting Information Technology Co., Ltd., a subsidiary of the Company, was selected as one of the first member units of the Working Committee for Digital IP Application under the China Audio-Video and Digital Publishing Association

In November and December 2024

The Company was honored with the titles of “Best Sustainable Development Practice Cases of Listed Companies in 2024” “2024 Best Practice of the Board of Directors of Listed Companies” “2024 Best Practice of Listed Company Board Offices” and “Best Practice for 2023 Annual Results Conference of Listed Companies” by the China Association for Public Companies

¹ The annual evaluation of information disclosure work of Shanghai Stock Exchange (SSE) is an annual comprehensive assessment of the quality of information disclosure and related work of listed companies conducted by SSE. The evaluation of information disclosure work covers compliance, effectiveness and management of information disclosure affairs.



Corporate Governance and ESG Management III

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Corporate governance

The Company strictly adheres to the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange* and other laws, regulations and normative documents. On this basis, the Company continually refines its corporate governance policies and systems, enhancing the governance structure that includes the Shareholders' Meeting, Board of Directors, Board of Supervisors, and Management. This promotes the Company to establish a governance mechanism with clear rights, responsibilities and standardized operation, guides the Company to operate in good faith and in compliance with regulations, effectively manage and control risks, promotes the Company to achieve sustainable and high-quality development, and creates long-term value for shareholders and society.

The Shareholders' Meeting is the highest authority of the Company. The Company convenes and holds Shareholders' Meetings in strict accordance with relevant regulations and requirements to ensure that shareholders fully exercise their rights. The Board of Directors of the Company consists of a Strategy Committee, an Audit Committee, a Nomination Committee and a Remuneration and Appraisal Committee. The Board of Directors and its committees shall jointly be responsible for determining the strategic direction and overall strategy of the Company, and supervising the work and business performance of the Management, as well as the operation and financial performance of the Company. In January 2025, G-bits completed the re-election of its Board of Directors. The Company's sixth Board of Directors comprises seven members, **including three independent directors and two female directors. The Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee are all chaired by independent directors, and independent directors constitute the majority of the committee members, thereby safeguarding the independence of major decisions of the Company.** The Board members possess professional expertise and extensive industry experience in various domains, including game research and development, operations, law, and finance. They are adept at integrating diverse perspectives and principles to formulate corporate decisions aimed at safeguarding the long-term interests of shareholders and the Company.

Title	Name	Gender	Education background	Professional competence		
				Industry experience	Compliance management	Finance management
Chairman	Lu Hongyan	Male	Bachelor's degree	✓	✓	✓
Vice Chairman	Chen Tuolin	Male	Master's degree	✓		✓
Director	Gao Yan	Male	Master's degree	✓	✓	✓
Director	Lin Jiajin	Male	Master's degree	✓	✓	✓
Independent Director	Bao Huifang	Female	Master's degree		✓	
Independent Director	Liang Yanhua	Female	Bachelor's degree	✓	✓	✓
Independent Director	Wu Yibing	Male	Doctoral degree		✓	✓

ESG governance

ESG governance structure

The Company is committed to enhancing our Environmental, Social, and Governance (ESG) system and continuously strengthening the governance structure to ensure the effective identification, assessment, management and monitoring of impacts, risks and opportunities related to sustainable development. We have continuously improved our ESG policies and systems, establishing a robust ESG governance structure and fully integrated sustainable development issues into our strategic and operational decision-making.

The Company abides by the requirements of the *Rules of Procedure of the Board of Directors* and the *Working Rules of the Strategy Committee of the Board of Directors*. On this basis, the Company has clearly stipulated that the Strategy Committee of the Board of Directors is responsible for overseeing and inspecting the implementation of the Company's ESG Working Group, providing guidance when necessary, reviewing the Company's ESG report, ESG-related policies and other major ESG-related matters, conducting research on ESG governance and providing decision-making advice to the Board of Directors, including ESG governance vision, goals and policies. The ESG Working Group is primarily responsible for developing the ESG work implementation plan and coordinating the assessment and management of ESG risks and opportunities.



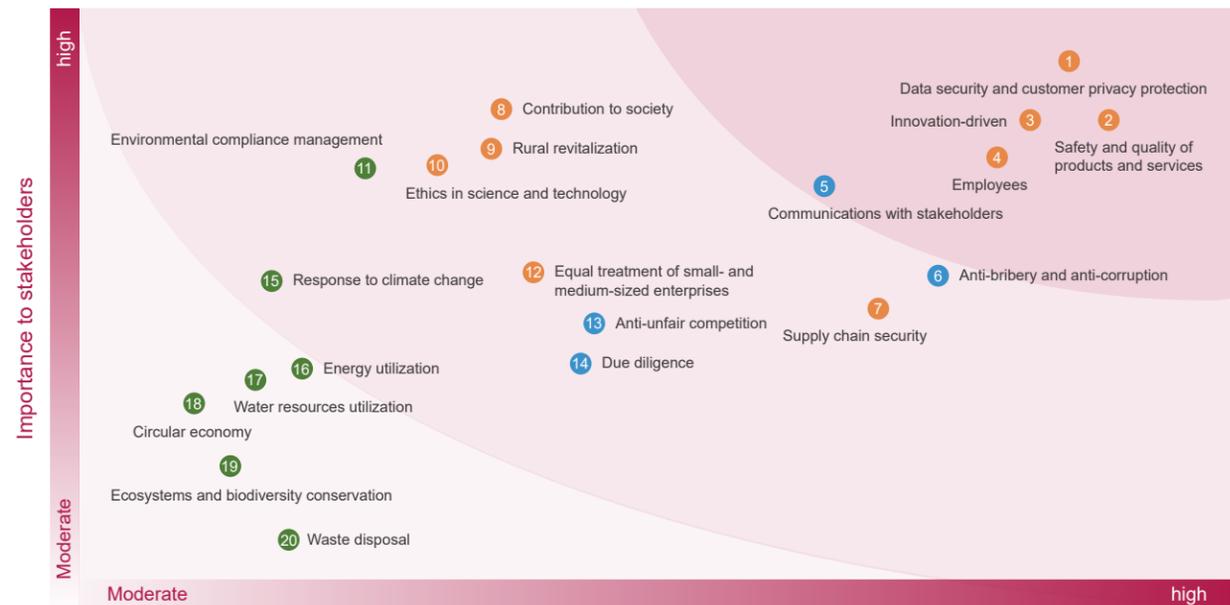
All members of the ESG governance structure possess extensive industry experience, professional capabilities and ESG management skills, which ensure the effective achievement of the ESG-related work. The Company has established an ESG information reporting mechanism through which the ESG Working Group regularly reports to the Strategy Committee on ESG-related matters, such as the progress of ESG goals, policy implementation, and the risks and opportunities the Company faces. In this way, the Company ensures that Committee members have access to ESG-related information in a timely manner, and that ESG matters are adequately discussed and monitored.

The Company monitors and evaluates the implementation of its ESG strategy through internal audits and compliance inspections, and optimizes the ESG management system based on the assessment results. To ensure the effective implementation of ESG targets, the Company has established corresponding management mechanisms to ensure that the management and relevant departments focus on ESG issues and continuously optimize the relevant management practices.

Materiality analysis

Taking into account the characteristics of the Internet game industry, the Company invites internal and external stakeholders to identify and determine the materiality of ESG issues through questionnaires, reviews and summaries, and exchange meetings. Based on the analysis results of the assessment process, we have identified materiality issues of concern to stakeholders, developed a materiality matrix and submitted it to the Board for confirmation.

We have identified a total of 20 issues² of materiality, which are assessed as follows:



Importance to the Company
2024 matrix of materiality issues for G-bits

Issues of high materiality	Issues of moderate materiality	Issues of general materiality
<ul style="list-style-type: none"> Data security and customer privacy protection Safety and quality of products and services Innovation-driven Employees Communications with stakeholders 	<ul style="list-style-type: none"> Anti-bribery and anti-corruption Supply chain security Contribution to society Rural revitalization Ethics in science and technology Environmental compliance management Equal treatment of small- and medium-sized enterprises Anti-unfair competition Due diligence Response to climate change 	<ul style="list-style-type: none"> Energy utilization Water resources utilization Circular economy Ecosystems and biodiversity conservation Waste disposal

We have responded to the above issues of materiality in sections of this report to help stakeholders gain a more comprehensive understanding of the Company's ESG performance.

At the same time, we are proactively reviewing and exploring approaches to assessing and analyzing the financial materiality of ESG issues. This will enable us to better guide the management and disclosure of information related to sustainable development.

² We specialize in the development and operation of online games, so the impact on the environment mainly arises from the consumption of energy and resources and emissions during the operation. Our business model does not involve manufacturing or discharge of industrial pollutant such as wastewater, exhaust gas or waste dregs. Therefore, no pollutant issues are involved.

Communications with stakeholders

G-bits is committed to transparent and open communication. The Company strictly adheres to the relevant internal management systems. This ensures that the concerns of investors, directors, and other stakeholders are fully heard and addressed. The Company communicates with key stakeholders such as players, investors, regulators, industry associations, employee representatives, partners, and the public through questionnaires, regular communications, interviews, and other approaches. This enables the Company to comprehensively assess the potential economic, social and environmental impacts of the issues.

Stakeholder	Issues of concern and communication	Communication channels and frequency
<p>Shareholders and investors</p>	<ul style="list-style-type: none"> Safety and quality of products and services Innovation-driven Data security and customer privacy protection Employees Anti-bribery and anti-corruption Anti-unfair competition 	<ul style="list-style-type: none"> Regular reports (quarterly) Temporary announcements (irregular) Shareholders' Meeting (annual) Performance presentation (quarterly) Investor research (irregular) Press releases (irregular) Investor hotline (real time on workdays) IR mailbox (real time on workdays) SSE E-Interaction (real time on workdays)
<p>Director</p>	<ul style="list-style-type: none"> Employees Innovation-driven Data security and customer privacy protection Ethics in science and technology Anti-bribery and anti-corruption Communications with stakeholders Due diligence Environmental compliance management 	<ul style="list-style-type: none"> Phone calls, e-mails and meetings (irregular) Regular reports (quarterly) Temporary announcements (irregular) On-site inspections (irregular)
<p>Government and regulators</p>	<ul style="list-style-type: none"> Data security and customer privacy protection Contribution to society Anti-unfair competition Equal treatment of small and medium-sized enterprises Environmental compliance management 	<ul style="list-style-type: none"> Regular questioning (irregular) High-level meetings (irregular) Under supervision (real time) Proactive communication (irregular) Information reporting (within statutory time limits) Working meetings (irregular) Policy engagement (irregular) Site visits (irregular) Information disclosure (based on statutory requirements)

Stakeholder	Issues of concern and communication	Communication channels and frequency
 Employees (including management)	<ul style="list-style-type: none"> • Employees • Innovation-driven • Ethics in science and technology • Circular economy 	<ul style="list-style-type: none"> • Employee union activities (irregular) • “Founder Meetup” events (quarterly) • Corporate culture meetings (irregular) • Employee interviews (irregular) • Employee feedback mechanism (real time) • Questionnaires (irregular)
 Players	<ul style="list-style-type: none"> • Safety and quality of products and services • Data security and customer privacy protection • Ethics in science and technology 	<ul style="list-style-type: none"> • High-quality game products (real time) • Professional customer service team (real time) • Self-service platform (real time) • Social media (real time) • Player surveys (irregular)
 Business partners	<ul style="list-style-type: none"> • Supply chain security • Equal treatment of small and medium-sized enterprises • Anti-bribery and anti-corruption • Energy utilization • Innovation-driven • Circular economy 	<ul style="list-style-type: none"> • Daily communication mechanism (real time) • Bidding system (irregular) • Suppliers revisit (irregular/annual) • On-site investigation (irregular) • Supplier training (irregular/annual)
 Community and the public	<ul style="list-style-type: none"> • Rural revitalization • Contribution to society • Ecosystem and biodiversity conservation • Waste disposal • Water resources utilization 	<ul style="list-style-type: none"> • Engagement in public welfare donations (irregular) • Community communication and visits (irregular) • Care for vulnerable groups (irregular)
 Industry associations	<ul style="list-style-type: none"> • Ecosystem and biodiversity conservation • Innovation-driven • Ethics in science and technology • Anti-unfair competition • Due diligence 	<ul style="list-style-type: none"> • Industry cooperation (irregular) • Exchange on the protection of property rights (irregular) • Culture promotion (irregular)

Sustainability due diligence

The Company has established a systematic due diligence mechanism. This ensures its business compliance with industry standards and regulatory requirements in areas such as data security, business ethics, environmental compliance and employee management.

The ESG Working Group is responsible for identifying and managing sustainability-related risks, analyzing potential risks, proposing improvement measures, and overseeing the implementation of corrective actions. Meanwhile, the Company conducts independent reviews and compliance assessments in key areas to enhance the professionalism, independence and comprehensiveness of its due diligence. The areas covered include data security and privacy protection, supply chain management, and employee management.

During the Reporting Period, the Company conducted due diligence on the following core risk areas related to sustainability:

Dimensions of due diligence	Responsible department	Procedures for impact/risk identification	Initiatives to mitigate impacts and risks
 Data security and customer privacy protection	Security Department, Legal and Public Affairs Department	Conduct regular data compliance reviews to identify potential risks such as data breaches and cyber-attacks	<ul style="list-style-type: none"> • Enhance server security, optimize data encryption technology and establish a sound data governance framework to ensure full protection of user privacy
 Protection of minors	Customer Service Department, Legal and Public Affairs Department	Analyze user behavior data, assess the implementation of the anti-addiction system, optimize the real-name verification mechanism, and conduct research in cooperation with parents and government regulators	<ul style="list-style-type: none"> • Continuously optimize game access restrictions and time management functions, and improve the content review mechanism to prevent the dissemination of inappropriate content • Step up the promotion of the parental guardian model to increase users' awareness and usage of the minor protection mechanism
 Business ethics	Audit Department, Procurement Operations Department	Conduct supply chain compliance management through daily audits, review of historical cooperation records and other approaches	<ul style="list-style-type: none"> • Continuously optimize supply chain compliance management through regular audits, and set up a reporting incentive mechanism to encourage employees to actively engage in compliance monitoring, thus enhancing risk prevention and control capabilities • Require partners to abide by the principles of fair competition, business integrity and sustainable development, clearly define integrity requirements at the supplier admission stage, and strengthen the awareness of integrity and compliance by sending annual integrity appreciation letters to suppliers
 Supply chain sustainability	Procurement Operations Department	Assess suppliers' environmental violations, labor rights-related performance and identify sustainability-related supply chain risks	<ul style="list-style-type: none"> • Prioritize suppliers that meet environmental standards when purchasing electronic equipment, and encourage supply chain partners to adopt low-carbon production models and sustainable materials • Implement multi-brand product selection and diversified supply strategy to reduce dependence on a single supplier and seek alternative suppliers to enhance supply stability • Optimize inventory management based on market supply and demand dynamics, and minimize supply delays and quality risks through flexible delivery and contractual constraints
 Employee management	HR Department, Planning Department	Conduct regular employee satisfaction surveys to assess employees' satisfaction levels with the work environment, remuneration and career development	<ul style="list-style-type: none"> • Optimize the working environment and remuneration system to enhance employee satisfaction and loyalty based on the survey results • Provide career development planning and training opportunities to support employees' professional growth and enhance team cohesion

In the future, the Company will further strengthen risk monitoring in the sustainability field, enhance its due diligence system, and promote the sustainability of the online game industry. Through responsible corporate practices, we aim to create long-term value for society.

Business ethics

G-bits strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other laws and regulations. On such basis, the Company adheres to business ethics in daily operations and external cooperation, while strengthening integrity and compliance management. The Company continuously improves the anti-bribery and anti-corruption management mechanisms, fraud prevention and control systems, and risk management framework for unfair competition. Through strict internal control measures, the Company effectively identifies and controls compliance risks, thus ensuring the transparency and fairness of business operations. We are committed to fostering a fair, honest and sustainable business environment. Together with industry partners, we promote responsible corporate practices.

Strengthening anti-bribery and anti-corruption management

G-bits strictly adheres to the Interim Provisions on Banning Commercial Bribery and relevant laws and regulations. In addition, the Company has established internal policies such as the [Code of Ethical Business Conduct](#), the [Anti-Fraud Regulations](#), the [Code of Integrity](#), and the [Gift Acceptance Policy](#). With these regulations, the Company is committed to upholding business ethics in its daily operations and external collaborations, strictly prohibits bribery, corruption, and fraudulent activities, and effectively control risks to foster a culture of integrity, ensuring the Company's stable, healthy, and sustainable development.

Enhancing the integrity management system

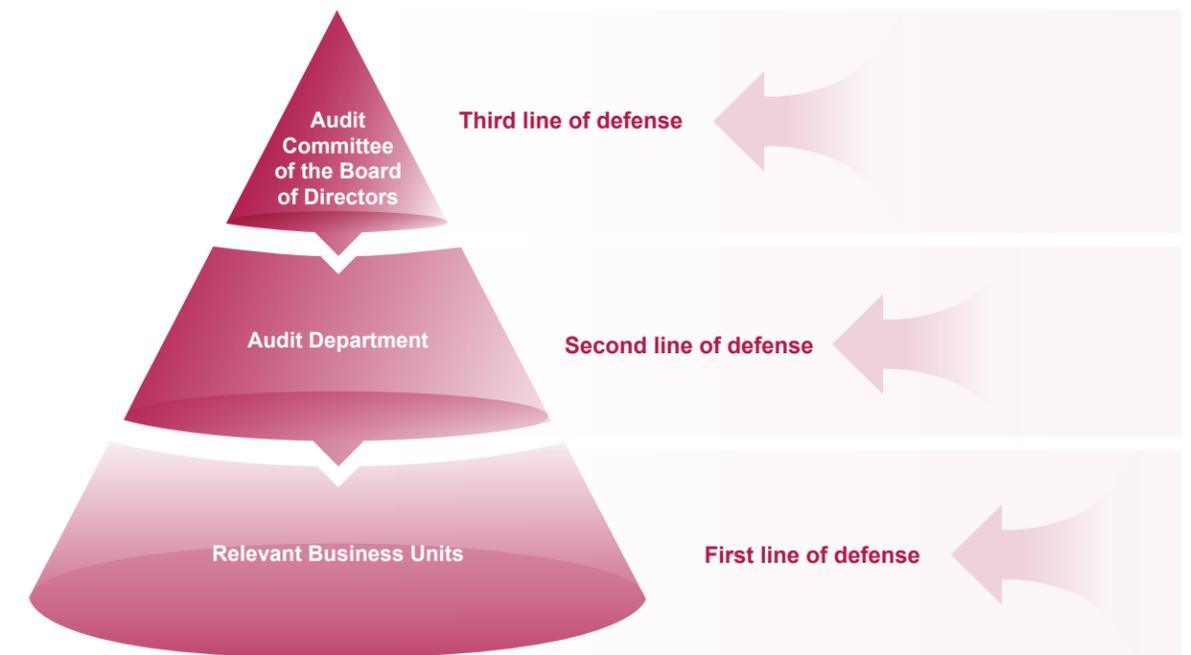
The Company has established a comprehensive anti-bribery and anti-corruption management system. The *Code of Ethical Business Conduct* explicitly prohibits bribery, kickbacks, or any form of corrupt practices, requiring employees not to directly or indirectly offer, promise, solicit, or accept any improper benefits from any individual, entity, or organization. The *Code of Ethical Business Conduct* is applicable to all directors, management personnel and employees (full-time, part-time, interns and outsourced employees) of the Company and all its subsidiaries, ensuring that integrity standards are applied across the entire business chain. We have also incorporated the anti-corruption and anti-bribery-related indicators from the *Code of Ethical Business Conduct* into the employee performance and remuneration evaluation system, further standardizing employee conduct.

