

Stock Code: 603444

Stock Name: G-bits

**G-bits Network Technology (Xiamen) Co., Ltd.**  
**2023 Interim Report (Summary)**

**August 2023**

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

## Part I Important Notes

- 1.1 This interim report summary is derived from the full text of the interim report. In order to have a comprehensive understanding of the Company's operating results, financial condition, and future development plans, investors should carefully read the full text of the interim report, which is available on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)).
- 1.2 The board of directors (or the "Board"), supervisory board, directors, supervisors, and senior management of the Company guarantee the truthfulness, accuracy, and completeness of the interim report, ensuring that there are no false records, misleading statements, or material omissions. They also bear individual and joint legal responsibilities.
- 1.3 All directors of the Company attended the board meeting for the review of this report.
- 1.4 This interim report is unaudited.
- 1.5 This report includes the profit distribution proposal or capitalization of reserves proposal, which has been approved by the board of directors.

In the future implementation of the profit distribution plan for the first half of 2023, the total share capital on the equity registration date will be used as the basis. An amount of RMB 70.00 (including taxes) in cash dividend will be distributed to all shareholders for every 10 shares held. It is hereby clarified that there will be no capitalization of the profit distribution through capital reserve conversion, nor will there be any other form of profit distribution in this instance.

The projected profit distribution amount during the reporting period is estimated to be RMB 504 million (calculated based on the total share capital of June 30, 2023). This amount accounts for 74.60% of the net profit attributable to shareholders of the Company during the reporting period. Since the Company's initial public offering in January 2017, the cumulative cash dividends amount to RMB 5.298 billion (including the announced but yet-to-be-implemented dividend amount during the reporting period), which is 5.89 times the net proceeds raised from the initial public offering of stocks.

## Part II Basic Information of the Company

### 2.1 Company Profile

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

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

### 2.2 Key Financial Information

Unit: RMB Yuan

	30 June 2023	31 December 2022	YoY+/- (%)
Total assets	6,864,634,222.72	6,490,420,298.78	5.77
Equity attributable to shareholders of the Company	4,535,560,151.16	3,978,734,566.03	14.00
	H1 2023	H1 2022	YoY+/- (%)
Operating income	2,348,924,659.16	2,510,553,952.19	-6.44
Net profit attributable to shareholders of the Company	675,971,006.54	688,329,156.45	-1.80
Net profit attributable to shareholders of the Company after deducting non-recurring profits and losses	645,696,206.55	667,680,463.30	-3.29
Net cash flows from operating activities	601,649,840.64	749,913,191.08	-19.77
Weighted average return on equity (%)	15.82	15.09	an increase of 0.73 percentage points
Basic earnings per share (RMB/share)	9.40	9.58	-1.88
Diluted earnings per share (RMB/share)	9.39	9.58	-1.98

Description:

#### 1. Business Overview During the Reporting Period

##### (1) Overview of Major Game Revenue

###### 1) Domestic Game Business

A. The operating revenue of *Asktao (PC)* during the reporting period decreased slightly compared to the same period last year.

B. The operating revenue of *Asktao (Mobile)* during the reporting period decreased compared to the same period last year.

C. The operating revenue of *Overmortal (Mainland version)* during the reporting period decreased compared to the same period last year.

D. *Aobi Island: Dreamland* was launched in July 2022, contributing incremental operating revenue during the reporting period compared to the same period last year.

E. The Company's cooperation with the developer of "*Mole's World*" expired on May 26, 2023, and the Company recognized the deferred revenue balance as operating revenue during the reporting period, as the performance obligations are no longer required.

## 2) Overseas Game Business

During the reporting period, the operating revenue from overseas game business amounted to RMB 119 million, with a year-on-year growth of 5.99%.

### (2) Overview of Company Personnel

1) The total number of employees at the end of this reporting period was 1,356, an increase of 102 employees compared to the end of the previous year with a growth rate of about 8.13%, mainly due to the increase in the number of employees engaged in game research and development activities.

2) The average monthly number of employees during the reporting period was approximately 1,317, an increase of around 268 employees compared to the same period last year with a growth rate of about 26%. Among them, the number of employees engaged in game research and development activities and overseas operation activities increased by 167 and 33, respectively.

The total number of employees increased year-on-year, resulting in corresponding increases in basic compensation and related expenses. However, the accrued bonuses based on business performance decreased year-on-year, leading to a reduction in overall employee compensation and related expenses year-on-year.

### (3) Overview of Equity Investment Business

The company's investment targets mainly consist of upstream and downstream enterprises in the game industry or investment funds in the industry. During the reporting period, the Company made relatively few new equity investments. The income generated from investment activities during the reporting period (including investment income, gains or losses from changes in fair value, assets impairment losses, etc.) increased by RMB 83 million compared to the same period last year. This increase was primarily due to higher share of profits of joint associates

compared to the same period last year.

#### **(4) Overview of Exchange Rate Changes**

As of June 30 2023, the central parity rate of the U.S. dollar against the RMB was 7.2258, representing a 3.75% increase from the end of the previous year. As a portion of the Company's business is settled in U.S. dollars and the Company holds a relatively large amount of U.S. dollars (mainly deposited in domestic banks), the foreign exchange gains were RMB 68 million during the reporting period, compared with RMB 104 million in the same period last year, with a decrease of RMB 35 million.

### **2. Overview of Game Profits During the Reporting Period**

#### **(1) Domestic Game Business**

1) For *Ashtao (PC)*, the operating revenue and profits during the reporting period decreased slightly compared to the same period last year.

2) For *Ashtao (Mobile)*, during the reporting period, the operating revenue experienced a decrease compared to the same period in the previous year. Furthermore, there was an increase in product-related expenditures such as advertising costs and operational service fees. As a result, the overall profit showed a year-on-year decrease.

3) For *Overmortal (Mainland Version)*, during the reporting period, product-related expenditures including advertising costs and operational service fees demonstrated a year-on-year decrease. However, the game gross billings for the same period experienced a decline compared to the previous year, resulting in a year-on-year reduction in business profit.

4) *Aobi Island: Dreamland*, launched in July 2022, contributed incremental profits during the period compared to the same period last year.

#### **(2) Overseas Game Business**

During the reporting period, the Company launched products such as *Overmortal (Vietnam version)*, *Dungeon Survivor III: Dark Genesis (Hong Kong, Macau and Taiwan, China version)*, and *Funny Fighters: Battle Royale (Southeast Asia version)* in overseas markets. As of 30 June 2023, the above products have not yet turned profitable.

### **3. Overview of Operating Cash Flow from Operating Activities During the Reporting Period**

(1) The net cash flow generated from operating activities during the reporting period decreased by 19.77% compared to the same period last year. The main reasons for this decrease are as follows:

1) The year-on-year decline in core product gross billings resulted in a reduction in operating cash inflow from sales receipts.

2) The overall operating cash outflow remained relatively stable compared to the same period last year, with the following factors contributing:

A. Taxes paid during the reporting period decreased compared to the same period last year.

B. Due to an increase in personnel, basic compensation expenses increased compared to the same period last year.

(2) The year-on-year decrease in operating revenue during the reporting period, which amounts to a decline of 6.44%, is relatively proportional to the decrease in operating cash inflow, which declined by 6.26%. However, the operating cash outflow remained stable, leading to a larger decrease in net cash flow from operating activities compared to the decline in operating revenue.

#### 4. Overview of Deferred Game Revenue

As of June 30, 2023, the Company's unamortized deferred game revenue balance amounts to RMB 479 million, a decrease of RMB 77 million compared to the end of the previous year RMB 556 million. This decrease is primarily due to the expiration of the Company's cooperation with the developer of *Mole's World* on May 26, 2023, and the Company recognized the deferred revenue balance as operating revenue, as the performance obligations are no longer required.

### 2.3 Quarterly Key Financial Information

Unit: RMB Yuan

Item	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Operating revenue	1,204,554,622.60	1,144,370,036.56	1,337,578,117.04	1,319,483,418.94
Net profit attributable to shareholders of the Company	369,418,231.91	306,552,774.63	449,146,781.15	323,398,522.08
Net profit attributable to shareholders of the Company after deducting non-recurring profits and losses	365,081,137.68	280,615,068.87	465,927,278.40	334,709,485.30
Net cash flows from operating activities	356,063,608.17	245,586,232.47	459,866,468.28	542,614,303.18

Description:

1. Changes in operating revenue and net profit attributable to shareholders of the Company for the second quarter of this year compared to the first quarter are as follows:

(1) Profits from Game Business

1) For *Asktao (PC)*, the operating revenue and profits for the second quarter of this year decreased compared to the first quarter.

2) For *Asktao (Mobile)*, the operating revenue increased for the second quarter of this year due to the 7th-anniversary celebration event. The product-related expenses such as promotion and operation service fee also increased. As the increase in revenue exceeded the increase in

expenses, the overall profit showed an increase compared to the first quarter.

3) For *Overmortal (Mainland version)*, the product-related expenses such as promotion and operation service fee decreased for the second quarter of this year. However, the game gross billings decreased in the same period, leading to a decrease in business profit compared to the first quarter.

4) For *Aobi Island: Dreamland*, the operating revenue and profits for the second quarter of this year decreased compared to the first quarter.

#### (2) Exchange Rate Change Gains

In the second quarter of this year, gains from exchange rate change amounted to RMB 94 million, with losses of RMB 25 million in the first quarter. This represents a quarter-on-quarter increase in gains of RMB 120 million (an increase of RMB 73 million attributable to shareholders of the Company).

2. The net cash inflow from operating activities for the second quarter of this year increased compared to the first quarter, primarily influenced by the following factors combined:

(1) The cash inflow generated from operating activities remained relatively stable quarter-on-quarter.

(2) The overall cash outflow from operating activities decreased quarter-on-quarter, with the following contributing factors:

A. Annual bonuses for the year 2022 were disbursed in the first quarter of this year;

B. Tax payments made in the second quarter of this year increased quarter-on-quarter.

## 2.4 Table of Top 10 Shareholders

Unit: Shares

Total number of ordinary shareholders at the end of the reporting period		11,695				
Number of preferred shareholders whose voting rights had been restituted during the report period		-				
Top 10 shareholders						
Name of shareholder	Nature of Shareholder	Shareholding Percentage (%)	Number of Shares Held	Number of Shares Held under Restricted/Lock-up Conditions	Number of Shares Pledged, Marked, or Frozen	
LU Hongyan	Domestic natural person	29.72	21,412,615		None	
CHEN Tuolin	Domestic natural person	11.44	8,240,025		None	
Hong Kong Securities Clearing Company Ltd.	Overseas corporation	10.19	7,339,763		None	
HUANG Zhihui	Domestic natural person	1.92	1,384,782		None	