The Company upholds the core values of "integrity, clarity, humility, and elegance", taking a zero-tolerance attitude towards any breach of business ethics. In the *Code of Integrity*, the Company explicitly stipulates that all employees must strictly adhere to the Code. Violation of any of its provisions will result in termination of employment.

<div style="border: 1px solid #c00000; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">1</div> <p>The First Prohibition Line Prohibition of accepting bribes, kickbacks, or soliciting bribes;</p>	<div style="border: 1px solid #c00000; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">2</div> <p>The Second Prohibition Line Prohibition of committing fraud;</p>
<div style="border: 1px solid #c00000; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">3</div> <p>The Third Prohibition Line Prohibition of misappropriating or transferring the Company's interests;</p>	<div style="border: 1px solid #c00000; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">4</div> <p>The Fourth Prohibition Line Prohibition of leaking confidential information and transferring benefits.</p>

Conducting business ethics risk assessments

To prevent business ethics risks such as bribery and corruption, G-bits has established a three-tier defense system comprising the Audit Committee of the Board of Directors, the Audit Department, and relevant business units. The system ensures the full implementation of the Company's business ethics compliance and the effective enforcement of the *Code of Ethical Business Conduct*. **The Audit Department regularly assesses and reviews compliance operations and fulfilment of the Code of Ethical Business Conduct under the guidance of the Audit Committee of the Board of Directors, and performs business ethics audits of the Company and all its subsidiaries. The Company ensures that the audit of the Code of Ethical Business Conduct covers all business areas of the Company and all its holding subsidiaries every three years.**



Three-tier defense system for business ethics and compliance management

This year, the Company conducted audits on employee conflict of interest and employee rights and interests as stipulated in the *Code of Ethical Business Conduct*, ensuring its effective enforcement.

During the Reporting Period, the Company was not involved in any lawsuits related to commercial bribery or corruption. No directors, management personnel, or employees were dismissed, disciplined, or investigated for related misconduct, nor were there any instances of contract termination or non-renewal with business partners due to commercial bribery or corruption.

Maintaining clear reporting channels

The Company has established a **comprehensive reporting process**, clearly specifying the policies for protecting whistleblowers in the *Code of Ethical Business Conduct* and the *Anti-Fraud Regulations*, ensuring the full protection of whistleblowers' legitimate rights and interests from infringement. The Company provides anonymous reporting channels and requires the Audit Department to **strictly maintain the confidentiality of the whistleblower's name, contact information, and reported matters** when investigating fraud, corruption, bribery, and other misconduct. The Company adopts a strict and severe approach to handle retaliation. For any act that infringes on the rights of whistleblowers and constitutes a violation of laws, relevant person shall be subject to prosecution for criminal responsibility. In cases of corruption or fraud that has been verified, a corresponding cash reward will be given to the whistleblower according to the company policy.



The Company has established multiple public reporting channels, including telephone, email, postal mail, and the Intranet. We encourage both internal and external parties to report any violations of laws, regulations, company policies, or rules to the Audit Department, either openly or anonymously. This aims to promote compliant operations and safeguard a fair and just business environment.

✉ E-mail for reporting: jubao@g-bits.com
 ☎ Tel. for reporting: +86 182 5071 2733
 📬 Mailing address: Audit Department of G-bits Building, No. 4 Wanghai Road, Software Park Phase II, Siming District, Xiamen



Online report platform

Enhancing integrity awareness

To further enhance employees' integrity awareness and foster a corporate culture of honesty and fairness, we continue to advance business ethics advocacy and compliance management, ensuring that employees fully understand and adhere to the Company's integrity and compliance requirements.

Improving management mechanisms for conflicts of interest

This year, the Company established a platform for employees to report and manage conflicts of interest, and developed the *Reporting Guidelines for Conflicts of Interest* to ensure a clear understanding of the concept of conflicts of interest and the reporting requirements.

Advancing integrity culture advocacy

The Company regularly delivers integrity and compliance promotion content to all employees, including integrity promotion emails during festivals and International Anti-Corruption Day awareness emails. These initiatives aim to enhance employees' awareness of ethical business practices, anti-fraud, anti-bribery, and anti-corruption measures. The Company also conducts business ethics training for all new employees. After the training, employees will be assessed to ensure that they are well informed of the Company's current policies on business ethics.

During the year, the Company's business ethics training covered all directors, management personnel³, and all employees, including full-time and part-time employees, interns, and outsourced employees.

³ Management personnel refers to employees holding managerial responsibilities across the Company's business lines and functional departments, including supervisors at all levels, department managers, and those in higher management positions.

Building an integrity-driven supply chain

The Company places a strong emphasis on the integrity and ethical performance of suppliers, striving to build a transparent, open, and compliant supply chain. The Company requires all suppliers and other business partners to strictly comply with the integrity system when providing goods and services to the Company or acting on behalf of the Company. These efforts ensure that all collaborations meet high standards of business ethics and compliance. If any violations of the relevant policies are identified, the Company will immediately terminate the partnership and blacklist the relevant entity as a supplier, permanently ending the partnership to maintain a fair and just business environment.

To ensure integrity and fairness in cooperation with suppliers, **the Company includes integrity clauses in all contracts and specifies reporting channels for commercial bribery.** Fraud, bribery, corruption and other forms of ethical misconduct are strictly prohibited. Suppliers are prohibited from giving or offering gifts, items or kickbacks, or taking or attempting to take any other disguised action, directly, indirectly or under any guise, to provide improper benefits to our employees. Suppliers are also encouraged to report any breaches of integrity by our employees using the Company's reporting channels.

We have a unified supplier admission standard, which stipulates specific onboarding requirements for different suppliers. Apart from qualification and competence, we also assess suppliers' performance in business ethics and integrity. Supplier candidates who apply for the entry into the resource library must read the *Code of Integrity* before submitting qualification materials for review. While those included in the resource library will be notified of integrity cooperation by letter on an annual basis. **This year, the Code of Integrity was read over 1,300 times, and more**

than 3,400 letters were sent, with all our suppliers participating in the business ethics training.

This year, the Company's Audit Department conducted audits focusing on conflicts of interest, gifts, gratuities and hospitality, and anti-corruption and anti-bribery. Specifically, the Company reviewed the employment histories of certain procurement staff to verify that they had no potential conflicts of interest. Furthermore, through a sampling approach, the Company also reviewed whether employees involved in procurement and operations had improperly accepted gratuities from partners or clients, and examined the entire process of inquiries and price comparisons for any signs of fraudulent practices.

As a member of the Trust and Integrity Enterprise Alliance, G-bits actively participates in training and industry exchange meetings organized by the Alliance. This year, we participated in four such events. G-bits continues to learn from external anti-corruption governance and audit experiences, improving its integrity culture and anti-fraud system while optimizing internal control systems and processes to create a fair and transparent business environment.



This year, the Code of Integrity was read more than

1,300 times



A total of more than

3,400 letters notified of integrity cooperation were sent

Combating unfair competition

G-bits rigorously complies with anti-unfair competition laws and regulations in all jurisdictions where it operates, including but not limited to the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Monopoly Law of the People's Republic of China*. In all business dealings, the Company is committed to principles of fair trade, mutual trust, openness, and win-win cooperation, aiming to foster a fair, transparent, and sustainable market environment for competition. G-bits has established a management system to prevent unfair competition, with a focus on compliance-driven operations. The Company continuously refines the internal compliance mechanism to ensure that all business activities align with regulatory requirements.

We strictly prohibit false advertising, monopolizing, trade secret infringements, and other unethical behaviors. Our *Code of Ethical Business Conduct* explicitly requires employees to respect the legal rights and interests of users, suppliers, and competitors, comply with the principles of fair trade in all business activities, and refrain from gaining competitive advantages through unethical or illegal means.

This year, the Company did not encounter any lawsuits or significant administrative penalties arising from unfair competition practices.



Product and Service Empowerment **IV**

G-bits strives to improve product quality. We are committed to creating high quality products and services and to integrating the concept of sustainable development into the entire life cycle of our offerings. Through quality improvement, intelligent operation and technological innovation, the Company continuously optimizes the user experience to enhance product competitiveness, thereby creating long-term corporate value.

- [Developing high-quality products](#)
- [Upholding innovation-driven development](#)

Developing high-quality products

G-bits always places great emphasis on product quality, striving to provide users with high-quality games that offer an enjoyable game experience. The Company reinforces content governance to ensure the positive impact of game content on players, so as to effectively safeguard the physical and mental well-being of minors. Keeping up with cultural confidence, we strive to enrich our games with culture. To this end, we integrate Chinese culture into the game design, to present the unique charm and profoundness of Chinese culture to the digital entertainment industry and players worldwide. We also prioritize production quality by improving various aspects of our game development process. We actively respond to player feedback and make every effort to protect user rights, so as to gain higher user satisfaction. During the Reporting Period, the Company did not experience any major safety or quality incidents related to our products and services.

Promoting Chinese traditional culture with culturally enriched games

At G-bits, we are deeply aware that Chinese culture serves as the bedrock of the nation's development, and actively promoting traditional culture is a responsibility of every enterprise. To honor this commitment, we have developed games such as *AskTao* (PC), *AskTao Mobile*, *YiNian XiaoYao* and *Immortal Sword*, seamlessly integrating traditional cultural elements into game design and development. Our goal is to show the unique characteristics of Chinese cultural heritage. Cultures are preserved and innovated as players are immersed in a rich cultural atmosphere during their gameplay.

Celebrating the new year with a renowned calligrapher and painter

As part of *AskTao Mobile*'s events, we invited Master Zhou Zhenbang, a distinguished Chinese calligrapher and painter and one of the "Top 100 Meritorious Artists of the Republic", to write blessings for players for the new year. This not only showcases the unique charm of traditional calligraphy but also allows players to feel the warmth and beauty of the new year.



Master Zhou Zhenbang, a calligrapher and painter, writing new year blessings for players

Crafting a celadon trophy with an inheritor of intangible cultural heritage

To preserve and innovate intangible cultural heritage, we invited Master Huang Shunming, an inheritor of Longquan Celadon craftsmanship, to design a customized Longquan celadon porcelain trophy for the Celebrity Championship of *AskTao Mobile*. The trophy draws inspiration from the Zuo Bo Gui, the earliest known sports trophy dating back to the Western Zhou Dynasty (circa 3,000 years ago). Besides, the trophy is decorated with coiled dragon patterns, a traditional Chinese decorative motif, which is creatively integrated with the official insignia of the Celebrity Championship, embodying both aesthetic elegance and cultural significance. In terms of the crafting process, Master Huang Shunming meticulously adhered to the traditional firing techniques of Longquan Celadon. The trophy underwent 72 intricate steps to ensure its exceptional quality and artistic value.



Design draft of the trophy for Celebrity Championship



The coiled dragon pattern on the trophy

Lighting up Zhanqi fish-shaped lanterns to celebrate folk traditions

The fish-shaped lanterns crafted in Zhanqi Village, Anhui Province, symbolize the longing for reunion and companionship. With a history spanning over 800 years, they have become a distinctive component of China's intangible cultural heritage. In December 2024, we collaborated with the traditional fish-shaped lantern culture of Zhanqi Village to launch a limited-edition fish-shaped lantern outfit in *AskTao Mobile*. We also hosted a New Year Fish-Shaped Lantern Festival in the game. Players could team up to participate in a Koi Parade on fish-shaped lanterns, sharing the festive atmosphere and experiencing the unique charm of traditional folk culture with their in-game friends.



The fish-shaped lantern festival for reunion and companionship



The fish-shaped lantern outfit in the game of *AskTao Mobile*

Preserving traditional culture through intangible cultural heritage promotion projects

In 2024, *YiNian XiaoYao* continued the cultural publicity project of "Protecting and Inheriting", dedicated to promoting traditional intangible culture heritage projects into daily life. This year, we successfully organized various intangible cultural heritage promotion events, promoting the Fire Dragon Steel Flower, the dragon head crafting, the Nuo culture and the mortise-and-tenon craftsmanship. In the future, *YiNian XiaoYao* will continue to integrate intangible culture heritage into game, allowing more young people to understand and appreciate traditional culture.

Protecting and inheriting - the Fire Dragon Steel Flower



The fire dragon dance

"Fire Dragon Steel Flower" is one of China's first intangible cultural heritage projects. Beneath a dazzling cascade of molten iron sparks reaching 1,600°C, dragon dance performers move gracefully, bringing the magnificent spectacle of the "fire dragon" to life. To celebrate the third anniversary of *YiNian XiaoYao*, we invited players to visit Tongliang, Chongqing — the birthplace of the "Fire Dragon Steel Flower". With the guidance of Master Huang Tingyan, a nationally recognized inheritor of the dragon dance, players personally experienced the art of dragon dance and immersed themselves in the mesmerizing tradition of molten iron fireworks.

Protecting and inheriting - the dragon head crafting



Creating the dragon head framework with the inheritor of Caizha

We invited players to visit Master Cao Shengqiong, a city-level inheritor of Caizha (a kind of paper artwork), to learn about the intricate techniques behind this craft. Players took part in creating the framework of a dragon head. By practicing material selection, cutting, weaving, and assembling, the participants learned of the stringency and craftsmanship required to preserve the intangible cultural heritage.

Protecting and inheriting - the Nuo culture



Handcrafting the Nuo Opera mask

Drawing inspiration from the Nuo culture, we collaborated with Master Wang Rubin, an inheritor of Enshi Nuo Opera mask-making, to hand-carve a custom Nuo Opera mask avatar.

Nuo dance is an artistic expression of divine power and spiritual strength. We invited traditional Chinese dance performer Qisan 73 to create a dance performance, which was guided by Master Ye Shijun, an inheritor of Nuo Opera. This cross-disciplinary collaboration blended traditional Nuo Opera dance with contemporary elements, breathing new life into Nuo culture while introducing the ancient Chinese cultural tradition to more people through our game.

Protecting and inheriting - the mortise-and-tenon craftsmanship



The mortise-and-tenon craftsmanship of Qingxu Temple in the game of *YiNian XiaoYao*

To promote the intangible cultural heritage of the mortise-and-tenon craftsmanship, *YiNian XiaoYao* collaborated with Master Liu Wenhui, an inheritor of China's ancient architectural mortise-and-tenon techniques. Together, we recreated Qingxu Temple, an in-game Taoist temple, as a wooden building block model using traditional mortise-and-tenon methods. These handcrafted Qingxu Temple building blocks were offered as anniversary celebration products, attracting more people to explore the art of mortise-and-tenon craftsmanship and appreciate the beauty of classical Chinese architecture.

Listening to users' voices and enhancing user experience

Focusing on user experience in depth, the Company establishes a comprehensive communication mechanism to listen to players' feedback, collect their opinions, and respond to their needs. This initiative ensures that user needs are fully attended to and effectively responded to.

Focusing on user experience

The Company has always adhered to the concept of "Serve as the Official Companion by the User's Side, Creating an Exceptional Service Experience", and is committed to providing professional and efficient services. This year, the Company organized a number of face-to-face communication activities and offline competitions to engage with players in-depth about the current status of the products, collect feedback, and listen to their voices. Based on the feedback from players, we continue to refine our products, striving to improve the game quality and user satisfaction in all aspects.

Case The face-to-face gathering of AskTao Mobile

In June 2024, AskTao Mobile organized 2024 face-to-face gathering. During the event, players engaged in in-depth and lively discussions with the official development planning team and operation team of the game on topics such as faction battle gameplay and experience optimization for account upgrades. We iterated and optimized the game planning and performance according to suggestions from players.



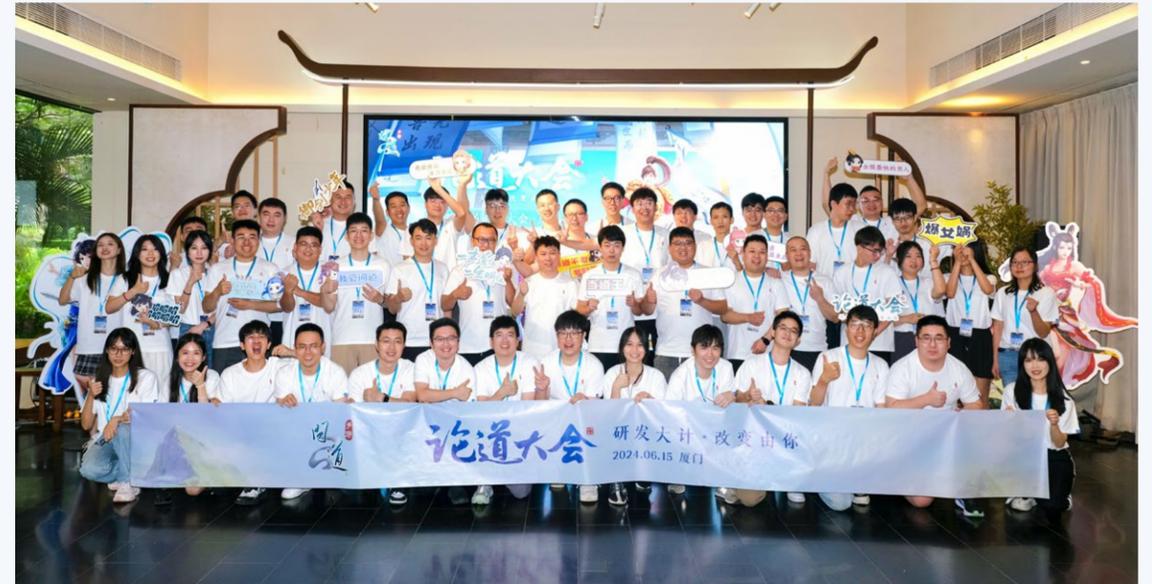
Discussion site



Group photo

Case The AskTao Mobile conference

On June 15, 2024, the annual AskTao Mobile conference was held as scheduled in Xiamen, gathering players and the development team to discuss game R&D plans and optimization directions. The conference bridged players and developers for in-depth communication, enabling the Company to better understand player needs and optimize game design, continually enhancing the overall game experience.



Group photo of AskTao Mobile conference

Case National competition of AskTao Mobile

On December 14, 2024, the annual national competition of AskTao Mobile concluded successfully. Player teams progressed through multiple rounds of auditions and elimination matches, with the top-performing teams competing in the offline finals. The competition not only provides players with a diverse combat experience but also offered a platform for in-depth interaction between players and the project team.



Champion team holding the trophy



Group photo of the competition

User communication and services

In order to respond to the needs of the players in time and ensure the high quality of the game experience, the Company has established internal user service systems such as *Leiting Customer Service Group Specification*, *Leiting Customer Service Review System* and *Quality Inspection Work Mechanism*. In the design and establishment process of the user service system, the Company has strictly followed the COPC⁴ standard, striving to provide diverse communication channels and high-quality services.

Attaching great importance to communication with users, the Company has established diverse complaint channels, such as online interaction, work ticket handling, hotlines, and reception for user visits to easily voice their opinions and suggestions. We have also built a complaint handling platform, aiming to provide users with a convenient and efficient complaint channel. To further refine customer service management, the Company regularly conducts in-depth analysis of user complaint data, examining aspects like complaint types, frequency, geographic distribution, and user groups. This move can identify weak links in products and services accurately, and assist in continuous product improvement and innovation, thereby lifting the Company's products and services to a higher level. **This year, the Customer Service Department handled 1,013 valid complaints⁵, all of which were properly resolved.**

In order to further improve the quality of customer service, the Company has established a service quality inspection mechanism to analyze, guide, follow up and check the defects and areas for optimization found in the inspection process, thus forming a closed-loop management of user services. The Company also cooperates with the Operation Department to conduct multiple rounds of game ecosystem research and special update research with users. This move helps us to optimize products.

In addition, we conduct regular training for customer service personnel and hold monthly service case meetings to share typical, common, and outstanding cases. Through this, we set user service optimization goals and elevate the team's service proficiency.

Ensuring production quality and innovating high-quality games

The Company has established a robust quality management system for game production. By implementing mechanisms to ensure clear internal quality control standards, the Company continues to provide users with high quality products and enhance the game experience.

To ensure the stability, smoothness, and security of game products, the Company conducts quality reviews at multiple stages, including pre-launch, development, and testing, through close collaboration between the R&D, operations, and technology teams. For products that do not meet the required standards, we implement timely rectifications to ensure high-quality and on-time releases.

We are committed to improving game quality across multiple dimensions. In terms of gameplay, we continuously innovate game events, level design, and gameplay mechanics. For visuals, we strive for high standards in art quality, model precision, motion smoothness, and UI design. In the audio dimension, we focus on enhancing immersion through sound effects, voice acting, and music. At the same time, we drive technological innovation through ongoing training programs, such as game rendering techniques, AI-drawing applications, and performance optimization, ensuring an enhanced game experience for players.

AskTao Mobile has received multiple industry accolades, including the **"Sixth China Excellent Publication Award (Audio-Visual and Electronic Games Category)"** from the China Publishing Association. It has also been recognized as one of the **"Top 10 Most Popular Original Mobile Games of the Year"** in the China Game Industry Annual Conference. *YiNian XiaoYao* has been nominated for **"Top 10 Excellent Creative Games"** and **"Top 10 Outstanding Emerging Games"** by the China Audio-Visual and Digital Publishing Association. It has also won the **"Best Mobile Game Production Award"** at the Fifteenth CGDA Excellent Game Producer Competition.

⁴ COPC (Customer Operations Performance Center) is a global business management and certification standard designed to help organizations deliver superior user service and operational performance.

⁵ Valid complaints are those actually handled, excluding repeated complaints and complaints where the complainant cannot be contacted.

Upholding innovation-driven development

With a further focus on innovation and R&D, G-bits actively explores the frontiers of technology and establishes a robust R&D and innovation management system to drive the development of new quality productive forces. We are committed to strengthening intellectual property protection, and ensuring the security and compliance of technology application, thereby providing a solid foundation for the sustainable growth of the enterprise.



This year, the amount of R&D investment and the proportion of operating revenue reached

20.50%

the number of R&D personnel was

919

accounting for

62.95% of the total number of employees

Exploring technological frontiers

Placing technological innovation at the heart of driving force, G-bits continuously refines its R&D management system, and makes forward-looking arrangements for cutting-edge technologies to promote the development of new quality productive forces.

Establishing R&D and innovation management systems

The Company highly values the key role of technological innovation in sustainable development. We have established a sound technological innovation management system to ensure that R&D activities are in line with corporate governance requirements and industry standards for sustainable development, providing system safeguards for the efficient advancement of R&D.

Under the leadership of the Chairman and General Manager, the Head of R&D Business collaborates to guide and coordinate various aspects of game R&D, ensuring seamless integration between project teams and the R&D platform.

As the core unit of game development, project teams are responsible for the entire product development process, from concept creation to final launch, as well as ongoing version updates and optimizations. The R&D platform provides comprehensive support to project teams in areas such as technical development, artistic design, audio production, and product testing. Through optimized resource allocation and cross-departmental collaboration, we ensure that project teams can operate efficiently while continuously enhancing overall R&D effectiveness.

The Company has established a systematic reporting mechanism, under which product producers and business line heads regularly report to the Chairman and General Manager on business progress, ensuring the effective execution of R&D management. Meanwhile, the Company continues to increase R&D investment and drive sustained technological innovation through diversified approaches, ensuring the high-quality implementation of innovative outcomes.

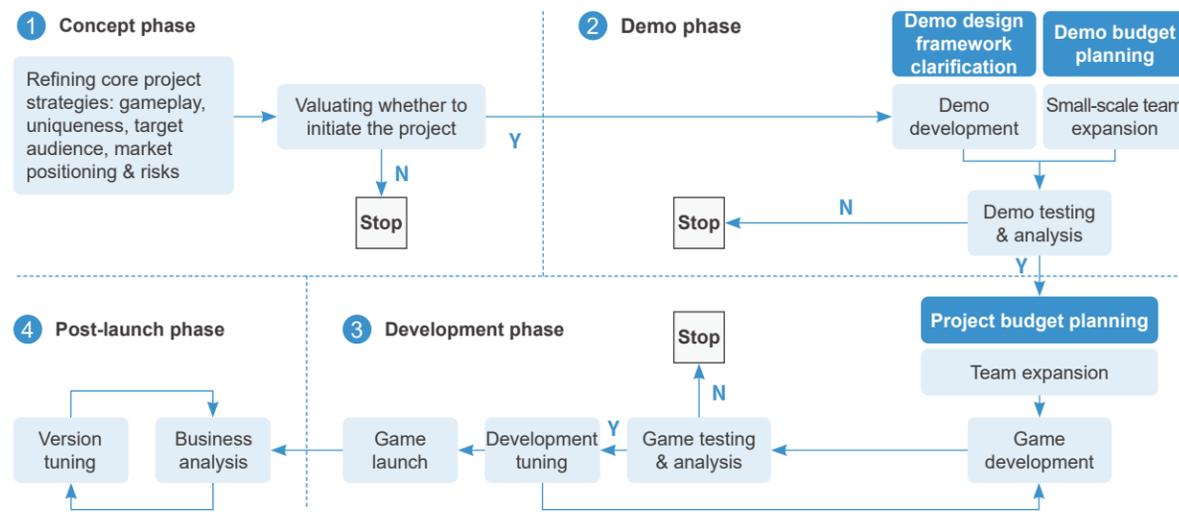
Strengthening new quality productive forces

As a seasoned player in the game industry, G-bits has consistently focused on cutting-edge technology trends and continuously optimized the R&D system. The Company has adopted a series of effective management measures to ensure its competitiveness in the rapidly changing market environment and to continuously drive the enhancement of new quality productive forces. This has laid a solid foundation for the long-term and stable development of the Company and the industry.

Innovative R&D strategy - "Minimum Viable Product (MVP) Approach"

G-bits attaches great importance to product innovation and strives to create high-quality games that are both engaging and commercially successful. The Company adopts the innovative R&D strategy - "MVP Approach". In the early stages, producers must clearly define the project's core concept, including key elements such as core gameplay, uniqueness, target audience, market positioning, and potential risks. Once the project passes the evaluation, a prototype is quickly developed based on the creative concept and undergoes user testing to validate the core gameplay. Throughout the development process, the team continuously iterates and optimizes at a high frequency, leveraging test results to conduct precise user feedback analysis and promptly address issues to enhance development efficiency. **The "MVP Approach" model effectively helps the Company steer product direction, avoid ineffective investments, and ensure that validated core gameplay, art assets, and monetization mechanisms are seamlessly integrated.**

Under the "MVP Approach" strategy, the operations team works closely with the R&D team, conducting multiple rounds of testing and analysis to gain in-depth insights into market trends and user characteristics. This collaboration enables the development of customized publishing strategies, effectively reducing publishing risks and costs.



Exploring technological frontiers

The Company is actively exploring the application of AI technology in game R&D to continuously improve R&D productivity. In 2023, the Company established the AIWebHub platform, integrating various commonly used AI drawing tools and models to promote the application of AI drawing in game development. In 2024, the Company optimized the platform based on user feedback, improving underlying algorithms and the model training process to enhanced both its usability and efficiency. By leveraging AIGC and other cutting-edge technologies in game art, the Company has effectively reduced content production time and resource consumption. While ensuring high-quality output, these advancements have also significantly enhanced artistic productivity and overall operational efficiency.

Deepening cloud computing applications

Cloud computing is reshaping the production mode of the game industry. G-bits enhances the utilization of computing resources through cloud storage and computing optimization technologies, thus improving the stability and flexibility of game services.

Cloud storage optimization: Reduces local hardware dependency, minimizes energy consumption during data transmission, and improve the efficiency of resource utilization, thus providing technical support for sustainable development.

Intelligent computing scheduling: Dynamically adjust computing resources according to business needs, and improve server utilization, thus reducing energy waste caused by idle computing power.

In the future, G-bits will continue to advance technological innovation. Leveraging the application of AI and other cutting-edge technologies in game R&D and operations, we will enhance our technical capabilities and product quality.

Protecting intellectual property

The Company strictly complies with the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China* and other relevant laws and regulations. In addition, the Company formulates the *Administrative System for Intellectual Property*, the *Administrative Measures for Copyright*, the *Administrative Measures for Patent*, the *Administrative Measures for Trademark*, the *Administrative Measures for Domain Name* and other internal policies. By building a comprehensive intellectual property management system and standardizing the management of intellectual property protection, the Company ensures all-round protection for products. The Company's proactive practices in the intellectual property protection and transformation of innovative achievements have gained external recognition. **We have been awarded the title of "National Intellectual Property Advantageous Enterprise" by China National Intellectual Property Administration.**

In terms of the prevention of infringement upon others' intellectual property rights, the Company has implemented a *Business Compliance Self-Inspection Checklist*, strengthening the compliance risk assessments for game content and promotional materials, including fonts, images, music, and artwork.

In terms of safeguarding its intellectual property rights against infringement, the Company continuously enhances its monitoring capabilities and has established an independent monitoring network for the whole platform. Additionally, the Company conducts infringement investigation through the monitoring system, promptly discovers infringement acts, requests infringers to stop infringement by means of sending letters, warnings, complaints and so on, shortens the handling cycle of infringement, removes infringing materials and products in an expedited manner.

The Company makes continuing efforts to protect intellectual property rights and crack down on infringement. The Company carried out a number of special actions to "combat intellectual property rights infringement", cracked down on the infringement of intellectual property rights such as gaming private servers, cheats, trademark infringement, software copyright infringement, phishing websites, etc. A variety of measures have been taken to protect the intellectual property rights of the Company's products.

The Company encourages continuous innovation among its employees and is committed to increasing investment in research and development. During the Reporting Period, the Company obtained 4 new patent authorizations. As of the end of the Reporting Period, the Company has secured 20 invention patents, all of which were applied to its main business. At the same time, the Company continues to accumulate intellectual property in the fields of software and cultural creation. We have obtained a total of 446 copyrights, including 358 software copyrights, 60 art copyrights, 8 music copyrights, 7 literary copyrights, 11 sound recording copyrights, and 2 copyrights for works created in a manner similar to film production.



As of the end of the Reporting Period, the Company has secured

20 invention patents



We have obtained a total of

446 copyrights

Practicing ethics in science and technology

Adhering to the concept of technology for good, the Company strictly complies with ethical standards in cutting-edge technologies such as AI and big data to ensure compliance and social responsibility in technology application.

The Company remains committed to ethical issues in science and technology, enhancing compliance management of technology application to mitigate potential risks. In fields such as AI drawing and game content generation, the Company rigorously upholds ethical principles of fairness, justice, and reasonableness while strictly enforces data compliance requirements to safeguard user information.

Additionally, the Company irregularly conducts training and educational programs on ethics in science and technology. Through diverse channels, knowledge on ethics in science and technology is shared, and employee awareness of ethics and compliance in the application of technology is continuously enhanced.

This year, the Company strictly observed the principles of ethics in science and technology and did not experience any violation of such ethics.



Data Ecosystem Protection V

G-bits is fully aware of the importance of data security and customer privacy protection for a game company. The Company strengthens data protection capacity in the full life cycle of data and at all stages of the product development, continuously improves data security management mechanism, strengthens risk prevention and contingency measures, and protects user data and privacy. During the Reporting Period, the Company did not experience any negative incidents such as data security or leakage of customer privacy.

- [Development of data security system](#)
- [Data lifecycle management](#)
- [Safeguarding the healthy content ecosystem](#)

Development of data security system

Strictly observing the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Security Protection Requirements for Key Information Infrastructure of Information Security Technology*, the *Guidelines for Filing Standard Contracts for Cross-border Transfer of Personal Information*, and other laws and regulations, G-bits has developed a comprehensive data security and user privacy protection management system. The Company has formulated and continuously updated policies covering all relevant business lines, including the *Data Security Management Measures*, the *Management Measures of Personal Information Protection*, the *Network Information Security Management System and Technical Protection Measures*, the *User Information Security Management System*, the *License and User Agreement for Leiting Games*, and the *Website and Network Security Prevention Measures*. These policies clearly define the rules for collecting, processing and protecting users' personal information, and lay institutional grounds for pre-event prevention, in-event monitoring and post-event follow-up.

The Company has established a dedicated cybersecurity leadership team led by the Chairman and General Manager.

This team is responsible for overseeing and making strategic decisions on the Company's data security and privacy protection, ensuring that all operational practices comply with domestic and international regulatory requirements. The Company adopts a tiered management model. Under this model, departments such as the Security Department, the Technology Platform Department, and the Information Technology Center perform their respective duties, and the safety and quality center, customer service team and legal team work in close collaboration to build a full-chain security management system. This ensures that the Company operates in a legal and compliant manner. The Company strengthens the implementation of data security responsibilities of the team through a performance appraisal mechanism, promoting standardized security management. The Company possesses extensive industry background and professional qualifications in data security and customer privacy protection. The Chairman and General Manager has been deeply engaged in the game industry for many years, ensuring a systematic approach to security management from strategic decision-making to execution. **Team members hold authoritative certifications in the security field, such as Certified Information Security Professional (CISP), Certified Information Security Assurance Worker (CISAW), Certified for Information System Security Professional (CISSP), Certified Cyber Security Response Professional (CCSRP), Certified Information Security Professional - Penetration Test Engineer (CISP - PTE), and ISO 27001 Information Security Management System Auditor.**

The Company has established an emergency event reporting mechanism to ensure that in case of any data security incidents (such as a hacker attack or data leak), employees can report to the Board of Directors and relevant departments in a timely manner. Thus, they can initiate a cross-departmental emergency response and formulate remedial measures quickly to minimize data security risks.

Data lifecycle management

The Company continues to improve the data lifecycle management system. By improving the management mechanism, conducting dynamic monitoring, and fostering employees' awareness of data security, the Company ensures the security and compliance of data collection, storage, usage, and destruction.

Data security lines of defense

For network security, G-bits has developed the *Management Measures of Personal Information Protection*, the *Data Security Protection Management Policy*, the *Data Classification and Grading Policy*, the *Data Security Management Measures*, the *Data Collection Security Management Policy*, the *Data Storage Security Management Policy*, and other internal regulations. These regulations collectively form a comprehensive data security compliance system, ensuring that user data is protected throughout the lifecycle.

The Company **has established a security protection system that encompasses key areas such as data security compliance management, risk prevention and control, and player privacy protection. Additionally, the Company has built up three lines of defense to ensure the standardization of data management policies and processes, safeguarding the of user privacy and data security.**

The first line of defense, "defense-in-depth system in layers"



The Company has formulated appropriate management and technical solutions for the network, host and application systems, respectively, such as physically isolating the core network segments from other networks, deploying self-developed intrusion detection system for periodic security scanning and baseline checks, strictly controlling access by third-party applications, and adopting WAF (Web Application Firewall), anti-DDoS (Distributed Denial of Service Attack) and other measures to reinforce security protection for the Company's systems.

The second line of defense, "security monitoring and attack/defense drills"



The self-developed security inspection system regularly and automatically scans the vulnerabilities in Company's business systems, shortening the time for detecting security vulnerabilities. Additionally, we conduct regular penetration tests and organize company-wide network security drills, including phishing emails, network attack & defense simulations, to effectively raise all employees' awareness and capabilities of data security.

The third line of defense, "security test and audit"



We regularly organize security tests and audits for supervising the implementation of security measures at all stages. The Audit Department conducts special audits to effectively supervise and check the effectiveness of the first and second lines of defense and urges timely rectification for detected problems. This ensures the continuous improvement and effective operation of the data security management system.

Building a holistic data security framework

The Company classifies and manages data based on its type and importance, developing dedicated security strategies to ensure data security throughout its lifecycle. For game operations, data such as players' personal information and business-related data is encrypted, while office and operational data, including game code and general office data, is strictly controlled through authorization management. Additionally, core project code is restricted to the R&D network's production environment, minimizing potential security risks. Meanwhile, the Company continuously enhances security management across all stages, including data collection, transmission, processing, storage, usage, and destruction, to ensure compliance and data integrity.

Data Collection

The Company rigorously adheres to the *Information Security Technology - Basic Requirements for Collecting Personal Information in Mobile Internet Applications (Apps)(GB/T 41391-2022)* to ensure compliant and transparent data collection. In addition, any unnecessary data collection is strictly prohibited. **Before collecting user privacy data, clear notification shall be provided, specifying the data type, purpose, and destruction method. Additionally, users are granted the right to independently access, modify, or delete their personal information.** Adhering to the principle of collecting user information on a legal, open and minimal basis, the Company minimizes the data collection and storage.

Data Transmission

The Company **has deployed anti-DDos servers⁶, WAF(Web Application Firewall) and traffic monitoring system** to identify and intercept abnormal traffic and prevent hacking in real time. The Company ensures data safety, intactness and confidentiality by **encrypting the transmission channels and restricting accesses.**

Data Processing

The Company always desensitizes users' personal information, strictly limits the usage of users' information, and collectively archives it after use. To better ensure the security of data processing, the Company has set up role-based limits according to the actual business, maximizing the security of private data. **For instance, the R&D personnel in charge of coding encryption and decryption programs are denied direct access to the encrypted database, the key to which is kept by the O&M personnel.**

Data Storage

Taking seriously the encrypted storage of sensitive personal information and access control, the Company adopts different storage strategies for different information based on types and privacy levels, continuously enhancing its capabilities in encrypted storage, data backup and recovery. To better encrypt and store user data, the Company **has adopted the secure encryption algorithm and the key mechanism. The encryption algorithm and keys are managed separately by different departments to ensure that the data cannot be decrypted and analyzed by any single party.**

The Company discloses the purpose and method of the using user's personal information in the user privacy policy, limits the use to the scope necessary for the operation of the product, and obtains the consent of the player. At the same time, the internal personnel of the Company must comply with the relevant rules when accessing data, as follows:

-  Strictly controlling the access and analysis of plaintext data, and performing secondary encryption or obfuscation process to reduce the identifiability of the data;
-  Restricting data access and keeping records of data access and data manipulation;
-  Restricting the data to internal use only. All data should be encrypted and stored in the database to realize the separation between code and production environment;
-  Setting up role-based limits to restrain the R&D personnel from accessing online databases, so as to separate data logic from the key;
-  Requiring approval from the superior leader for all internal transmission of sensitive data.

Data Destruction

The Company has established a strict data destruction process in line with regulations. We conduct regular checks and destroy, or anonymize expired data, securing the holistic approach for data security management, and effectively eliminating residual risks.

⁶ Anti-DDos servers are servers designed with strong capability to prevent and mitigate DDoS (Distributed Denial of Service Attacks). These servers mainly help protect against traffic-based attacks, CC (Challenge Collapsar) attacks, and other malicious network attacks, ensuring the stable operation of the servers and the data security.

Data security monitoring and improvement

G-bits firmly believes that robust data monitoring serves as a cornerstone for ensuring data security and safeguarding personal information. Through compliance inspection, internal and external security audits, risk prevention and contingency plans, a healthy and safe data environment has been established within G-bits with security risks prominently lowered.

Specific compliance inspections

To better consolidate users' data security, the Company has employed a third party for the on-site specific audit. The party conducted a comprehensive inspection on aspects such as code scanning, interface vulnerabilities, and data storage security, and promoted risk rectification. Furthermore, the Company regularly conducts security reviews of its suppliers and pays attention to the results of compliance audits to ensure alignment with the contracts and regulatory requirements.