LI Peiyong	Domestic natural person	1.87	1,350,000		None	
Zhongtai Securities Asset Management - China Merchants Bank - Zhongtai Xinghe No. 12 Collective Asset Management Plan	Other	1.42	1,019,840		None	
Ping An Fund - Ping An Life Insurance Company of China, Ltd. - Ping An Life - Ping An Fund Equity Entrusted Investment No. 1 Single Asset Management Plan	Other	1.19	860,606		None	
China Minsheng Bank Co., Ltd. - Huaxia CSI Animation & Game Exchange-Traded Open-End Index Securities Investment Fund	Other	1.03	744,864		None	
China Construction Bank Corporation - Zhongtai Kaiyang Value-Optimized Flexible Allocation Mixed-Type Securities Investment Fund	Other	0.57	413,855		None	
China Construction Bank Corporation - Fullgoal Long-Term Growth Mixed-Type Securities Investment Fund	Other	0.54	386,030		None	
Related or acting-in-concert parties among the shareholders listed above	N/A					
Explanation of preferred shareholders with voting rights restored and their shareholding quantities	N/A					

**2.5 Number of Preferred Shareholders as of the End of the Reporting Period and Table of Top 10 Preferred Shareholders**

Applicable N/A

**2.6 Changes in Controlling Shareholder or Ultimate Controlling Party**

Applicable N/A

**2.7 Outstanding Bond Situation as of the Approval Date of the Semi-Annual Report**

Applicable N/A



## Part III Management Discussion and Analysis

### 3.1 Overview of Core Business During the Reporting Period

#### 1. Business Profile

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

Founded in 2004, the Company has immersed itself in the game industry. Through years of development and technological advancement, the Company has grown significantly, enhancing its technical capabilities and expanding its product portfolio. Rooted in traditional Chinese culture, the Company has developed games such as *Asktao (PC)*, *Asktao (Mobile)*, and *Overmortal*. *Asktao (PC)* has been in continuous operation for 17 years since its debut in 2006. Building on its strong user base and IP popularity, the Company launched the mobile version of the MMORPG *Asktao* in April 2016, which has enjoyed steady popularity for the past 7 years. In February 2021, the Company launched *Overmortal*, an ink-wash style idle mobile game about the Taoist cultivation of immortality. Since its release, it has attracted over 24 million users.

Leiting Games, a platform G-bits operates independently, has robust game management capabilities. The Company has managed a wide range of games such as *Asktao (Mobile)*, *Overmortal*, *Aobi Island: Dreamland*, *Dragon POW!*, *World Flipper*, *Tale of Immortal (PC)*, *Dungeon Survivor II: Dark Tide (Android)*, *Dungeon Survivor III: Dark Genesis*, *Funny Fighters: Battle Royale*, *Gumballs*, and *Abyss Blade*, among other successful titles.

#### 2. Business Models

The Company specializes in the development and operations of games. Below is a breakdown of the Company's revenue streams and operating models:

##### (1) Revenue Streams

For online games, the Company has three revenue streams: Pay-To-Play (PTP), Free-To-Play (FTP), or In-Game Advertising (IGA). The majority of our revenue comes from FTP, where players can play for free and publishers profit from in-game item sales. FTP is a popular revenue model for the online game industry in China.

##### (2) Operating Models

There are three main operating models for the Company's games: independent operation, licensed operation, and cooperative operation.

(1) Independent Operation: The Company publishes games on its platform and handles both publishing and promotion. These games might be developed by the Company or by other organizations.

(2) Licensed Operation: The Company licenses games developed by itself to external publishers, who are responsible for managing the game's publishing and promotion. The Company's role is limited to technical support and content development.

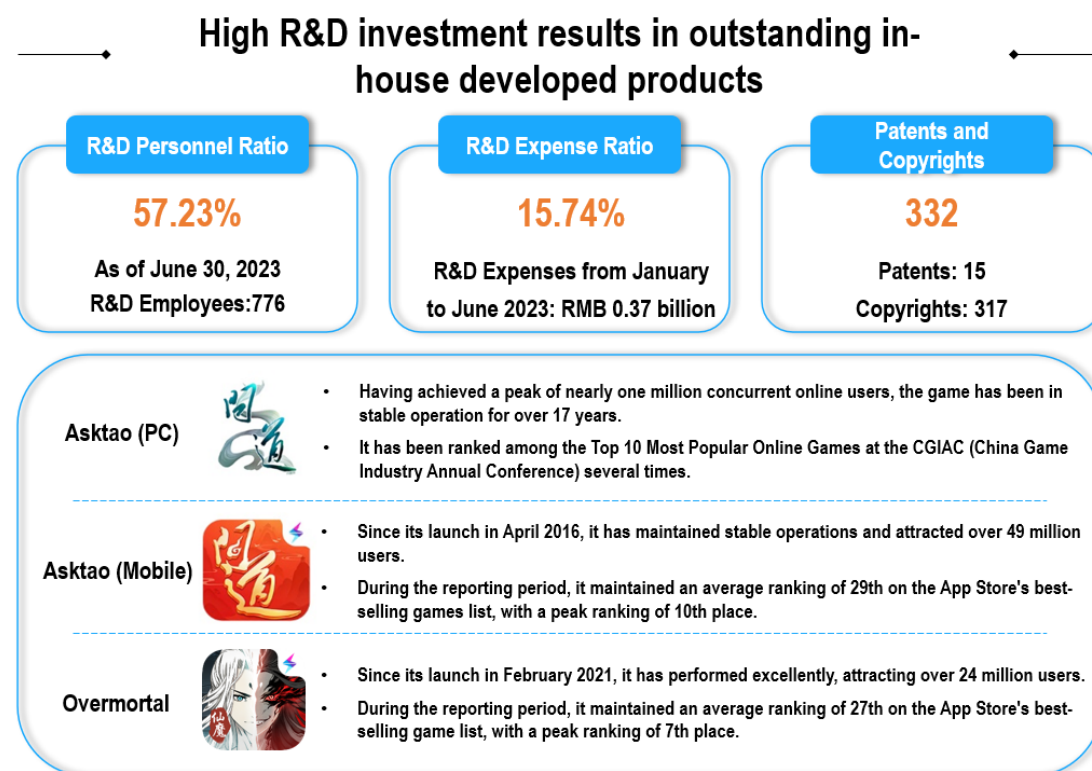
(3) Cooperative Operation: The Company partners with third-party platforms, such as the App Store and Android application stores, to co-publish and promote its games, whether developed by the Company itself or licensed.

The Company's mobile games mainly follow the independent operation and cooperative operation models. For example, *Ashtao (PC)* is licensed to GY Games, and other PC games from the Company's mainly follow the cooperative operation model.

### 3.2 Analysis of Core Competencies During the Reporting Period

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

##### (1) Overview of the Company's R&D Performance



The Company attached great importance to R&D and talent development. During this reporting period, The Company's R&D expense amounted to RMB 0.37 billion, accounting for 15.74% of its revenue. This sustained investment has laid the foundation for its innovation. The Company's R&D team has grown year on year, with the number of employees reaching 530 in 2021, 692 in 2022, and 776 in the first half of 2023, representing 56.08%, 55.18%, and 57.23% of the total workforce respectively. The Company's experienced core R&D personnel, all possessing excellent game development and management skills, are the foundation for the Company's ongoing product launches.

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

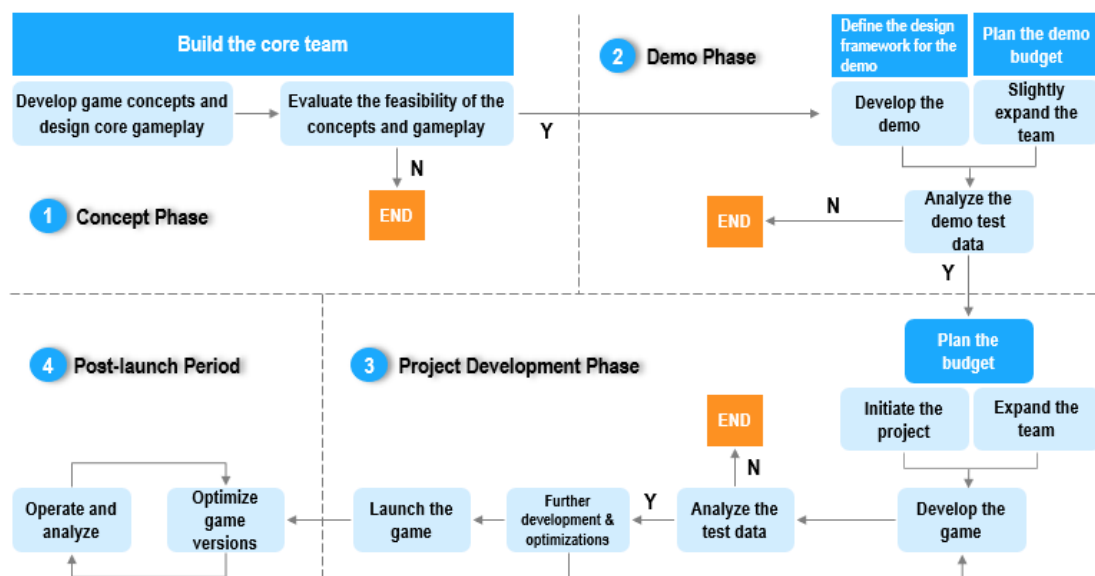
Games, as a medium of entertainment, thrive by providing users with compelling and novel experiences. The Company's commitment to innovation is unwavering. The Company strives to create games that are both unique and commercially viable. By focusing on differentiation, the

Company increases its product's competitiveness on the market while also increasing the innovation of their gameplay, concepts, art styles, etc. This also intensifies the challenges of R&D, requiring teams that excel in gameplay design, project management, and data analysis. Through years of experience, the Company has adopted the MVP approach to its R&D process.

In applying the MVP approach to the Company's R&D, at the start of a project, the Company assembles a core team to develop a prototype based on the creative designer's idea. Extensive user testing is then used to validate the feasibility of the core gameplay mechanics. Throughout the development process, the game undergoes numerous iterations and is fine-tuned based on test data. This MVP testing approach, starting from the demo version, allows the Company to keep a tight rein on product direction, avoid wasteful investments, and control R&D costs. frequent testing during development helps the Company to control variables between two successive tests, allowing the Company to analyze user behavior feedback more accurately. As a result, the Company has able to address issues that arise during development in a timely manner, increasing R&D efficiency. As the demo evolves into a final project, the Company continually refines and adapts the MVP approach to ensure seamless integration between gameplay testing and art assets.

While the MVP approach is effective in controlling R&D costs, it doesn't imply smaller projects or less overall investment. The scope of the project depends on the experience of the core team, project management skills, technological accumulation, the nature of the project, etc. The Company is committed to nurturing excellent game producers over the long term, and through the MVP approach, the Company filters projects and allocates more resources in the hope of producing more innovative, engaging, and high-quality products.