Internal and external security audits

To effectively and promptly identify data security risks and evaluate the effectiveness of the data security management system, **the Company conducts internal data security audits on an annual basis**, and drives the rectification of identified vulnerabilities. In addition, the Company engages third-party institutions to conduct comprehensive evaluations of its security environment and network boundaries, and continuously optimizes the security management system by benchmarking industry standards. **During the Reporting Period, the core information systems of the Company and its subsidiaries have been archived as the third level of protection of the information system security.**



Risk prevention and contingency plans

The Company has established the *Network and Information Security Plan* to enhance the emergency management of unexpected incidents. We have clarified the responsibilities for risk responses, guaranteeing the stable operation of information systems. The Company also requires all departments to complete periodical off-site and off-host backup. Core user data is encrypted and backed up in both primary and secondary data centers, and then synchronized to remote cloud databases, preventing data loss.

All system maintenance operations are required to be conducted through a bastion host, with multi-factor authentication adopted to ensure the authenticity of users' identities. The bastion host keeps log records and audit logging for users' activities, preventing tampering or deletion, to support post-incident security analysis and event tracing.

Supplier data security management

For the information security management of suppliers, the Company has formulated the *Management Measures for Third Party Network and Information Security*, and has established a supervision and management mechanism for supplier data security risks. We only provide suppliers with data within the contractual purpose and scope, supervise their reasonable use of data, and incorporate data security management requirements into supplier admission, cooperation, audit, and withdrawal processes, so as to strengthen the security, availability and confidentiality of suppliers' data services.

We require that all providers of cloud products and network data resource services obtain certifications such as ISO9001, ISO20000, ISO27001, or TL9000. Additionally, venue suppliers involved in data center operations must hold CQC⁷ certification, ensuring the security and compliance of our infrastructure.

⁷ CQC certification is a voluntary product certification implemented by the China Quality Certification Center (CQC). It aims to indicate that products meet relevant quality, safety, performance, and electromagnetic compatibility certification requirements through the application of the CQC mark.



Development of data security awareness

The Company conducts security training for employees at different stages and in different positions to continuously strengthen the data security awareness of all employees. For new employees, the Company disseminates information security awareness through promotional emails, utilizing scenario-based comics and security principles to popularize security knowledge. For all employees, the Company has launched "Information Security Awareness Training" video courses on its internal online learning platform, making learning available anytime and anywhere.

The Company regularly conducts data security training and encourages employees to engage in external training. **During the Reporting Period, the security department independently organized 10 technical training sessions, covering topics such as coding security and business operation security.** Additionally, the Company regularly conducts information security awareness campaigns to ensure that security awareness is integrated into daily work.

The Company always focuses on optimizing the data security and customer privacy protection management system and cultivating relevant talents. We independently research and develop personal information security testing platform and regularly participate in professional training organized by the Ministry of Industry and Information Technology and the Telecommunication Terminal Industry Association to ensure that the data security management system always aligns with the latest industry standards. At the same time, the Company has established a regular security training model, conducting regular security drills, professional skills training, and simulated penetration testing to strengthen the team's practical experience in data security strategy implementation, risk control, and response capabilities. Under the dual guarantee of technological innovation and professional training, the Company maintains the stable operation of the data security system, providing strong support for the sustainable development strategy.

Safeguarding the healthy content ecosystem

At G-bits, we are committed to compliant operations and fulfilling our corporate social responsibility to promote the healthy and sustainable growth of the cultural industry. The Company strictly adheres to relevant laws and regulations. We have established a sound review mechanism for content compliance, strengthened measures for minor protection, and optimized the game ecosystem. Through a multi-tiered governance approach, we provide users with a healthy game environment.

Game content review

Adhering to the philosophy of operation compliance, the Company strictly complies with the *Provisions on the Administration of Online Publishing Services*, the *Notice on the Administration of Mobile Game Publishing Services*, the *Provisions on Ecological Governance of Network Information Content*, and other laws and regulations. In addition, to ensure the safety of and control over product content, **we have established a comprehensive game content review system and implemented several internal policies, including the Content Editing and Review System, the Online Editing and Content Self-Review System, and the Game Operation and Content Self-Review System, covering the entire lifecycle of both R&D and operational products.** In addition, being an active party to the *Convention on Anti-addiction and Self-discipline of the Online Game Industry*, the Company fully embraces self-discipline principles. We implement stringent content controls across game development and operations.

In terms of content review, the Company diligently enforces the editing responsibility system and the requirements for content review and proofreading, resolutely preventing any undesirable content that may negatively affect the physical and mental health of users, including but not limited to violence, sexual innuendo, hate speech, terrorism, misinformation, harassment, self-harm or suicide and discrimination. Our unwavering commitment is to create positive and culturally enriched game products. We aim to deliver positive values through high-quality content and foster a healthy gaming culture, thus driving the high-quality and sustainable development of the industry.



Content compliance training

The Company always prioritizes content development as the core focus. While strictly adhering to relevant laws, regulations, and moral norms related to online and digital publishing, the Company continues to conduct various content compliance training programs to comprehensively enhance the compliance and responsibility awareness among all employees. Building on its efforts to strengthen the dedicated publishing editorial team, the Company has further extended the editorial capability development system to product R&D, marketing promotion and user operations, and intensified training and compliance publicity. To ensure thorough content compliance review, the Company assigns specialized personnel to oversee the entire process, from project initiation to game publishing, and stipulates content review responsibilities at every stage, so as to ensure that all publications fully comply with legal and regulatory requirements.

Compliance testing and management

The Company has established a robust compliance testing process for game products, ensuring that all products and their updated versions undergo multiple compliance reviews before official release. These reviews cover key areas such as content compliance, privacy compliance, data security, and information security. A strict acceptance mechanism is enforced to ensure that all products meet relevant laws, regulations, and industry standards. For websites, forums, and advertising content, the Company strictly adheres to advertising regulations, formulates internal compliance policies and implements a multi-level review mechanism to ensure advertising's compliance with laws and regulations. The Company explicitly prohibits or strictly limits advertisements related to tobacco, alcohol, weapons, and gambling while enhancing controls over content involving violence, discrimination, cultural sensitivities, misinformation, children's rights, and public safety and health. These measures ensure that our advertising content aligns with regulatory requirements and social responsibility standards.

Governance of game content ecosystem

The Company strictly adheres to the *Cybersecurity Law of the People's Republic of China*, *Law of the People's Republic of China on the Protection of Minors*, the *Law of the People's Republic of China on the Protection of Personal Information*, the *Administrative Measures for Internet Information Services*, the *Provisions on Ecological Governance of Network Information Content* and other applicable laws and regulations. The Company has established a governance system for game content ecology and security, enhancing regulatory processes, standardizing security platform development, and improving platform coordination efficiency and risk prevention capabilities.

To reinforce security measures and prevent undesirable content, the Company has established multiple complaint and reporting channels, including in-game customer service, a player service public account, complaint mailbox, complaint website, and player service hotline. Simultaneously, various methods, such as content security platform audit, and manual reviews, are employed. Through the implementation of dynamic management, the Company aims to create a clean online environment.

Content ecological governance system

Top-level design and team development

The Company has established an information content security management group, led directly by the General Manager's Office, coordinating work across various products and technical departments to improve the top-level design of the Company's compliance system.

Standardized content governance system

The Information Content Security Management Group promotes the establishment of various work norms and internal systems, such as the *Administrative Measures for the Information Security Assessment of New Internet Technology and Business*, the *Measures for the Operation of Strategies for the Hierarchical and Categorized Management of the Ecological Governance of Network Information Content*, the *Self-review System for Game Operating Content*, the *Self-review System for Online Editing Content*, the *Follow-up Comment and Content Ecological Management System*, to strengthen internal constraints.

Special promotion and optimization of tool construction

The construction of content security platform tools is continuously being enhanced. Currently, the image recognition systems have been implemented across relevant business areas of the Company. Simultaneously, internal early warning and relevant tools shall be prepared in advance. The Company has set up special emergency response personnel to be on duty around the clock to respond to various emergencies, improve the emergency response capacity of the Company, carry out special resumption optimization on a regular basis, and further build a firewall for the information security of the platform.

Protection of minors

Minors represent the future of the country. The Company proactively aligns with the policies and initiatives of the state regarding the protection of minors, continuously working to create a clean and safe cyberspace. Safeguarding the physical and mental well-being of minors is considered an indispensable responsibility of the Company. The Company rigorously adheres to the requirements outlined in the *Law of the People's Republic of China on the Protection of Minors*, *Cybersecurity Law of the People's Republic of China*, *Regulations on Network Protection of Minors*, the *Guidelines for the Construction of Juvenile Modes of Mobile Internet*, the *Notice on Preventing Minors from Indulging in Online Games*, and the *Notice of the State Administration of Press and Publication on Further Strict Management and Effective Prevention of Minors from Indulging in Online Games*, *Opinions of the State Council Leading Group for the Protection of Minors on Strengthening the Protection of Minors* and other laws, regulations and relevant standards. **Comprehensive and in-depth efforts are made to enhance the protection of minors by strictly implementing requirements such as real-name authentication and addiction prevention. The Company consistently enhances age-appropriate notifications and content restrictions for games, continually optimizes workflows and protective measures, and advances the implementation of a dynamic inspection mechanism.**

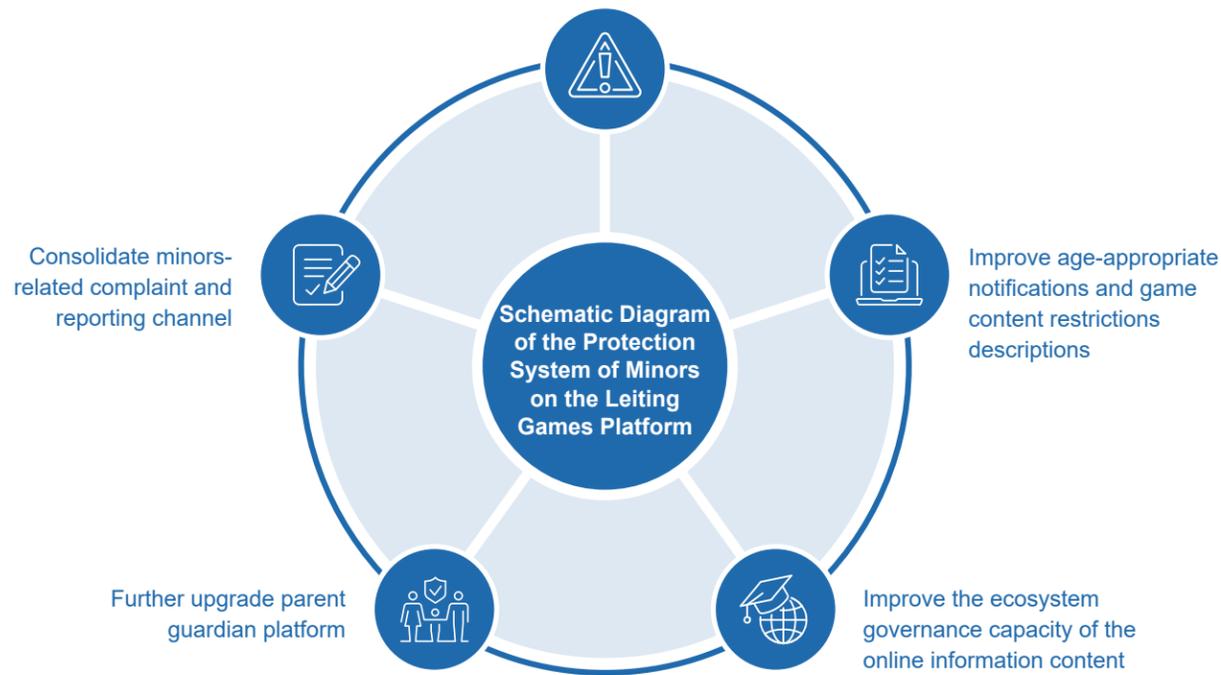


Enhancing the protection mechanism for minors in online games

The Company takes proactive steps to establish and continuously refine the protection mechanism for minors in online games, improving the efficiency of both machine and manual identification. Strict measures are implemented to address issues such as online bullying and internet addiction, preventing the dissemination of content that may be harmful to the physical and mental well-being of minors, including vulgar and violent material. The Company fully implements the regulatory requirements outlines in the *Regulations on Network Protection of Minors* and the *Guidelines for the Construction of Juvenile Modes of Mobile Internet*. Besides, the Company systematically reviews and optimizes the internal minor protection framework, with responsibilities further clarified, to ensure the effective implementation of all protective measures.

This year, to strengthen the governance of online environment for minors, the Company has made continuous efforts to optimize the protection processes and improve their effectiveness. The Company has advanced a dynamic inspection mechanism and reinforced safety management for in-game social interactions, ensuring a clean and healthy social space in games. Additionally, during key periods such as student vacations, the Company has carried out 6 special campaigns to combat improper online language, illegal external links to unlawful information, and grandstanding behaviors of online content creators. The Company has also refined content management requirements within communities and groups for minors, enhancing content oversight to foster a safer and healthier cyberspace.

Optimize the real-name authentication and anti-addiction system of the operation platform



Enhancing the parental guardian platform

The Company continues to enhance development of the parental guardian platform, ensuring the supervision of minors' game behavior. Upon linking a minor's game account, parents will receive real-time SMS notifications for the minor's logins and in-game transactions. Additionally, they can easily enforce restrictions on the minor's account, preventing gameplay and restricting top-up activities. Simultaneously, the Company is refining the customer service infrastructure, addressing parental inquiries promptly. This initiative aims to acquaint parents with the platform's operational procedures and assist them in configuring the minor mode across various mobile devices, fostering the healthy growth of minors.

Clear channels for minor complaints and reports

The Company consistently intensifies efforts in safeguarding minors, further refining the development of user service areas, and the mechanisms for complaints and reports. Dedicated channels have been established to facilitate minors' complaints and reports. The Company has made public a specific email address for complaints and reports related to minors (gmweicn@leiting.com) on the game website. Additionally, a designated "Reports Involving Minors" page/menu option has been set up on the official account of the Leiting Game Service Center on WeChat. This underscores our unwavering commitment to a "zero-tolerance" stance against issues that compromise the legitimate rights and interests of minors. Concurrently, we proactively adjust our focus on the protection of minors based on their gaming activities, implementing relevant measures promptly.

- Rigorously handle statements that violate regulations or are detrimental to minors;
- Enforce strict limitations on minors using adult identities to participate in games, analyzing, assessing, and addressing suspected minor accounts through various channels;
- Continuously update and iterate rules for handling minor incidents.



Guidelines for minors-related reporting on the official website of Leiting Games

Case

"E-Protection for Minors: Building a Safer Digital Future" initiative by Cyberspace Administration of Shenzhen

In November 2024, the Company was invited to participate in the "E-Protection for Minors: Building a Safer Digital Future" - the 2024 Fair on Online Protection for Minors in Shenzhen, jointly organized by Cyberspace Administration of Shenzhen, Shenzhen Women's Federation, and Shenzhen Commission of Spiritual Civilization.

At the conference on the sharing of protection achievements, the Company, as a corporate representative, delivered a speech introducing the minors protection framework and related public welfare initiatives, which was recognized by Cyberspace Administration of Shenzhen.



The 2024 Fair on Online Protection for Minors in Shenzhen



Letter of appreciation from Cyberspace Administration of Shenzhen



Talent Sustainability Development VI

G-bits firmly believes that employees are the most valuable assets and embraces a people-centric development philosophy, striving to create a diverse and equitable working environment. We have established a robust system to safeguard employee rights, provided a competitive compensation and performance system, and built effective channels for communication. Additionally, we provide comprehensive employee benefits and care to enhance the happiness of each employee, laying a solid talent foundation for the Company's sustainable development. The Company facilitates the comprehensive development of our employees. With the aim of cultivating innovative talents, we have established a comprehensive training system and talent development pathways, aiming to grow together with our employees.

- [Talent development strategy](#)
- [Employee welfare](#)
- [Protection of employee rights and interests](#)
- [Innovation in talent cultivation](#)
- [Maintenance of smooth communication channels](#)
- [Supporting employee development](#)

Talent development strategy

G-bits has always believed that talents are fundamental for corporate sustainable development. **The Company, in the context of industry trends and business needs, formulates talent development directions and plans based on talent gaps, demand surveys, talent assessment, and the status of core talent reserves.** This strategic approach ensures a rich pool of talent resources, meeting the sustained development needs of the Company.

The Company follows a strategy-driven talent recruitment model. We accurately recruit and select high-potential professionals aligned with the business development plan. This ensures a strong fit between employee capabilities and business demands. Meanwhile, we continue to optimize the talent structure, strengthen team diversity and collaboration, and promote innovation across the organization. **By setting up global recruitment channels, we attract excellent individuals from all over the world, so as to support the Company's development strategy of globalization.** To enhance operational efficiency and unlock employees' potential, the Company assigns employees appropriate roles and responsibilities based on their strengths and development needs. We have fostered a fair, inclusive and growth-oriented workplace, so that each employee can give full play to his or her professional value.

Employee development is a key priority, and we tailor training programs for employees at different departments and with different professional backgrounds, considering the characteristics of various businesses and projects. These multidimensional training initiatives aim to support business breakthroughs in team management, capability enhancement, and creative mindset development. The Company has established a highly competitive compensation system, promoted a bottom-up R&D approach, and implemented open competition mechanism for key positions, a talent rotation mechanism, and diverse incentive plans. These measures offer outstanding talents more opportunities for development, contributing to the overall dynamism of the organization. Moreover, the Company conducts regular employee satisfaction surveys, thus accurately identifying key factors that affect employee experience through data analysis and developing targeted improvement plans. In addition, we carry out diversified cultural building activities to strengthen collaboration and cohesion across teams. These efforts provide employees with a more positive and healthier working environment.

Protection of employee rights and interests

At G-bits, we strictly comply with the laws and regulations and international practices such as the *International Labor Conventions*, the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. To protect the legitimate rights and interests of employees, we also adopt a robust talent management system that aligns with our sustainable development goals.

Fair recruitment

The Company consistently upholds the principle of fair and just employment when recruiting talent. In particular, the Company does not tolerate any form of discrimination in employment, and is committed to creating an inclusive and fair workplace for employees regardless of gender, nationality, age, race, ethnicity, religion, sexual orientation, family status and disability.

To eliminate all forms of child labor and forced labor, we strictly abide by the *Law of the People's Republic of China on the Protection of Minors*, the *Regulations on the Prohibition of Child Labor* and other relevant laws and regulations and have formulated internal management policies such as the *Management Measures for Labor Contracts*. All employees are employed voluntarily and of their own free will as the Company enters into employment contracts with them on an equal and voluntary basis. During the Reporting Period, the Company had no labor disputes.

Through various recruitment channels, we strive to build a stage for the excellent players in the industry to bring out their talents. The Company has formulated internal management policies such as the *Passing a Probation Period and Management Measures*. **During the recruitment, we follow the principle of "internal candidates first, open and fair recruitment, merit-based selection,"** and develop a specialized recruitment assessment tool. Excellent candidates who are in concert with the Company's philosophy are selected by interviews and written examinations. If there is any conflict of interest (such as family ties or a referral relationship) between the interviewee and the interviewer, the interviewer will not be involved in any part of the interview. This ensures fairness and transparency during recruitment and employment.

Employee remuneration, performance and feedback

Strictly abiding by laws and regulations such as the *Labor Contract Law of the People's Republic of China*, the *Provisional Regulations on Salary Payment*, the *Regulations on Public Holidays for National Annual Festivals and Memorial Days*, and the *Regulations on Paid Annual Leave for Employees*, G-bits has formulated internal policies such as the *Management Measures for Salary and Benefit* to establish a market-competitive remuneration package for employees. During the Reporting Period, the Company fulfilled its obligation to pay salaries on time and in full and made required contributions to social insurance and the housing provident fund, including pension insurance, medical insurance, work injury insurance, unemployment insurance, and maternity insurance, providing employees with a comprehensive social security system.

The Company has developed a **remuneration package consisting of basic salary, performance-based compensation, bonus, subsidy, benefit and others.** Moreover, we adopt a multi-dimensional evaluation framework for employees' performance. In response to different business needs, the Company implements a mechanism combining quarterly and monthly appraisals. During each appraisal cycle, supervisors set targets with employees and provide coaching in daily work. In the performance evaluation stage, employees conduct self-assessments before the supervisor provides a comprehensive evaluation, considering the self-assessment, and offers feedback through interviews and other channels. If employees have concerns about their performance evaluation results, they can file an anonymous complaint through the designated channel. HR and the supervisor will conduct a further assessment to ensure fairness and protect employees' privacy. In addition, the Company requires supervisors to formally communicate with employees on performance at least once a quarter. During the communication, supervisors should recognize employees' contributions, clarify directions of improvement, and help them make career progress.

Contributing to diversity and equality

The Company strives to create a diversified, equitable and inclusive workplace. **We abide by the Law of the People's Republic of China on the Protection of Women's Rights and Interests and other laws and regulations. We guarantee equal pay for equal work and ensure equal opportunities in recruitment, payment and promotion.**

We respect and safeguard the basic rights of all employees by banning human trafficking, forced labor and child labor. We ensure that all employees are free from any form of discrimination, harassment or unequal treatment due to race, gender, religion, age, health condition, political opinion and other factors as required by applicable regulations. At the same time, the Company requires suppliers and partners to follow the same standards and work together to maintain a working environment that is fair, legal and respectful of human rights.



Anti-discrimination and anti-unfair competition

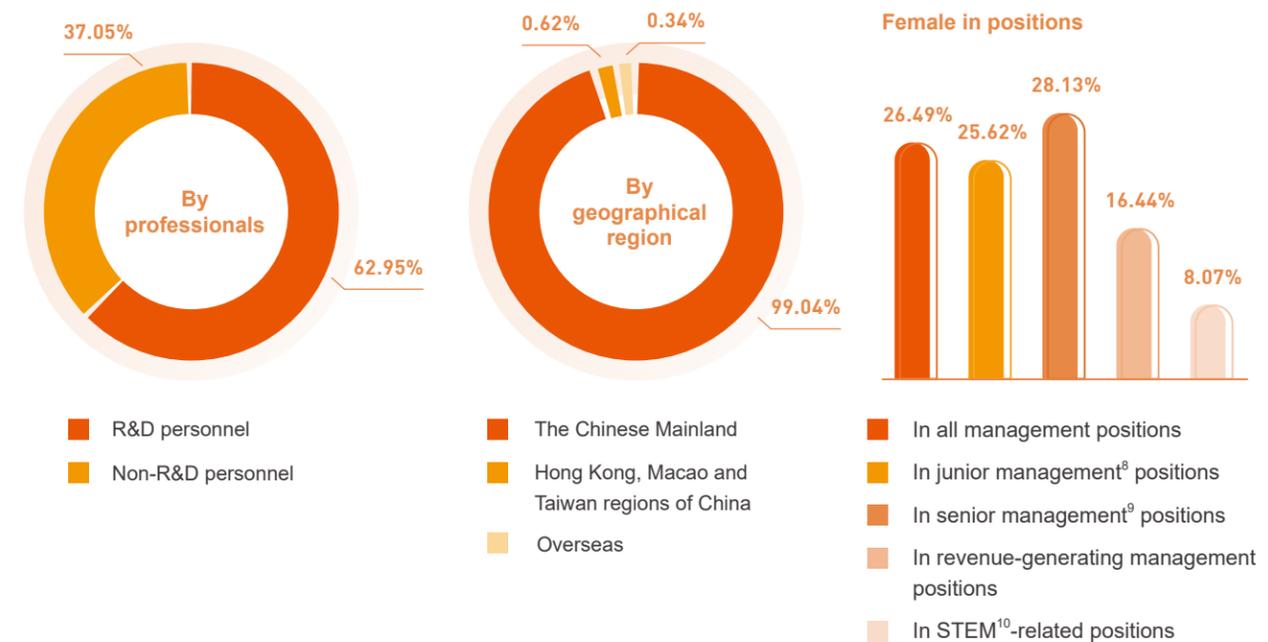
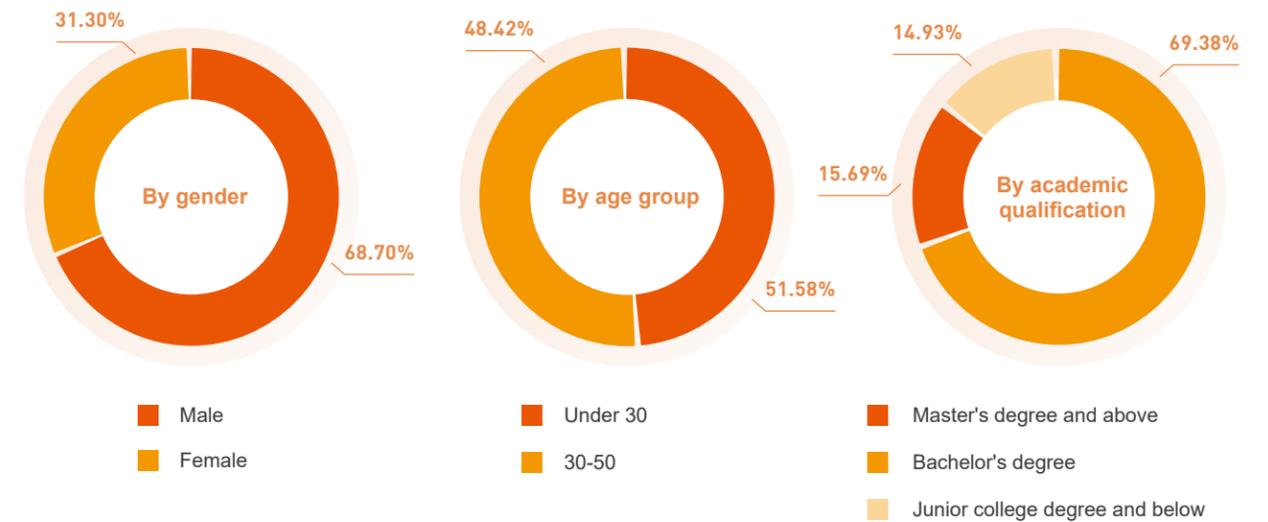
The Company adopts a zero-tolerance policy toward any form of discrimination and unfair competition. G-bits is committed to fostering a safe, equal and diversified working environment for all employees.



Anti-harassment

The Company maintains a zero-tolerance policy towards workplace harassment in any form, including but not limited to offenses, abuse, gender-based or race-based disparagement and sexual harassment.

The Company continues to advance the strategy of diversified talents. We attract and cultivate excellent individuals with different backgrounds and professional specialties, promote the exchange of diverse minds, and inspire innovation, so as to fuel the Company's sustainable development. Furthermore, the Company has established smooth communication channels to ensure employees' free expression of their demands. In case of unfair treatment or inappropriate behaviors, employees can file a complaint anonymously through the complaint channel. The Company will assess and address the complaint in a fair manner to protect employees' rights and interests.



⁸ Junior management refers to supervisors and equivalent-level personnel responsible for management duties within various business lines of the Company.
⁹ Senior management refers to department managers and above, including division heads.
¹⁰ STEM is an acronym for Science, Technology, Engineering, and Mathematics, representing the fields of education and career development in these four disciplines.

Maintenance of smooth communication channels

G-bits strives to establish diverse communication channels for employees. Any employee can give feedback on management opinions and suggestions at any time, which will be followed up and resolved by the human resources and corporate culture management personnel in time. In addition, the Company conducts an annual 180-degree assessment for employees. Evaluation and feedback on the management personnel are collected from their direct superiors and subordinates, and then passed on to the evaluated management personnel to help them enhance their management skills.

"Founder Meetup" events

All employees can ask questions, provide opinions, or make suggestions at any time. After collecting and summarizing the questions, the Company organizes a "Founder Meetup" event every two or three months, in which the Company founder responds to each question. During the Reporting Period, the Company held a total of 5 "Founder Meetup" activities, with 334 questions collected and addressed.



held a total of
5 "Founder Meetup" activities



334 questions collected and addressed

"Little G Listening" cultural interview activities

The Company regularly invites employees to participate in "Little G Listening" interview activities. By listening to the employees' voices, the Company understands their opinions and concerns, and strives to develop an open and free culture for employees. We adopt the "active + passive" approach to build a communication platform through multiple channels at different levels and in all aspects, encouraging employees to communicate sincerely with the Company, and to put forward reasonable suggestions for the Company's management and development. During the Reporting Period, the Company conducted a total of 5 batches of "Little G Listening" cultural interviews, with 50 participants.



conducted a total of
5 batches of "Little G Listening" cultural interviews



with
50 participants



organized a total of
5 corporate culture group meetings



with
103 participants

Corporate culture group meetings

The Company regularly holds group meetings to convey the connotation of corporate culture and help employees have a clearer understanding of the values of the corporate culture through the display and discussion of typical cases. During the Reporting Period, the Company organized a total of 5 corporate culture group meetings, with 103 participants.

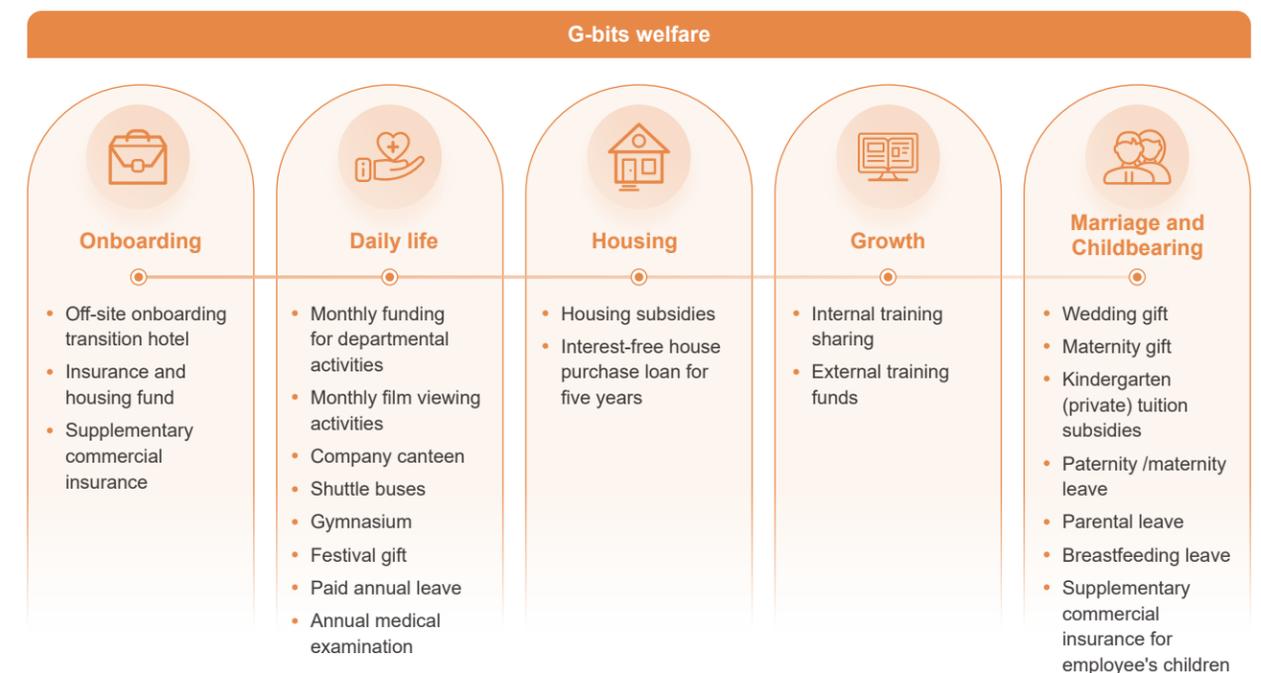
Employee satisfaction survey

In 2024, the Company worked with external research institutions to conduct a comprehensive survey on employee satisfaction for all staff members, aiming to thoroughly assess employee experience and organizational management effectiveness. The survey covers five dimensions of development direction, leadership, corporate culture, job content and rewards, reflecting employees' recognition of the Company's overall environment. The Company has developed and implemented a series of targeted improvement measures for the dimensions with the lower scores in the survey. These measures not only optimize organizational management but also continuously enhance the employee experience, further strengthening team cohesion and business competitiveness.

Employee welfare

We provide all employees with benefits and care in respect of health, life and financial support to help them better maintain work-life balance. We accompany employees and their families through different stages of life, continuously enhancing employees' sense of happiness, fulfillment and belonging.

Meanwhile, the Company actively fulfills its social responsibilities by continuously promoting employment and creating flexible job opportunities, providing stable career development prospects for different job seekers. During the Reporting Period, the Company mainly offered flexible jobs to outsourced personnel and provided them with basic benefits.



Safeguarding employees' health

We are committed to safeguarding the physical and mental well-being of our employees. Specifically, we implement a range of health management and protection initiatives, including medical examinations, mental health courses, sports support, healthy diet, and flexible work arrangements.



This year, we invested RMB

901.2 thousand in work injury insurance

covering



100% of our employees

Annual health check-ups for employees

We provide all regular employees with a comprehensive medical examination each year, and regularly invite doctors to the Company to offer personalized one-on-one report interpretations, ensuring that employees are fully informed about their health.

Employee mental health support

The Company has established the "G-Healing" platform for psychological counseling, which offers mental health courses, group therapy sessions, and workplace skills enhancement. This initiative helps employees reduce psychological stress and emotional burdens they encounter in their daily work. Additionally, the Company has partnered with external organizations to offer one-on-one psychological counseling to all regular employees, with confidentiality strictly maintained throughout the process to alleviate any concerns employees may have. **In 2024, the Company provided a total of 399 hours of one-on-one counseling services.**



Group counseling activities

Online Mental Health Courses	Career Development and Growth	"Correct Understanding of Counseling"	
		"Dealing with Stressful Communication with Leaders: Identifying the Sources of Pressure"	"Fear of Making Mistakes Increases the Likelihood of Errors? Overcoming Fear for Improved Performance"
		"How to Quickly Integrate into the Workplace After Recruited From the Campus"	"How to Break Through the Confusion of Career Development"
		"Live as Yourself and Grow with Experience"	"See Your Own Strengths, Refuse Self-Denial"
		"Get These Communication Skills to Communicate Efficiently without Meeting Difficulties"	
	Self-Regulation and Stress Relief	"A Correct Understanding of Procrastination"	"Correct Understanding of Social Phobia and How to Break Through"
		"Correct Understanding of Vacation Syndrome"	"Insomnia Treatment"
		"Positive Thought Meditation - Explore Yourself in Positive Thoughts, Relax and Relieve Stress"	"Methods of Emotion Regulation"
		"Methods of Self-Regulation: Meditation"	"Emotional Relief and Stress Management"
		"The Difference Between Depressed Mood and Depression"	
Interpersonal Relationship Management	"How to Recognize and Adjust to Emotional Strengths"	"How to Handle Intimate Relationships"	
	"Attachment Types and Intimate Relationships"	"Communication in Intimate Relationships"	

Online mental health courses

Employee fitness support

The Company actively promotes a healthy lifestyle. Through Sports Month activities such as fun sports events, men's 3x3 basketball tournaments, football matches, and badminton competitions, we not only enhance employees' physical fitness but also foster greater teamwork and coordination. This further ignites employees' enthusiasm and creativity at work, infusing the Company with vitality for sustainable development. The Company has set up sports and fitness clubs at Xiamen and Guangzhou offices, equipped with a variety of professional fitness equipment. At the Shenzhen Office, the Company collaborates with the gym within the building, where employees can experience training on fitness equipment, take group classes, and receive guidance from professional trainers.



Sports Month group activities

Employee health and nutrition assurance

We place a significant emphasis on the daily diet of our employees. The Company provides customized healthy meals to ensure that employees enjoy fresh and safe dishes. In addition, we ensure clean and hygienic tableware by sterilizing the tableware in time and regularly sending the tableware used by employees to third-party institutions for testing.

Promotion and dissemination of health knowledge among employees

We prioritize the promotion and dissemination of health knowledge, conveying health concepts through various channels. **This year, we organized health lectures on topics such as women's health and scientific fitness.** Employees improved their health protection awareness through the health lectures. They also received practical health instructions to maintain a good lifestyle and work status. Moreover, we share health information with employees through internal communication channels and social platforms, including practical suggestions on nutrition, sports and mental health. We are paying increasing attention to employees' health to help them better manage their personal health and improve the quality of work and life.

Flexible work arrangements for employees

In response to extreme weather conditions, such as typhoons and rainstorms, G-bits takes into full consideration the safety of its employees' commutes. The Company has adopted a flexible working approach, allowing employees to choose between working in the office or remotely based on real-time conditions. Additionally, the Company advocates flexible working hours, enabling certain staff members to autonomously arrange their work hours according to their specific job requirements.

Creating a safe work environment

We always prioritize employee safety. Accordingly, we conduct risk management in areas such as the working environment, occupational health, food and water safety, mental health and safety emergencies. In this way, we provide a safe and pleasant office environment for all our employees.

We equip all workplaces with automated external defibrillators (AEDs) and fire extinguishing equipment. In addition, we conduct regular first-aid training to enhance employees' emergency response capabilities, self-rescue and mutual rescue skills, and their ability to handle emergencies. **During the Reporting Period, we conducted two sessions of first-aid training and five sessions of fire safety training. These training sessions covered topics such as first-aid theory, the use of AEDs, and bandaging skills, with the aim of reinforcing employees' first-aid knowledge.**

We also prioritize the physical health of our employees. We ensure proper control of lighting, air quality, and temperature in the working environment. We conduct regular cleaning of air conditioning units and employ third-party testing services to ensure the quality of drinking water in the office. Prior to the opening of any new office, formaldehyde testing is conducted to ensure a safe working environment. In addition, each employee is equipped with an ergonomic office chair, which effectively alleviates physical fatigue caused by long hours of work and supports a healthy, comfortable working posture.

Enriching leisure activities

The Company practices humanistic care and consistently creates a heart-warming environment for employees. The Company pays close attention to employees' needs, innovates and improves the way of showing care. We organize diversified activities to ensure that each employee can feel a sense of achievement and care in the Company.

The Company conducts collective movie watching activities every month, inviting employees and their family members to watch movies, so as to help employees relieve work pressure. The Company regularly organizes e-sports competitions to enrich the spare time life of employees while providing a platform for teamwork and competition exchanges, further enhancing team cohesion.

In addition, the Company **periodically organizes team building events for all employees.** This year, we hosted a family open day, inviting employees' family members to visit the Company, enjoy lunch together and participate in on-site interactive games, which deepened the understanding of employees' family members about the Company, and enhanced the sense of belonging of the Company's employees.