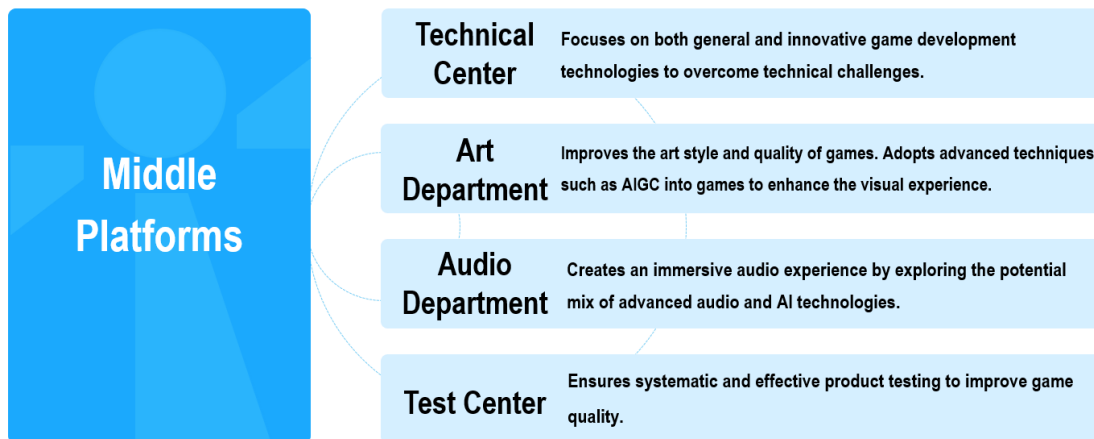
In addition, the MVP approach involves the Company's operations team working closely with the R&D team on a variety of tests and analyses. This allows the Company to gain a deep understanding of the market and users of its products, so that the Company can tailor its strategies and minimize the risks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



### (3) Middle Platform Construction, A Strong R&D Foundation

The Company has prioritized the establishment of solid R&D middle platforms. This includes the Company's Technical Center, Art Department, Audio Department, and Test Center. These pillars support every aspect of development, from R&D and art design, to soundtrack creation and product testing. This system not only ensures development, efficiency, and high quality output, but also optimizes the allocation of resources across projects, minimizing redundant costs and ensuring a stable R&D process.

### ◆ Strong Development Support from Middle Platforms ◆



The Company's Technical Center specializes in game development, focusing on both conventional and emerging technologies. It provides strong support including performance testing and optimization, effectively tackling technical challenges and improving R&D efficiency. Currently, the Technical Center focuses on developing compilers and auxiliary tools for GS, while building server frameworks and various public services rooted in GS. It's designing PKG and development tool chain is based on the GS environment, so that it can develop universal tools for all R&D teams and provide automated building and deployment solutions. The center conducts in-depth research on Unity, Unreal engine, and 3D rendering technologies. The center standardizes, modularizes, and builds frameworks for projects to provide service tailored to the needs of different teams. As a result, The Technical Center manages to reduce both the resources and time costs of game development, while improving R&D quality. In addition, The Technical Center applies cutting-edge AI technologies across all stages of game development, including planning, development, and testing, improving both the R&D efficiency and the overall gaming experience.

The Company's Art Department focuses on improving the quality and style of game art. The Art Department creates unique art styles that fit the unique vibe of our games, providing a distinctive gaming experience while satisfying diverse aesthetic preferences. Through continuous testing and new iterations, the Art Department strikes a balance between distinctive and mainstream art elements. In its pursuit of artistic excellence, the Art Department has designed detailed art standards and rules for each product, while consistently improving its design capabilities and quality control. The Art Department actively follows the latest technology trends, and promote their application in game art, especially cutting-edge technologies such as AIGC. By using image generation techniques and apps like Stable Diffusion, the Art Department manages to produce illustrations and in-game icons more efficiently, reducing resource costs

and streamlining our workflows.

The Company's Audio Department is dedicated to creating immersive audio that integrates with the game's narrative and gameplay. It pioneers the use of state-of-the-art audio and AI technology to effectively create audio that enhances the gaming experience and is tailored to player preferences.







The Company's Test Center manages project testing for daily and version updates to ensure that the performance is up to the standard. The center ensures a stable allocation of testing resources, improving both the efficiency and standardization of our testing process. By drawing on past experience, it provides reusable testing methodologies to ensure that our games maintain a stable quality.

## 2. Exceptional Game Operations

### (1) Proven Long-term Operational Proficiency

Leiting Games, an independently operated platform, is committed to a quality-first approach that prioritizes the user experience. The high-quality, unique, and highly engaging games under Leiting Games' operations have gained significant popularity and earned an excellent reputation.

**Exceptional Game Operations**

<p><b>Outstanding Performance in Classic MMORPGs</b></p>  <p><b>Asktao (Mobile)</b></p> <ul style="list-style-type: none"><li>• Having been on the market for 7 years, it continues to deliver impressive performance.</li><li>• The Company have built on this IP to enhance its value and extend its life cycle.</li><li>• Regularly, the Company hold featured events for the four major servers to meet users' needs, periodically gather users together, and promote user loyalty.</li></ul>	<p><b>Excellent Performance in Idle Games</b></p>  <p><b>Overmortal</b></p> <ul style="list-style-type: none"><li>• Since its launch in February 2021, <i>Overmortal</i> has demonstrated stable performance.</li><li>• Maintain a steady pace of iterative updates, periodically launch various brand or IP collaborative activities, continuously innovate marketing approaches, and sustain product enthusiasm and popularity.</li></ul>
<p><b>Simulation and Casual Games Popular with Young Players</b></p>  <p><b>Aobi Island: Dreamland</b></p> <ul style="list-style-type: none"><li>• Following its launch, it reached the top 10 bestselling games list on the App Store for 6 days.</li><li>• It has over 15 million registrations.</li></ul>  <p><b>Dragon POW!</b></p> <ul style="list-style-type: none"><li>• Following its launch, it reached the top 2 free games list on the App Store for 3 days.</li><li>• This is an action-packed shooting game loved by a wide range of players.</li></ul>	<p><b>Unique High-Quality Games</b></p>  <p><b>Tale of Immortal (PC)</b></p> <ul style="list-style-type: none"><li>• It has dominated the charts multiple times as a global bestseller on Steam, selling 1.8 million copies worldwide in its debut month alone.</li></ul>  <p><b>Gumballs</b></p> <ul style="list-style-type: none"><li>• Launched nearly seven years ago, Gumballs has become a classic game in the Roguelike genre, earning over 180,000 five-star reviews on the App Store.</li></ul>

With years of experience, Leiting Games has developed a comprehensive understanding of operating various game genres including MMORPG, Roguelike, idle games, and casual simulation. Leiting Games' operational framework covers everything, such as game version optimization, brand development, media outreach, event planning, cooperative channels, customer support, etc. With a keen understanding of the unique features of mobile games and

the target market, as well as a sharp insight into player demographics, behaviors, and spending habits, Leiting Games tailor its strategies to deliver precise and effective promotion.

## **(2) Precise and Effective Promotion**

In recent years, "buying traffic" has become an important promotion method in the game industry. However, its rising cost can negatively impact a game's profitability. Over the years, the Company has consistently prioritized creating unique, high-quality products and tailoring its promotion strategies accordingly. The Company's promotion plans are based on the game's features, the target market, and our understanding of the player base — their preferred platforms, behaviors, and spending habits. This allows the Company to reach its target audience effectively and precisely, while avoiding over-reliance on "buying traffic".

### **1) User Relationship Management**

The Company values user relationship management as it facilitates communication between the Company and its players. It allows the Company to meet the evolving demands of our players by understanding their needs deeply, a strategy that benefits its relationship with the users and enhances the Company's reputation within the industry. With sincerity towards the players being the core of the Company's operations, game designers, promotions staff, and customer support personnel organized numerous events for players. Some activities for users of *Asktao (Mobile)* are as follow:

Since 2017, *Asktao (Mobile)* has held a national competition every year, attracting a huge number of participants. The competition includes warm-ups, point-based matches, city matches (offline), knockout stages, and finals (offline), creating an energetic and engaging environment. The Company has also been organizing Designers Talk, an event for game designers to meet players, in various cities since 2016. Additionally, starting in 2018, the Company has held an annual *Asktao* Conference, which gives players an opportunity to engage in in-depth discussions and participate in fun events, either online or offline.

### **2) Advertising**

Throughout game releases, updates, and promotions, the Company's user platforms to advertise, send KOC (key opinion consumer) recommendations, and livestream games. At the same time, the Company supports UGC (user-generated content) across multiple platforms to spread the product information faster and further. The Company also focuses on user retention with well-designed gameplay and customer service. The Company believes that improving the user experience is the key to higher user retention and long-term product success.

During the reporting period, the Company's games like *Asktao (Mobile)* and *Overmortal* have run KOL (key opinion leader) promotional campaigns on short video platforms based on the dates of major version updates and user activities. These targeted promotions ensure a continuous flow of new users. Furthermore, the games have adopted additional promotional plans such as the TikTok publisher program, bidding ad release, and micro-end ad release to reach a wider range of users and increase conversion rates to keep the product consistently popular.

### **3) IP Development**

The Company's IP development aims to enrich the game's world, character portrayals, and storylines to deepen players' immersion and emotional connection to the game.

*Ashtao (Mobile)*, a classic IP that has been in operation for 17 years, represents the Company's efforts to strengthen the *Ashtao* brand. To build the brand, the Company is enhancing game stories and player immersion through various *Ashtao* IP derivatives, including novels, audiobooks, merchandise, and short films. After the release of its first novel, *Ashtao: Dashing Spear*, the Company invited renowned author Yan Leisheng to write the sequel, *Ashtao: Tao in the Heart*, which was published in 2021 as a printed book and audiobook. Throughout the process, the Company invited dozens of hardcore players to contribute ideas and read the work in advance to ensure that the novel aligned with players' perceptions of the *Ashtao* world.

*Overmortal* is a unique Taoist immortality cultivation-themed IP which is enhanced by music recordings, comics, novels, animations, and more. In 2022, *Overmortal* launched its animated derivative *I'm Carl*, which is updated on platforms such as TikTok, Kuaishou, and Bilibili, and boasts nearly 2.4 million fans across all platforms. The IP related releases include the film *Ordinary Yet Extraordinary*, the mini-drama *Mr. White Fox*, the audiobook *Between Demon and Immortal*, and more, maintaining high popularity across all major platforms. In May 2023, the game's theme song, "*Beyond Mortal*", was released on major music platforms. The song, a unique blend of Chinese traditional elements, rap, and chanting, received acclaim from players and music lovers alike.

#### **4) Collaborations**

The Company frequently collaborates with products and brands that appeal to its games' target players to increase the Company's popularity and recognition. The collaboration partners can range from the Company's games to those of other companies, as well as animated films and web series. The Company held numerous themed collaboration events during the reporting period that attracted a large number of participants. In particular, during the reporting period, *Overmortal* ran successful collaborations with the West Lake Scenic Area Administration and the classic IP, *Shrouding the Heavens*. In April 2023, *Ashtao (Mobile)* teamed up with the China Academy of Art, creating the "the seventh anniversary fashion" that blended traditional Chinese colors and patterns.