Family open day event

Talent incentive

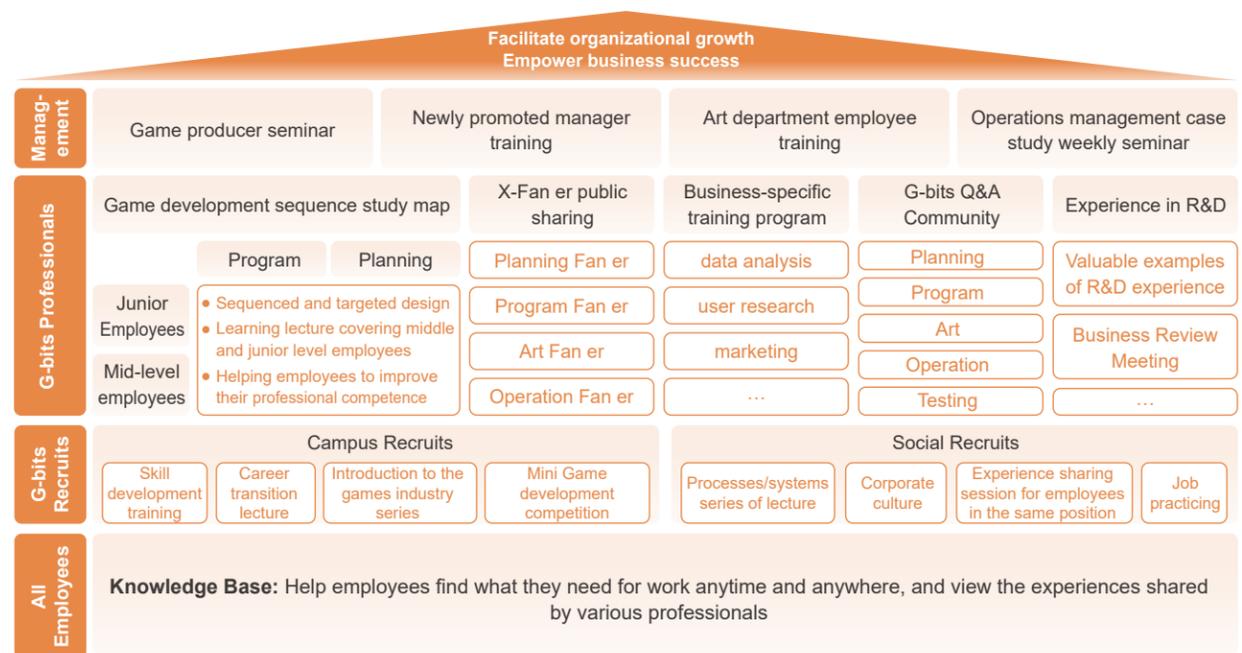
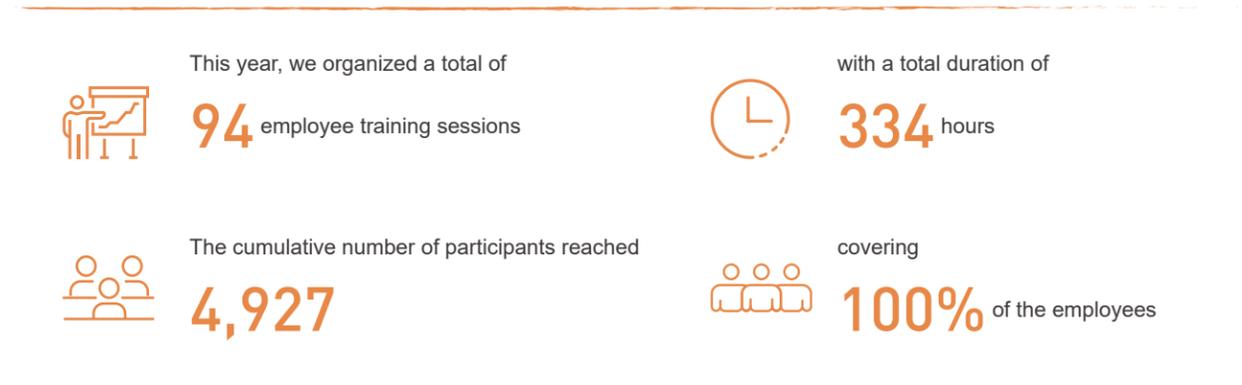
To motivate employees and boost their creativity, the Company has implemented several effective incentive mechanisms. In October 2020, we launched a stock option incentive plan, granting 1.00% of the Company's total share capital to employees. The incentive plan targets core technology and business employees, representing 6.66% of the total workforce for that year. As of December 16, 2024, the stock option incentive plan has expired. The Company will optimize the stock option incentive system based on future business development and talent incentive needs to promote the long-term common growth of employees and the Company.

The performance of employees is evaluated on a regular basis, and the high-performing employees will be provided with material and moral incentives. The Company explores the growth cases of personnel at different levels for sharing, and strengthens the positive drivers of team growth.

Innovation in talent cultivation

G-bits places significant emphasis on the development of each employee, continually refining its training mechanisms. This year, the Company revised internal management policies such as the *Training Management Measures*, standardizing the compensation criteria for non-managerial training courses and encouraging more employees to proactively share their expertise. To meet the needs of overseas market expansion, the Company has added detailed rules for overseas talent recommendation in the *Talent Recommendation Management Policy*, thereby enhancing its international talent management capabilities. Meanwhile, the Company has optimized its training management system to better align with the Company's long-term development goals.

The Company has launched diversified training programs to meet the training needs of different employees. We have different types of training for employees like professional competence training, graduate training, leadership training, among others. Such training may take various forms, such as a combination of "Internal + External" and "Online + Offline" courses.



G-bits Employee Training System

Job-specific development training

The Company offers employees various types of job-specific development training. Employees are provided with appropriate training and learning resources based on their job responsibilities, professional needs, and preferences.

The Company organizes general skills training for employees to help them acquire foundational skills and improve the overall business skills of teams. Additionally, we provide training in technology, planning, art, and other aspects of game production. We also provide product launch support training to improve collaboration across product teams and thus ensure that our product rollout is a market success.



Job-specific development training

This year, we kept enhancing our employees' professional capabilities. We delivered AIGC training to all employees, with a total of 613 participants. Additionally, we provided specialized user research training for employees in game production roles, including operations and R&D staff, with a total of 509 participants. We also introduced a specialized data analysis training program for our operations staff, which attracted 236 participants.



Graduate traineeship program

To assist fresh graduates recruited from campuses in assimilating into our corporate culture and swiftly adapting from student life to the professional realm, **the Company has organized a series of centralized training sessions.** The Company arranges "Skill Development" training for these fresh graduates, involving diverse team activities to cultivate teamwork and foster team cohesion in a relaxed environment. Additionally, mentors impart knowledge on the Company's distinctive "MVP Approach" in game development, along with insights into business operations, marketing strategies, and product optimization through conducting business-related training sessions. This facilitates a rapid establishment of a foundational understanding of the Company's operations and the game industry.

Moreover, the Company has invited game development mentors and experienced industry professionals to share their professional and personal development experience and answer questions to help fresh graduates better adapt to the workplace. For new hires in positions related to game development, the Company organized the "Mini Game Development Competition," where mentors provide feedback on game demos developed during the training sessions. They also guide new recruits in overcoming challenges encountered during the game production process, thus helping them form their own understanding of game development. This year, the Company organized specialized training for 78 fresh graduates and continuously monitored the implementation of training outcomes at each stage.

Leadership development training

The Company is dedicated to supporting the long-term development and enhancing the leadership capabilities of its employees, consistently providing diverse leadership development training and networking opportunities for individuals at various management levels. These initiatives aim to deepen their understanding of the market and products. Considering talent assessments, the Company conducts a series of training sessions to empower management talents at every tier.

Leadership development training for newly promoted management personnel

Supporting the career development of newly promoted management personnel is a key priority. In this regard, we have conducted a series of centralized training sessions to help them better adapt to job changes and acquire essential management skills. We provide training on a wide range of topics for newly promoted management personnel. "Management Role Awareness Training" helps them develop their leadership styles and explore their leadership potential. "Talent Identification Training" helps them improve their ability to discover and develop talent in the team, thereby allocating team resources more effectively. "Performance Management Training" helps them develop scientific and effective approaches to performance management, thereby improving team productivity. "Team Collaboration and Communication Training", which teaches them how to establish efficient communication channels, helps them build teams where everyone gets along. **This year, the Company carried out a total of four management training sessions for newly promoted management personnel, with a total duration of 38 hours.**



Leadership development training for newly promoted management personnel

Game producer training

The Company invites experts from external professional organizations, such as Mercer, Ram Charan's global partners, Qingyeteng Coaching Center's partners, and renowned external coaches, to conduct seminar-style training sessions. **This year, the Company organized one systematic training session and four seminars for game producers.** Through leadership training, team coaching, individual coaching, and business reviews, the Company provided targeted guidance on key issues related to specific projects. This approach aims to foster collaboration and growth between the producers and core team members. Additionally, the Company invited distinguished game producers from outside to share their experiences in game production on topics such as overseas markets and user insights, and game development. This initiative aims to help the R&D team gain a deeper understanding of market trends and directions for product innovation.

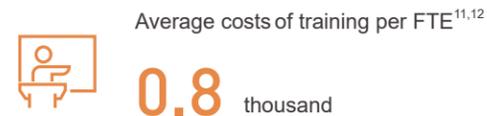


In-depth project reviews with industry professionals



"Supplementary Management Skills" training for producers

Key performance indicators relating to G-bits employee training in 2024



¹¹ FTE (Full-Time Equivalent) is a standardized metric used to measure the workload of full-time and part-time employees in an organization.

¹² This year, the Company used the average total number of employees at the beginning and end of the year to measure average hours and average costs of training per FTE.

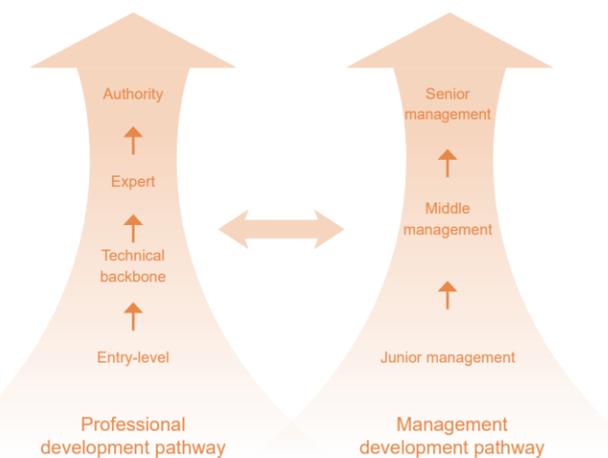
Supporting employee development

The Company prioritizes the long-term development and career planning of its employees. Through continuously improving its internal promotion management system and optimizing talent pipeline planning, we are dedicated to establishing an equitable and robust framework for career advancement. Our goal is to empower every team member to achieve a sense of accomplishment and self-worth within the Company.

Employee promotion system

Employees are fundamental to the sustainable development of a company, which is why we attach great importance to the training and development of employees. The Company **has established a dual-path promotion mechanism of "Technology + Management"** to better meet the career development needs of employees.

Employees can choose the promotion path based on their own aspirations and professional expertise. They can develop along the technology development path into technology backbones, company experts, and authoritative experts in the industry, or along the management development path into middle and senior management. Additionally, the Company's promotion system offers flexibility, allowing employees to explore diverse career paths. Employees can either follow a single clear path for progressive development or shift paths based on personal interests and career aspirations, enabling them to broaden their career horizons.



G-bits employee promotion system

This year, the Company diligently refined the job leveling benchmarks for a range of positions. This initiative aims to ensure the benchmarks are aligned with both our business goals and the career ambitions of our staff, thereby enhancing the motivational effect of the job leveling system on the workforce. With our promotion mechanism, our employees' abilities are enhanced in a more targeted and clearer manner, while their growth and contribution can be clearly reflected through the job leveling system.

Support for employee upskilling

G-bits places great emphasis on employee development and is committed to providing a supportive learning environment, encouraging employees to continuously enhance their skills. To this end, we have clearly stated in the *Training Management Policy* that we offer financial support to all regular employees for obtaining professional qualifications.

The level of financial support varies depending on the type of qualification. The Company fully covers education cost for employees pursuing a professional qualification in publishing, the qualification of Certified Public Accountant (CPA), or other qualifications required by the Company. For Project Management Professional (PMP) certification, International Coaching Federation (ICF) certification, and other industry- or role-related but non-mandatory qualifications, the Company covers 50% of the costs. In addition, the Company may provide subsidies for employees who participate in relevant training but fail to obtain official certificates, subject to evaluation of their learning outcomes.



Green Operations VII

In compliance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and other pertinent environmental laws and regulations, we take proactive actions to address climate change, ensuring that our operational practices in energy and resource usage are regulated. We are dedicated to safeguarding the ecological environment and advancing the circular economy, thereby embodying the principles of green operations with concrete actions. The Company has integrated the goal of supporting the vision of building a Beautiful China and conserving the ecological environment into its governance framework. In alignment with our strategic goals and environmental management requirements, we have implemented relevant environmental management policies, taken effective measures to uphold our ecological responsibilities, and ensured the preservation of biodiversity.

- [Response to climate change](#)
- [Practicing green operation](#)

Response to climate change

We closely monitor the impacts of climate change, including global warming and extreme weather events, on the worldwide ecosystem and our business operations, and **we proactively commit to combating climate change. We also identify, assess and respond to the impacts of climate change risks and opportunities on our businesses, and formulate mitigation and adaptation strategies that are scientifically sound and pragmatic.**

Development of climate change management system

The Strategy Committee of the Company's Board of Directors has ultimate responsibility for climate change-related matters. It is responsible for reviewing climate-related strategic planning, assessing risks and opportunities, and overseeing the progress of related initiatives. The ESG Working Group is responsible for coordinating the execution of climate-related matters, including formulating work plans, driving relevant departments to implement specific actions, and regularly reporting progress to the Board Strategy Committee.

The Company has put in place a systematic reporting system for climate change to ensure the transparent management of climate-related initiatives. The ESG Working Group regularly briefs the Strategy Committee of the Board of Directors on the Company's climate change strategies, evaluations of risks and opportunities, and progress towards the objectives. The Strategy Committee regularly updates the Board on climate change-related matters through regular meetings. This ensures that the Board of Directors has timely access to insights on how climate change is affecting the Company's sustainability, including associated risks and opportunities.

The Company invites external experts and industry associations each year to conduct climate-related training sessions for relevant management personnel. This ensures that they remain up-to-date on the latest developments in climate change.

In response to climate change risks and to capitalize on associated opportunities, we have established climate change-related goals and priorities. This includes committing to reducing carbon emissions and bolstering our capacity to adapt to climate change.



Climate change management structure of G-bits

We will conduct climate change-related training for employees, continue exploring effective measures to reduce carbon emissions and optimize operational energy efficiency.

The Company is continually refining its governance framework to guarantee the realization of its emission reduction goals. Additionally, we have identified climate change risks and opportunities, assessed their potential impact on our business, and implemented appropriate measures to promote the smooth progress of our climate change management efforts. To encourage members of the ESG Working Group to advance the Company's climate initiatives, the Strategy Committee has established a monitoring system. This system evaluates the performance and work progress of the ESG Working Group members by assessing their effectiveness in achieving climate goals, managing climate change risks, and conducting relevant evaluations.

Management of climate change risks and opportunities

G-bits identifies and evaluates the impacts, risks, and opportunities related to climate change in line with its corporate strategy, business model, and the broader market environment. The Company assesses the impacts of rising energy costs, resource shortages, and other factors on its business operations. On this basis, we assess the likelihood, magnitude, and impact of sustainability-related risks and opportunities, and prioritize climate change risks and opportunities according to their potential impact and likelihood. High-priority risk is classified as a risk or opportunity with a high level of impact and a high likelihood of occurrence; medium-priority risk is classified as a risk or opportunity with a medium level of impact and a medium likelihood of occurrence; low-priority risk is classified as a risk or opportunity with a low level of impact and a low likelihood of occurrence.

The Company identifies the risks and opportunities related to climate change. In assessing climate resilience, the Company weighs factors including socioeconomic uncertainties and the irregularity of extreme weather events. The Company has thoroughly examined the enhanced strategies and business models necessary for adapting to climate change from the short-, medium-, and long-term perspectives. The details are as follows:

Risk type	Identification and assessment	Time horizon	Priority of risks/opportunities	Responses and transition plan
Transition risks	<p>Policy risks</p> <p>The state is continuously introducing policies related to environmental protection. Regulators are requiring companies to enhance their disclosure of sustainability information, including climate change, and improve their capacity for sustainability management. This may lead to higher compliance costs for the Company.</p>	Short-term (1 year), Medium- to long-term (2-5 years)	High	<ul style="list-style-type: none"> Follow the trend of policies and laws and regulations in the operation areas, and continuously optimize the development of climate change management system; Engage professional consulting firms to interpret policies and provide guidance on disclosure, thus improving the quality of climate change information disclosure.
Physical risks	<p>Acute risk</p> <p>Extreme weather such as typhoons, droughts, floods, temperature extremes caused by climate change may threaten our normal operation, resulting in higher energy consumption and operating expenses.</p>	Short-term (1 year), Medium- to long-term (2-5 years)	Medium	<ul style="list-style-type: none"> Pay close attention to the early warning of extreme weather events, formulate the <i>Typhoon Emergency Plan</i> and other safety-related plans, and equip all workplaces with anti-typhoon and flood control facilities and equipment to minimize the Company's risk of fixed asset damage; Establish mechanisms for rapid and effective disaster relief, rescue and emergency response. Organize all employees to conduct fire drills, typhoon emergency drills and other activities organized by the Company. Engage external professional institutions to assist the Company in on-site safety management and safety record management at least once a year in an effort to ensure the safety of people and IT infrastructures and minimize the losses caused by accidents.
	<p>Chronic risk</p> <p>Rising sea levels could result in the inundation of our office spaces in coastal zones like Xiamen and Shenzhen, potentially flooding our office buildings, IT equipment and other fixed assets. This situation may necessitate repairs to the office building structures, as well as the maintenance, restoration, or substitution of our IT equipment and other fixed assets, which could in turn elevate our capital spending.</p>	Medium- to long-term (2-5 years)	Low	<ul style="list-style-type: none"> Regularly inspect the use of equipment, and deploy and maintain facilities to grapple with extreme weather, such as backup power supply; Increase the proportion of cloud services, and protect important data through off-site backup and cross-device backup; Add flood control design of building structures, such as use of waterproof boxes, barriers, coating and other means.
Opportunities	<p>Energy opportunity</p> <p>The application of energy-saving measures/technologies enables the Company to lower energy consumption in the course of operation, thus reducing operating expenses.</p>	Medium- to long-term (2-5 years)	Medium	<ul style="list-style-type: none"> The Company will plan to increase the proportion of renewable energy use if the purchase cost of energy-consuming equipment is controllable in the course of operation. The Company has already transitioned its entire fleet of commuter vehicles to electric vehicles. Moving forward, we will explore the possibility of deploying distributed energy projects and other initiatives to expand the use of renewable energy, while also ramp up our investment in the R&D of clean energy; The Company will further invest in upgrading servers and office equipment if the purchasing cost of green electronic equipment is controllable. This includes incorporating more energy-efficient hardware, such as high-efficiency CPUs and low-power graphics cards, to reduce energy consumption during equipment operation.

In response to the identified risks and opportunities, the Company has initiated targeted transition strategies, which include a phased implementation of sophisticated energy management initiatives, the development of climate-focused emergency plans, and a planned increase in the share of renewable energy usage. For details of the latest developments in the Company's 2024 climate change transition plans, please refer to the "Practicing green operation" section of this report.

Practicing green operation

G-bits focuses on environmental compliance management and carries the green and low-carbon philosophy into the daily operations. In strict compliance with the *Environmental Protection Law of People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Energy Conservation Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other relevant laws and regulations, the Company utilizes energy, water and other resources intensively and efficiently to strengthen the conservation management in resource usage. We are committed to protecting the ecological environment, preserving biodiversity, and developing the circular economy to promote the reduction, reuse and recycling of resources. In the future, we will continue to conduct trainings on green operations management, continuously enhancing employees' awareness of energy conservation, water conservation, and resource recycling.

Reducing energy consumption

We regularly conduct energy conservation promotion among employees, and actively purchase energy-efficient equipment to reduce energy consumption in the operation.

Energy conservation awareness campaigns

We closely monitor electricity consumption data and employees' energy usage behaviors, posting electricity-saving reminders around electrical equipment. This year, we conducted a series of awareness campaigns on topic such as "Office Energy Conservation", "Earth Hour", "Zero Carbon Action: Together We Make It Happen", "Green and Environmentally Friendly, Low-Carbon and Energy-Saving Actions" and other topics. Through email notifications, image displays, and other means, we actively guide our employees to integrate the concept of environmental protection into their daily work and life.