#### **5) Charts & Recommendations**

The Company's high-quality, unique, and intriguing games have earned the recognition from leading platforms such as the App Store and TapTap. The Company is regularly featured in its charts, attracting a significant number of downloads and earning widespread attention. In addition, players' ratings and discussions on these platforms have further increased its games' popularity. During the reporting period, several of the Company's games, including *Ashtao (Mobile)*, *Overmortal*, *Aobi Island: Dreamland*, *World Flipper*, *Dungeon Survivor III: Dark Genesis*, and *Elona*, were featured on popular platforms such as the App Store.

#### **6) Word-of-Mouth Marketing**

The Company leverages its excellent product quality to drive word-of-mouth marketing through various third-party gaming platforms, recommendations from KOCs (key opinion

consumers), WeChat accounts, QQ groups, and its official channels. The Company’s approach includes user selection, expectation management, feature communication, and user feedback tracking to refine and improve its operations.

### (3) Player-Centric Approach

The Company long-standing commitment to a player-centric design and operation philosophy enables it to create and share enjoyable experiences. As part of this philosophy, the Company encourages its producers to adopt the MVP (minimum viable product) approach. This means prototyping and testing core gameplay as early as possible so that the Company can incorporate player feedback to refine its games and ultimately make high-quality, original content that its players love.

The Company invests in its customer service team through competitive salaries and comprehensive business and technical training, ensuring they provide professional, efficient, and satisfying service. With the philosophy of “being an official friend of players and a guide to great experiences”, the Company provide in-depth support through various channels such as in-game CS (customer service) button, a 24-hour hotline, WeChat account, forums, and email. The Company maintains a dedicated team to monitor service quality daily and employs AI technology to enhance its support capabilities, significantly improving the players’ experience.

Additionally, The Company organizes online and offline events to directly engage with its players, facilitating open dialogue about game events and updates. For instance, for *Asktao (Mobile)*, the Company holds annual the Designers Talk and *Asktao* Conference to discuss with players the future updates and promotion plans and collect feedback from KOLs and players to help them "customize" their games.

## 3.3 Analysis of Core Competencies During the Reporting Period

### 1. Major Product Performance

#### (1) Status of Launched Products

Overview of Launched Products:

Name	In-house Developed/Licensed	Genre	Release Date
Asktao (PC)	In-house Developed	Turn-Based MMORPG	April, 2006
Asktao (Mobile)	In-house Developed	Turn-Based MMORPG	April, 2016
Overmortal	In-house Developed	Idle Taoist Immortality Cultivation Game	February, 2021
Aobi Island: Dreamland	Licensed	Casual Simulation	July, 2022
World Flipper	Licensed, in Charge of Localization Development	RPG with Pinball Element	October, 2021
Dungeon Survivor III: Dark Genesis	Licensed	Dungeon RPG	October, 2021



Name	In-house Developed/Licensed	Genre	Release Date
Funny Fighters: Battle Royale	In-house Developed	Casual Competitive RPG	July, 2019
Dragon POW!	Licensed	Fantasy Roguelike Shooting Game	August, 2023

Please note: All the games are mobile games except *Asktao (PC)*.

## (2) Major Product Performance

### 1) *Asktao (PC)*

The Company's first product, *Asktao (PC)*, an online game that the Company developed independently, was launched in April 2006 and quickly became a favorite among gamers, even reaching a peak of nearly one million concurrent users. The game's excellence was awarded with the Best Design for Digital Balance and the Best 2D (characters/scenes) Art Design (Art Design) awards at the 5th annual CGDA (China Game Developers Awards). It was also nominated as one of the Top 10 Outstanding PC Games in 2022 by CADPA (China Audio-Video and Digital Publishing Association).

Since its release in 2006, *Asktao (PC)* has won players' hearts with its high-quality gameplay and fair pricing. To prolong the game's life cycle and increase its IP value, the Company adapts to market trends and player feedback to update the game consistently. Every year, the Company release four major updates, the new year, annual, mid-year, and zodiac updates, to keep the game fresh and maintain its profitability.



### 2) *Asktao (Mobile)*

In April 2016, the Company launched *Asktao (Mobile)*, an in-house developed MMORPG. It retains the narrative and world setting of *Asktao (PC)*. Harnessing the loyal user base and IP value the PC version built over the past decade, and with extensive user research, it was deeply

optimized to adapt its core gameplay to the mobile platform. The Company also incorporates user feedback into regular updates to ensure the game meets player expectations. To extend the game's life cycle, the Company persistently work on enhancing the *Ashtao* brand and its IP value.

Due to its exceptional performance, *Ashtao (Mobile)* has gained industry recognition, and was chosen as the 6th game to win the China Excellent Publication Award (Audio-Visual Electronic Game Publication) from the CADPA. It also won several other awards as well, including Best Original Mobile Game at the 2016 Golden Plume Awards, and Best Game Music Design at the 9th CGDA. It was voted one of the Top Ten Most Popular Original Mobile Online Games of 2016.

During the reporting period, *Ashtao (Mobile)* maintained an average ranking of 29th on the App Store's bestselling game list, with a peak ranking of 10th.



### 3) **Overmortal**

*Overmortal* is an in-house developed, idle Taoist immortality cultivation mobile game with a traditional Chinese ink wash art style. The game depicts a Taoist realm inhabited by humans, immortals, monsters, and demons. It faithfully recreates the stages and mechanisms of Taoist spiritual cultivation, as well as displaying abilities and techniques from similar novels of the genre. Accompanied by dynamic lighting and sound effects, players will enjoy an immersive and engaging gaming experience.