We utilize information technology to monitor the shutdown status of office computers, regularly conducting data analysis to assess the impact of computer on/off times on energy consumption. We also promptly remind colleagues who have not turned off their computers after work for a long period of time to turn off their computers in a timely manner, thus reduce unnecessary energy consumption.

Enhancing equipment energy efficiency

The Company optimizes the layout of equipment in the server room and elaborately arranges the servers and switches to ensure smooth airflow in cold and hot aisles, thus significantly improving cooling efficiency. With virtualization technology, we can create multiple virtual servers on a single physical server to reduce the number of physical servers and unnecessary energy consumption for cooling. We also adopt smart systems to alternate the operation of multiple air conditioners, precisely controlling the temperature and effectively reducing unnecessary energy waste.

The Company further collaborates with cloud service providers to explore energy-saving and emission-reduction solutions.

Energy-saving inspections

The Company designates dedicated personnel to conduct regular inspections in office areas and promptly turn off air conditioners and lights in unoccupied office areas. We advocate reducing the use of lighting in public access areas during non-office hours to minimize unnecessary energy consumption.

Promoting green procurement

The company actively purchases green electronic equipment. Specific usage requirements are set for the Company's air-conditioning, lighting and other electrical equipment. In addition, we prioritize third-party cloud servers with low energy consumption and high energy efficiency.

We prioritize the purchase of office computers and monitors that meet Energy Star certification. When purchasing furniture boards, we prioritize profiles made from recycled wood that meet national environmental requirements. Through technological innovation and resource integration, we are advancing green and low-carbon development. When purchasing paper products, we prioritize office paper that is certified by FSC¹³ and PEFC¹⁴.

¹³ FSC (Forest Stewardship Council) is an independent, non-profit, non-governmental organization that promotes environmentally responsible, socially beneficial, and economically viable forest management worldwide by establishing recognized principles and standards.

¹⁴ PEFC (Programme for the Endorsement of Forest Certification) is an international non-profit, non-governmental organization dedicated to promoting sustainable forest management through independent third-party certification.

Promoting a low-carbon office

G-bits continually navigates the path to low-carbon office. In 2024, the Company optimized approval processes and promoted the online approval platform. In doing so, the Company approved a total of 462,171 online applications, covering 1,059,780 individuals, which effectively reduced paper consumption for approvals, reimbursements, and file management in daily operations. We also encourage employees to communicate through online meeting platforms to minimize unnecessary energy consumption and carbon emissions caused by offline meetings and employee travel.

The Company actively adopts clean energy. We use electric vehicles to replace traditional fuel vehicles for employee shuttle buses. In addition, we dynamically adjust the capacity and frequency of the buses according to actual occupancy to further improve energy efficiency.

Strengthening water resource management

G-bits attaches great importance to the efficient utilization of water. The Company has actively adopted a series of effective water resource management measures. To further ensure the efficient use of water resources, the Company has established a strict inspection system, which requires regular inspection of sanitary ware and valves in areas such as restrooms and pantries. By doing so, leaky water equipment can be found and repaired in time, avoiding water resource waste.

In addition, we raise employees' awareness of water conservation by conducting internal training and awareness campaigns to encourage them to develop water-saving habits in their daily work.

The wastewater generated by the Company is discharged into the municipal sewage network and is properly treated by relevant departments in compliance with regulations. The Company faces no issues with water intake, as it is primarily supplied by the municipal government.

Protecting the ecological environment

G-bits optimizes its waste management based on its operational characteristics and makes every effort to reduce the negative impact on the ecosystem during its operations and enhance ecosystem and biodiversity protection. During the Reporting Period, there were no unexpected major environmental incidents in the places where the Company operates, nor was the Company subject to criminal liability by ecological and environmental and other relevant authorities for environmental incidents.

Waste management

We implement refined waste management practices, strictly controlling waste generation and ensuring that all types of non-hazardous and hazardous waste can be properly disposed of.

We place sorting bins to encourage employees to classify non-hazardous waste. Sorted waste will be collected and handed over to the municipal waste disposal departments by the property management for recycling and disposal. This year, we launched a special awareness campaign themed on "Sort Waste, Protect Our Environment" to raise the awareness of our employees on waste classification.

Hazardous waste such as waste toner cartridges and ink cartridges generated by the Company's office printing equipment are collectively recycled by qualified recyclers. We engage third parties to properly dispose of our electronic waste such as scrapped hard disks and electronic components through cooperating with professional electronic waste recycling suppliers.

Ecosystems and biodiversity conservation

We organized various public welfare activities themed on environmental protection and conducted special publicity campaigns on topics such as "World Oceans Day", encouraging employees to get involved. During the Company's Philanthropy and Environmental Protection Festival this year, we organized a beach cleanup near our Xiamen office, where employees picked up litter and cleaned the coastline. We integrate the concept of sustainability into our game platform, raising player awareness of the importance of ecosystem and biodiversity conservation.

Case

"Hello, Yangtze Finless Porpoise!" – A Rare Animal Protection Initiative

Paying attention to biodiversity conservation, G-bits actively participates in the protection of the Yangtze finless porpoise. We raise public awareness and participation in finless porpoise protection through the influence of our game platform.

In June 2024, G-bits partnered with the China Green Carbon Foundation to launch the "Protect the Yangtze Finless Porpoise" public welfare campaign, and donated RMB 200 thousand to the fund for the purchase of a brand-new patrol boat, supporting the protection of the Yangtze finless porpoise in Poyang Lake, Jiangxi. As of the end of the Reporting Period, the funds and the patrol boat donated by the Company have effectively assisted the patrol team in protecting the 1,667 Yangtze finless porpoises in Poyang Lake.



Certificate of honor from China Green Carbon Foundation to G-bits



Yacht donated by G-bits to Poyang Lake patrol team

The Company's licensed games *Funny Fighters: Battle Royale* and *Lost Castle* carried out joint public welfare activities for finless porpoise protection to enhance players' understanding of and concern for this rare animal and to convey the importance of protecting the ecology to players. Players who completed the in-game knowledge popularization activities about finless porpoise could obtain prizes such as character skins inspired by the creature, commemorative porpoise props designed with China Green Carbon Foundation, and the Green Watch Achievement Badge.

The cumulative number of players participating in the porpoise protection public welfare campaign in the two games exceeded 440 thousand, and more than 310 thousand players claimed the highest task reward, "China Green Carbon Foundation Cooperative Commemorative Porpoise Props". This project was selected as one of the "2024 Typical Cases of Game Public Welfare" by people.cn.



Poster of the *Lost Castle* for the public welfare joint activity of finless porpoise protection



The cumulative number of players participating in the porpoise protection public welfare campaign in the two games exceeded

440 thousand

Developing circular economy

G-bits actively advocates the circular economy concept through the implementation of measures such as promoting reusable tableware and reusing idle items. These initiatives aim to improve the efficiency of resource utilization, minimize resource waste and achieve resource recycling.

This year, we implemented the following measures to support a circular economy:

Promoting reusable tableware

Reusable melamine or stainless-steel tableware is provided in the Company's staff restaurants. In 2024, the cumulative reuse of melamine and stainless-steel tableware amounted to 412.9 thousand times.

Shared stationery

The Company encourages employees to use shared stationery by setting up a public stationery station, effectively reducing duplicate purchases and minimizing waste.

Encouraging Double-Sided Printing and Paper Reuse

The Company encourages employees to adopt double-sided printing and recycle used paper by using or pasting discarded paper for reimbursement forms and other purposes.

Repurposing idle items

The Company has repurposed idle furniture, carpets, raised floors, air conditioners, access control systems, surveillance equipment, and other facilities for new office locations.

This year, the Company took the following measures to accelerate waste recycling:

 Organize regular in-house sales of idle furniture to provide benefits for employees in need.

 Set up a free-sharing area where excess goods/food are shared among employees to avoid waste.

 Establish the Company's online group of used-items trade to fully circulate and utilize idle goods.

Case

"Recycle for Green" Philanthropy and Environmental Protection Festival

To demonstrate the philosophy of circular development and raise the awareness of environmental protection among the employees, the Company held the "Recycle for Green" Philanthropy and Environmental Protection Festival in October 2024, inviting all employees to participate.

The activities mainly include:

Idle book recycling

A collection point for idle books was set up at the event to encourage employees to donate their idle books at home. The collected books were donated to Lanyi Primary School in Zuoquan Township, Liling City, Hunan Province.

Used-items Exchange

A swap area was set up, where employees exchanged their idle items, such as electronic products, clothes and handicrafts.

To encourage employee participation, the Company awarded the "Aurora" virtual medals to all employees who completed all activities.

Environmental key performance indicators

The Company's GHG emissions and resource consumption during the Reporting Period are presented below:

Indicator	Unit	2024	2023	2022
Indirect greenhouse gas emissions (Scope 2) ^{15,16}	Tonne	1,643.46	2,654.54	2,235.42
Total electricity consumption in offices ¹⁷	kWh	3,833,963.30	3,427,466.10	2,800,028.15
Energy consumption intensity ¹⁸	kWh/person	2,637.75	2,537.92	2,546.64
Total water consumption in offices ¹⁹	Tonne	29,106.73	17,545.44	20,785.68
Water consumption intensity ^{18,19}	Tonne/person	20.03	12.99	18.90

¹⁵ Due to our business nature, the major gas emissions of the Group are greenhouse gases, resulting from electricity converted from fossil fuels.

¹⁶ Greenhouse gas emissions include carbon dioxide, methane, and nitrous oxide, calculated in carbon dioxide equivalent. Starting from 2024, greenhouse gas emissions calculated based on the 2022 *Electricity Carbon Emission Factors* issued by the Ministry of Ecological Environment of the People's Republic of China.

¹⁷ The current electricity consumption statistics include those of three office premises of the Company in Guangzhou, Shenzhen and Xiamen. Among the Company's leased office premises in Shenzhen, two are charged for air conditioning electricity at a fixed rate and cannot be separately metered, while the other allows for independent electricity measurement and has been included in the electricity consumption statistics. This year, the increase in the Company's total office electricity consumption in offices was mainly due to the inclusion of a full year of data from the measurable leased office premise in Shenzhen for the first time.

¹⁸ This year, the Company used the average total number of employees at the beginning and end of the year to measure energy intensity and water consumption intensity.

¹⁹ The Company mainly uses municipal tap water. The current water consumption statistics include those of three office premises of the Company in Guangzhou, Shenzhen and Xiamen. As the tap water cost is included in the property fee, the water consumption of the leased office premises in Shenzhen cannot be separately measured and has been estimated based on the usage coefficients provided in the 2022 *China Water Resources Bulletin* published by the Ministry of Water Resources of the People's Republic of China. This year, the increase in the Company's total water consumption in offices was primarily due to the inclusion of estimated water consumption for certain leased offices in Shenzhen as part of improved statistical coverage.



Undertaking Social Responsibility VIII

G-bits is deeply committed to social responsibility and actively contributes to society. We are fully committed to rural revitalization and social welfare, contributing to society through concrete actions that facilitate the common development of the Company and the industry. During the Reporting Period, the Company invested a total of RMB 2.29 million in rural revitalizations and society contribution²⁰ initiatives, with a total of 57 participants in voluntary activities contributing 128 service hours.

- [Contributing to rural revitalization](#)
- [“Glimmering Light” lighting up the future](#)
- [Empowering industry development](#)

²⁰ The Company's society contribution inputs cover areas such as public welfare donations and environmental protection public welfare.

Contributing to rural revitalization

G-bits recognizes the vital importance of rural revitalization to the sustainable development of society. We implement the rural vitalization strategy, supporting rural revitalization and social development with concrete actions. With multiple initiatives such as targeted scholarship, one-on-one assistance, education digitalization and infrastructure improvement, the Company provides rural students with better learning environment and conditions, enhancing public resources in rural areas.



As of the end of the Reporting Period, the Company had invested a total of RMB

998.5 thousand in the field of rural revitalization



benefiting nearly

51 thousand people

Case Supporting rural education - Building a digital education environment

“Pomegranate Seed Project” student support event

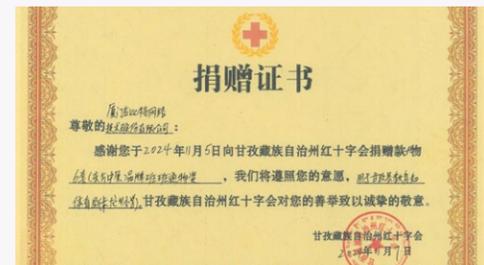
In response to the call from industry authorities, we have taken practical actions to support education. In June 2024, under the guidance of the China Audio-video and Digital Publishing Association, the “Pomegranate Seed Project” Public Welfare Donation Event was successfully held in Kashgar, Xinjiang. The Company donated 69 steel-wood doors and 4 Canon photocopiers to Qiaoda Township Primary School and Bashlak Village Primary School in Pishan County, Hotan Region, Xinjiang Uygur Autonomous Region, with a total donation of RMB 98 thousand. These facilities provide a safer and more comfortable learning and teaching environment for local teachers and students.



Facilities donated during the “Pomegranate Seed Project” student support event

Donation of teaching facilities

In October 2024, the Company donated 6 sets of multimedia teaching equipment, valued at RMB 88.8 thousand, to 208 students across 6 classes of Kalong Township Primary School in Tibetan Autonomous Prefecture of Garzê, Sichuan Province. The donation effectively enhanced the digital teaching standard of the school, providing students with a better learning environment.



Multimedia teaching equipment donated to Kalong Township Primary School in Tibetan Autonomous Prefecture of Garzê, Sichuan Province

Driven by our unwavering commitment to rural education, the Company has fortified its reputation in corporate social responsibility, fostered stronger bonds with local communities, and laid the foundation for future endeavors in rural revitalization and educational welfare.

Case Supporting the growth of rural students - One-on-one educational support

For years, the Company has consistently provided One-on-one financial support to primary and secondary school students who demonstrate strong academic performance but come from financially disadvantaged families, helping them complete their studies. As of the end of the Reporting Period, the Company has cumulatively sponsored 9 students from Fushun County and Rongxian County of Zigong City, Sichuan Province. In 2024, we allocated funds for student aid, primarily used for purchasing school supplies, paying tuition fees, and covering daily living expenses, effectively alleviating the financial burden on the beneficiary families.

The Company arranges regular visits to track the students' learning and progress, ensuring that the funds provided are truly impactful. Through One-on-one support, the Company has effectively fulfilled the social responsibility, provided a better learning environment for rural students, helped the sustainable development of rural education, and enhanced our positive impact on social welfare.

Case Supporting rural infrastructure construction - Street light donation

In September 2024, the Company donated 173 street lights worth a total of RMB 300 thousand to Fuquan Town, Yantan District, Zigong City, Sichuan Province. The project has effectively improved local street lighting conditions, benefiting community residents in several villages. In response to the rural revitalization strategy, the Company has made efforts in the balanced development of urban and rural infrastructures. Through this event, the Company further consolidated its brand image in the aspect of social responsibility.



Street lights donated to Fuquan Town, Yantan District, Zigong City, Sichuan Province

“Glimmering Light” lighting up the future

G-bits remains steadfast in its founding mission, actively participating in public welfare to give back to the society within our capabilities. In 2024, the Company launched the “Glimmering Light Public Welfare Initiative”, a public welfare program that focuses on key areas such as children’s growth and education, ecological environment protection and inheritance of intangible cultural heritage, to foster the sustainable development of society. We provide practical support to the vulnerable groups in the society. On this basis, we proactively promote the construction of corporate culture of public welfare, continuously expanding our influence on public welfare and contributing to the sustainability of the society.



During the year, the Company invested a total of RMB

1.09 million
in public welfare

Caring for vulnerable groups

Case

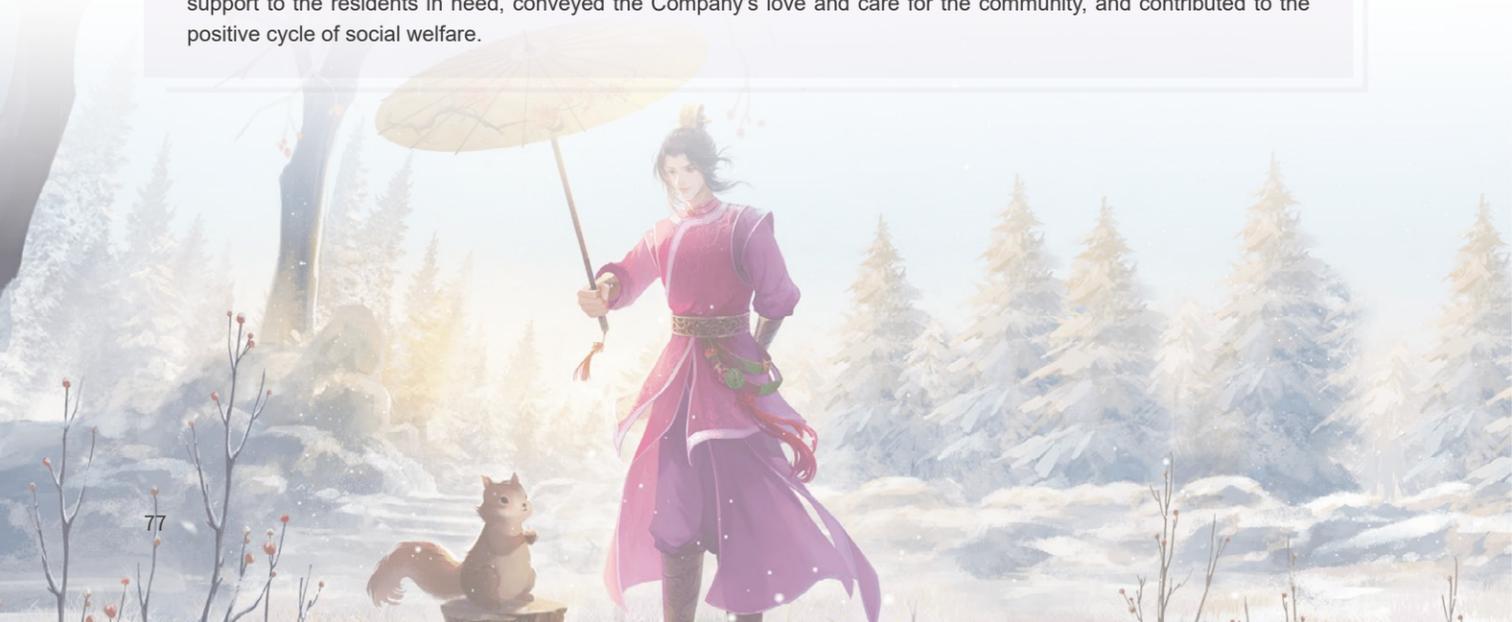
YiNian XiaoYao - Assistance to hearing-impaired children

In September 2024, the Company donated RMB 88 thousand to the Beijing Ihearu Charity Fund to support the construction of 4 cognitive learning centers, which provide hearing-impaired children with teaching aids such as picture books and audio materials for speaking and reading. The Company is dedicated to facilitating the linguistic recovery and social integration of hearing-impaired children, fulfilling its social responsibilities through concrete actions.

Case

Love Action - Caring for special groups

In 2024, the Company donated RMB 74 thousand of welfare supplies to the “Food Bank of Love” at Jialian Street, Xiamen City, aimed at providing support for the disadvantaged groups. Through this initiative, we provided practical support to the residents in need, conveyed the Company’s love and care for the community, and contributed to the positive cycle of social welfare.



Supporting children’s growth

Case

“Spring Bud Program” - Supporting children’s growth

In 2024, the Company collaborated with the Beijing All in One Foundation to promote the girl protection project, with a total investment of RMB 88.8 thousand. The project reached 75 primary schools in Henan, Shandong, Shaanxi, Guangdong, Guizhou and Xinjiang, and established the “Spring Bud Program” with Girl Protection courses. As of the end of the Reporting Period, a total of 618 courses had been delivered, benefiting 29,353 students. The Company remains committed to children’s well-being, and together with the Foundation, we provided systematic sex education to raise children’s self-protection awareness, and contributed to building a safer and more secure environment for their development.



“Spring Bud Program” with Girl Protection courses

Case

“Blue Letter Pen Pal Program” - Protecting children’s spiritual growth

In 2024, we teamed up with the Blue Letter Care Center for Left-behind Children to launch the “Village Children’s Pen Pal Program”, offering psychological support to rural children in Guangdong and Sichuan provinces through letter exchanges.

Supported by Cyberspace Administration of Shenzhen, cybersecurity education events were held at three rural schools in Lianping County. These interactive and engaging events were designed to help children raise their awareness of cybersecurity and enhance their self-protection ability.

In addition to financial support for children, the Company encourages its employees to engage in letter exchanges to offer lasting emotional support for rural children. In pursuit of our social responsibility, the Company has created a warmer brand image.



Promotional activities of the “Blue Letter Pen Pal Program”

Case Children's book donation - Lighting up the reading dreams of rural children

In 2024, the Company initiated the children's book donation program themed "Books for Children, Love for All", aimed at helping children in rural areas grow in reading through book donations, collection of "Glimmering Light" messages and guided-reading activities.

The Company donated RMB 100 thousand to the Stars Youth Public Welfare Development Center for 10 township schools and 1 community library. A total of 5,500 new books were donated, benefiting more than 7,000 teachers and students and attracting the attention of more than 130 thousand netizens to children's education in the countryside through social media. We carefully selected books based on students' age, reading proficiency and interests, covering a wide range of categories such as picture books, children's literature, popular science encyclopedias and classic books.

Furthermore, the Company launched the "Glimmering Light" messages collection activity, in which players sent their blessings to rural children on social platforms with warm words to express their care. Volunteers guided the children to complete reading tasks, discuss and express themselves creatively through theatre performances, painting and writing, helping them enhance their thinking skills and language expression.

The project was selected as one of the "2024 Typical Cases of Game Public Welfare" by People's Daily, demonstrating our long-term commitment and innovative practice in promoting the development of rural children's education, and further enhancing the brand's social influence.



Children's book donation and reading experience day

Natural disaster relief

Case Volunteering for flood relief - Supporting the rebuilding of affected areas

In 2024, heavy rainfall caused severe flooding in many southern regions. To help the affected residents overcome these difficulties, the Company, together with Shenzhen One Foundation, responded quickly by donating relief supplies with a total value of RMB 710 thousand to assist the affected areas including Wuping in Fujian Province, Meizhou in Guangdong Province, Zhenyuan in Guizhou Province, Pingjiang in Hunan Province, and Dianjiang in Chongqing Province.

In addition, the Company was concerned about the recovery of education in the affected areas. The donated materials include desks and chairs with a value of RMB 210 thousand to support the reconstruction of damaged schools, helping students return to school as quickly as possible and restore a normal learning environment.

In the face of sudden disasters, we acted swiftly and responsibly, providing targeted support to help affected areas restore production and daily life.



Delivery of relief supplies

Empowering industry development

G-bits keeps an eye on the development of the game industry. The Company collaborates with universities and partners to provide opportunities for industry talents to showcase their abilities, empowering the sustainable development of the game industry. The Company pays close attention to industry trends, proactively engages in government and industry events, and demonstrates its corporate responsibility through practical actions. We consistently contribute to the high-quality development of the game industry, helping build a healthy, stable, and sustainable industry ecosystem.

Promoting industry exchanges and cooperation

The Company has actively participated in the development of industry organizations. **We are selected as one of the first members of the Digital IP Application Committee of the China Audio-video and Digital Publishing Association and serve as a vice-chairman of the Shenzhen Game Specialized Committee of the Shenzhen Internet Federation as well as the chairman of the Xiamen Game Industry Union**, demonstrating our commitment to driving the high-quality development of the industry.

The Company continues to engage in industry events, such as the Fine Game Development and Creation Forum on the 2024 China Game Industry Annual Conference, National Cybersecurity Awareness Week in Fujian Province, Guangdong Game Expo. Through these engagements, the Company has collaborated with industry partners to build a healthy, open and innovative ecosystem for the game industry.

Case

Fine Game Development and Creation Forum at the 2024 China Game Industry Annual Conference

On December 12, 2024, the Fine Game Development and Creation Forum was successfully held in Shijingshan, Beijing. The forum was hosted by the Game Working Committee of the China Audio-Video and Digital Publishing Association (CADPA) and the Expert Committee on Game Industry Research of the CADPA, and organized by the Company. With the theme "Upholding Integrity and Pursuing Relentless Innovation", this forum gathered professionals from the game industry and experts in related fields. Participants engaged in in-depth exchanges and intellectual discussions on topics such as game development concepts, technical architecture, and engineering capabilities.

At the forum, participants not only explored the creation strategies and development directions of premium games, but also shared successful cases and cutting-edge technologies, which promoted continuous progress in content creation, technological innovation, and high-quality development within the industry. As the organizer, the Company provided a platform for industry exchange, promoting technological innovation and the advancement of high-quality game development, significantly contributing to the growth of the game industry.



2024 China Game Industry Annual Conference - Fine Game Development and Creation Forum

Standard formulation and topic research

This year, G-bits, as one of the drafting units, participated in the development of four group standards for the Internet Society of China, including the *Guidelines on Carbon Disclosure for Internet Enterprises*, the *Guidelines on Evaluation of Social Responsibility and ESG Information Disclosure for Internet Enterprises*, the *Guidelines on Preparation of Social Responsibility Report on the Protection of Teenagers*, and the *Guidelines on Preparation of Social Responsibility Report on the Protection of Personal Information*.

Moreover, the Company actively contributed suggestions to the industry. Such efforts include submitting the opinions and suggestions on the group standards of *Requirements for Consumption Management of Teenagers' Online Game Services* to the Internet Society of China. In collaboration with relevant organizations such as the Game Publishing Committee, the Cyberspace Administration of Xiamen and the Cyberspace Administration of Shenzhen, the Company participated in the research on the *Report on Anti-addiction of Online Games*, the current state of game IP derivatives, and the anti-addiction mechanism for minors, thereby assisting the industry in optimizing its policies and practices.

Empowering talents development

G-bits is committed to cultivating and guiding talent within the industry. Leveraging our industry influence, diverse platforms and projects, we promote knowledge sharing, strengthen talent cultivation, and deepen industry-university-research cooperation, facilitating sustainable development of the industry.

Eliminating industry barriers through knowledge sharing

The Company actively shares and promotes specialized knowledge within the game profession. Through the creation of an interview series titled "My Story with Games", frontline employees share their experiences, showcase the diversified ecology of the game industry, and help eliminate social misunderstanding about the industry. In addition, we have established the "Game Trivia" series to popularize game development knowledge in a fun way, stimulating young talents' interest in the industry, and raising the social awareness of the game industry.



"My Story with Games" and "Game Trivia" series

Promoting practical exchanges and incubation innovative talent

In 2024, the Company has organized a series of college game developer salons in Wuhan, Beijing, Shenzhen, Xiamen and Chengdu. These events were designed to build an offline interactive platform, offering college game developers opportunities to showcase their works, conduct games trial, and engage in industry exchanges. The events invited the Company's frontline producers, senior R&D experts, executives and school recruiters to share insights on game development, industry trends and career planning, helping young developers improve their professional abilities and drive game innovation.



Building industry bridges through enterprise open day

This year, the Company held a corporate open day event, inviting college teachers and students interested in the game industry to G-bits and get a deeper understanding of the ecology of the game industry. The event included professional sharing sessions and interactive game trials, providing young groups with industry insight and practice opportunities, thereby helping to build the industry talent pipeline.



Enterprise open day visiting activity in Guangdong University of Technology and Harbin Institute of Technology

Deepening industry cooperation and promoting talent ecosystem

The Company actively engages in external academic research and industry technology exchanges. By promoting collaboration among industries, academia, and research institutions, we advance the talent cultivation in the game industry to build a more inclusive industry talent ecosystem.

Case

Empowering Young Developers and Building a Global Game Talent Ecosystem - G-bits Game Developer Contest

The Company has organized the G-bits Game Developer Contest for six consecutive years. With a global perspective and professional guidance, this contest invited core game developers as team leader and provided opportunities for offline game trial opportunities, providing a platform for university developers to show their talents and exchange their ideas.

In 2024, over 2,000 developers from over 600 universities worldwide participated in the contest, with more than 300 creative game works submitted. Among them, 143 participants were from international locations, covering 13 countries, including top international institutions such as New York University and University of Southern California. The contest is committed to cultivating young game talents and incubating high-quality creative works, contributing to the creation of an open and collaborative talent ecosystem in the industry.



G-bits Game Developer Contest

Case

Cultivating Future Game Developers and Promoting Sustainable Industry Development - G-bits & University Game Development Alliance

Since 2021, G-bits has established the G-bits & University Game Development Alliance, an organization for learning and exchanging among college game development enthusiasts. It provides students with systematic learning resources and professional guidance, helping young developers enhance their skills and industry knowledge. The alliance regularly organizes activities such as live course broadcasts, summer game development practical training, University Game Jam challenge, and invited industry experts and experienced producers to exchange and share views. In addition, the alliance provides resource support for university game culture ecosystem by sponsoring 14 game societies from universities such as Huazhong University of Science and Technology, Shenzhen University and Northeastern University.

In 2024, the alliance organized over 40 live course broadcasts, with members exceeding 6,000, covering nearly 600 universities and involving 120 university societies.



Student work from practical training under G-bits & University Game Development Alliance Game Education Campaign

Appendix

Key Performance Table

Indicator		Unit	2024	2023	2022	
Environment	Total electricity consumption in offices	kWh	3,833,963.30	3,427,466.10	2,800,028.15	
	Electricity consumption in Xiamen Office	kWh	1,435,269.00	1,427,013.00	1,352,345.00	
	Electricity consumption in Shenzhen Office	kWh	2,088,971.30	1,689,708.10	1,169,866.15	
	Electricity consumption in Guangzhou Office	kWh	309,723.00	310,745.00	277,817.00	
	Energy consumption intensity	kWh/person	2,637.75	2,537.92	2,546.64	
	Total water consumption in offices	Tonne	29,106.73	17,545.44	20,785.68	
	Water consumption in Xiamen Office	Tonne	14,356.91	10,997.44	14,695.68	
	Water consumption in Shenzhen Office	Tonne	14,656.82	6,422.00	5,976.00	
	Water consumption in Guangzhou Office	Tonne	93.00	126.00	114.00	
	Water consumption intensity	Tonne/person	20.03	12.99	18.90	
	Indirect greenhouse gas emissions (Scope 2)	Tonne	1,643.46	2,654.54	2,235.42	
	Total non-hazardous waste generated ²¹	Tonne	124.04	114.33	/	
	Non-hazardous waste generated intensity ²²	Tonne/person	0.09	0.08	/	
	Volume of waste recycled ²³	Tonne	2.07	2.23	/	
Society	Total number of employees	Number	1,460	1,447	1,254	
	By age group	≤ 30	Number	753	927	805
		30-50	Number	707	520	449
	By academic qualification	Master's degree and above	Number	229	235	178
		Bachelor's degree	Number	1,013	1,002	874
		Junior college degree and below	Number	218	210	202
	By gender	Male employee	Number	1,003	993	860
		Female employee	Number	457	454	394

²¹ The Company's operations generate non-hazardous waste, primarily including household waste, food waste, and electronic waste, all of which are managed by the property management company. The current non-hazardous waste statistics include those of three office premises of the Company in Guangzhou, Shenzhen and Xiamen.

²² This year, the Company used the average total number of employees at the beginning and end of the year to measure non-hazardous waste generated intensity.

²³ The Company's recycled waste primarily includes electronic devices and their components, such as mechanical hard drives, solid-state drives, laptops, monitors, desktops, and servers.

Indicator		Unit	2024	2023	2022
By gender	Male management	Number	136	129	119
	Female management	Number	49	43	39
By professionals	R&D personnel	Number	919	855	692
	Non-R&D personnel	Number	541	592	562
By geographical region	China mainland	Number	1,446	1,434	1,243
	Hong Kong, Macao and Taiwan regions of China	Number	9	7	6
	Overseas	Number	5	6	5
Total number of newly hired employees		Number	514	493	553
Percentage of vacant positions filled by internal candidates		%	3.47	2.53	3.58
Average employment cost per FTE		RMB/person	10,448	10,551	10,906
Total number of training sessions		Session	94	168	177
Total training hours provided by the Company		Hour	334	504	870
Training hours per employee per year ²⁴		Hours/person	0.23	0.37	0.79
Employee training coverage rate/percentage of trained employees		%	100	100	/
Total training investment		RMB 10 thousand	117.84	352.68	389.88
Employee absence rate		%	0%	0%	0%
Amount invested in employee work injury insurance		RMB 10 thousand	90.12	58.12	38.97
Coverage rate of employee work injury insurance		%	100	100	100
Investment in society contribution		RMB 10 thousand	129.57	298.53	246.69
Investment in public welfare donations		RMB 10 thousand	109.34	292.95	226.69
Investment in environmental protection public welfare		RMB 10 thousand	20.23	5.58	20.00
Investment in rural revitalization		RMB 10 thousand	99.85	78.47	103.58

²⁴ This year, the Company used the average total number of employees at the beginning and end of the year to measure training hours per employee per year.

Indicator Indexes

The Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) index

Disclosure dimension	No.	Disclosure issue	Article	Relevant Sections
Environment	1	Response to climate change	Articles 21 to 28	Response to climate change, Practicing green operation, Key performance table
	2	Emissions of pollutants	Article 30	Not Applicable ²
	3	Waste disposal	Article 31 ²⁵	Practicing green operation
	4	Ecosystems and biodiversity conservation	Article 32	Practicing green operation
	5	Environmental compliance management	Article 33 ²⁶	Practicing green operation
	6	Energy utilization	Article 35	Practicing green operation, Key performance table
	7	Water resources utilization	Article 36	Practicing green operation, Key performance table
	8	Circular economy	Article 37 ²⁵	Practicing green operation, Key performance table
Society	9	Rural revitalization	Article 39	Contributing assisting rural revitalization, Key performance table
	10	Contribution to society	Article 40	“Glimmering Light” lighting up the future, Key performance table
	11	Innovation-driven	Article 42	Upholding innovation-driven development

²⁵ The Company will progressively enhance the data collection capabilities for hazardous waste generation and renewable resource consumption to enable more comprehensive disclosure of relevant data and its statistical methodology.

²⁶ According to the classification standards for environmental emergencies outlined in the *National Emergency Response Plan for Sudden Environmental Incidents* issued by the Ministry of Ecology and Environment of the People's Republic of China, the Company specializes in the development and operation of online games and does not engage in activities such as the production, storage, or transportation of hazardous or toxic substances. Therefore, we are not subject to major environmental incidents.

Disclosure dimension	No.	Disclosure issue	Article	Relevant Sections
Society	12	Ethics in science and technology	Article 43	Upholding innovation-driven development
	13	Supply chain security	Article 45	ESG governance
	14	Equal treatment of small- and medium-sized enterprises	Article 46	Not Applicable ²⁷
	15	Safety and quality of products and services	Article 47 ²⁸	Developing high-quality products
	16	Data security and customer privacy protection	Article 48	Development of data security system, Data lifecycle management, Safeguarding the healthy content ecosystem
	17	Employees	Article 50 ²⁹	Talent development strategy, Protection of employee rights and interests, Maintenance of smooth communication channels, Employee welfare, Innovation in talent cultivation, Supporting employee development, Key performance table
	Sustainability-related governance	18	Due diligence	Article 52
19		Communications with stakeholders	Article 53	ESG governance
20		Anti-bribery and anti-corruption	Article 55	Business ethics
21		Anti-unfair competition	Article 56	Business ethics

²⁷ The Company was not involved in any situation where the balance of accounts payable (including notes payable) exceeded RMB 30 billion or accounted for more than 50% of total assets at the end of the Reporting Period. Additionally, the Company was not subject to disclosure of overdue payments to small and medium-sized enterprises (SMEs) through the National Enterprise Credit Information Publicity System.

²⁸ The products related to the Company's main business are all virtual products and do not involve product recalls.

²⁹ Specializing in the development and operation of online games, the Company does not fall within the scope of business entities mandated to take out work safety liability insurance under the Article 51 of the *Work Safety Law of the People's Republic of China*. Therefore, the Company does not purchase work safety liability insurance for employees.

GRI Sustainable Development Report Standard index

Contents		GRI Standards
I. About this Report		2-1; 2-2; 2-3; 2-4
II. About G-bits		2-6
III. Corporate Governance and ESG management	(I) Corporate governance	2-9; 2-11; 2-24
	(II) ESG governance	2-12; 2-13; 2-16; 2-17; 2-22; 2-24; 2-29; 3-1; 3-2
	(III) Business ethics	2-25; 2-26; 2-27; 3-3; 205-2; 206-1
IV. Product and Service Empowerment	(I) Developing high-quality products	417-1
	(II) Upholding innovation-driven development	417-1
V. Data Ecosystem Protection	(I) Development of data security system	417-1
	(II) Data lifecycle management	417-1
	(III) Safeguarding the healthy content ecosystem	Not Applicable

Contents		GRI Standards
VI. Talent Sustainability Development	(I) Talent development strategy	404-2
	(II) Protection of employee rights and interests	2-7; 2-25; 3-3; 401-1; 403-8; 405-1; 408-1; 409-1
	(III) Maintenance of smooth communication channels	Not Applicable
	(IV) Employee welfare	401-2; 403-1; 403-3; 403-5; 403-6; 403-7
	(V) Innovation in talent cultivation	404-1; 404-2
	(VI) Supporting employee development	Not Applicable
VII. Green Operations	(I) Response to climate change	201-2; 3-3
	(II) Practicing green operation	302-1; 302-3; 302-4; 302-5; 303-1; 303-2; 303-5; 305-2; 306-2
VIII. Undertaking Social Responsibility	(I) Contributing to rural revitalization	203-1
	(II) "Glimmering Light" lighting up the future	203-1; 413-1
	(III) Empowering industry development	Not Applicable

Reader Feedback

Dear Reader:

We sincerely appreciate your time to read the 2024 Sustainability Report of G-bits Network Technology (Xiamen) Co., Ltd. We sincerely welcome your comments and suggestions in order to provide you and other stakeholders with more valuable information and effectively promote the Company's ability to perform its corporate sustainability management.

1. What's your overall comment on the Report?:

Excellent Good Average Below average Poor

2. What do you think of our responses and disclosure to stakeholders' concerns in this Report?

Excellent Good Average Below average Poor

3. What do you think of our performance in fulfilling financial responsibilities?

Excellent Good Average Below average Poor

4. What do you think of our performance in fulfilling responsibilities to users?

Excellent Good Average Below average Poor

5. What do you think of our performance in data security management?

Excellent Good Average Below average Poor

6. What do you think of our performance in fulfilling responsibilities to employees?

Excellent Good Average Below average Poor

7. What do you think of our performance in fulfilling responsibilities to communities?

Excellent Good Average Below average Poor

8. What do you think of our performance in fulfilling environmental responsibilities?

Excellent Good Average Below average Poor

9. What do you think of the clarity, accuracy and completeness of the information, indicators and data disclosed in this Report?

Excellent Good Average Below average Poor

10. Do you think the contents and formatting of this Report are easy to read?

Excellent Good Average Below average Poor

Open-ended question: What are your opinions or suggestions to G-bits on its performance of sustainability management or this Report?

Your contact details:

Name:

Tel:

Email:

Employer:

Title:

Fax:

You may give us your precious feedback or suggestions in the way as described below:

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