Thanks to its excellent production and operational performance, *Overmortal* has received high industry recognition, winning awards such as the Best Concept Art Design award at the 12th CGDA, the Best Creativity for Mobile Games award at the 14th CGDA, and nominations for the Top 10 Outstanding Creative Games and Top 10 Emerging Games by the CADPA in 2021.

During the reporting period, *Overmortal* maintained an average ranking of 27th on the App Store's best-selling game list, with a peak ranking of 7th.





#### 4) Aobi Island: Dreamland

*Aobi Island: Dreamland* is a casual mobile game based off an existing IP launched on July 12, 2022. The game retains many iconic elements from its web-based predecessor, while introducing various social interaction features and integrating fashion trends such as modernized Chinese traditional styles. Players can engage in various in-game features such as character development, management simulation, and outfit changing. The game has been updated at a rapid pace since its release, providing players with a fresh and varied gaming experience.



#### 5) Dragon POW!

Launched on August 11, 2023, *Dragon POW!* is a top down shoot 'em up mobile game with a unique gameplay mechanic of counterattacking by devouring bullets. Players take on the role of a dragon knight who travels through various kingdoms with a small black dragon to retrieve the lost treasures of the dragons. Instead of dodging enemy attacks, players can swallow

incoming bullets to unleash powerful counterattacks, resulting in a thrilling gameplay experience.



## 2. Major Product Performance

Overview of Products in Development:

Products Developed In-House	Status of Game Licensing	Genre	Planned Regions for Release	Estimated Release Date
Equip Master (Code Name: BUG)	License Obtained	Western Fantasy Idle Game	Worldwide	Second Half of 2023 (Mainland China)
Outpost: Infinity Siege	Not Yet Applied	First-Person Shooting PC Game	Hong Kong, Macao, Taiwan, and Overseas	First Quarter of 2024
Alchemy Family (Code Name: M66)	License Obtained	Family Management Idle Game	Worldwide	Second Half of 2023 (Mainland China)
Project Super Meow Star	License Obtained	Customized 3D Cat Card Game	-	First Half of 2024
Fortress Battle	License Obtained	Tower Defense SLG	Worldwide	TBD
Origin (Code Name)	Not Yet Applied	Western Fantasy Idle Card Game	Worldwide	2024 (Overseas)
M88 (Code Name)	Not Yet Applied	Western Fantasy Idle Game	Mainland China, Hong Kong, Macao, and Taiwan, as well as Japan and South Korea	TBD
M72 (Code Name)	Not Yet Applied	Idle Taoist Cultivation Simulation	Mainland China, Hong Kong, Macao, Taiwan, and Southeast Asia	TBD

Products Developed In-House	Status of Game Licensing	Genre	Planned Regions for Release	Estimated Release Date
M11 (Code Name)	Not Yet Applied	Western Fantasy Idle Game	Worldwide	TBD

Licensed Products	ISBN	Genre	Authorized Regions	Estimated Release Date
New Manor Times	Owned	Farming Simulation Game	Mainland China	August 24, 2023
Beasts Evolved	Owned	Strategy Card Game	Mainland China	TBD
Beast Planet	Not Owned	Fantasy Beast Survival Strategy Game	Overseas	TBD
Project S (Code Name)	Not Owned	Roguelike Simulation Game	Mainland China, Hong Kong, Macao, and Taiwan	TBD
PicaTown	Owned	Business Simulation Game	Mainland China	2023
Chinese Cuisine Cruise	Owned	Business Simulation Game	Mainland China, Hong Kong, Macao, Taiwan, and Southeast Asia	TBD

Note: 1. The games listed above are currently in development. Whether they will be released is not set in stone, and as such have no currently fixed release dates. If you're interested, please stay up to date with the latest news and announcements from Leiting Games.

2. All of the above games are mobile games except *Outpost: Infinity Siege*, which is a PC game. *Project Super Meow Star* is licensed to Qingci Games for operations.

Introductions to Products in Development:

### 1) Equip Master (Code Name: BUG)

*Equip Master* (Code Name: BUG) is a Dungeons and Dragons-themed idle game. Players can create their own unique characters by collecting and combining various equipment. In this world, players can enhance their abilities, explore strange environments, and build their homes. The game also allows players to create guilds and cooperate with others, creating a glorious world of wonders players and other players can adventure together in. Licensed in May 2023, its mini-program version will be released in late 2023.





## 2) Outpost: Infinity Siege

*Outpost: Infinity Siege* is a first-person shooting PC game. Players can build their outposts, combine different weapons and ammunition, and fight within the unique terrains offered by a variety of game modes. It's scheduled to launch on Steam in first quarter of 2024.



## 3) M88 (Code Name)

*M88 (Code Name)* is an anime-style idle MMO mobile game. Players can customize their characters, skill sets, and classes, strategize against formidable enemies, and explore lost legends in a world of magic. Additionally, players can build their home, and team up with other players to build guilds and fight for an adventurous yet relaxing idle gaming experience. The game's overseas version is expected to be released in 2024.



#### 4) M72 (Code Name)

*M72 (Code Name)* is an idle game about immortal cultivation. You start as a novice Taoist and gradually grow into important member of your sect, engaging in amazing adventures across three worlds. The game features 3D aerial combat, recreating the famous mid-air battles and use of magical talismans seen in famous Chinese fantasy works. We have completed its core gameplay design and are working on the art assets and optimizing its operational performance.



#### 5) New Manor Times

*New Manor Times* is a farm simulation mobile game focusing on European manor estate management, adapted from the 2009 web game *Manor Era*. The gameplay mechanics are centered around the farming and processing of materials, as well as incorporating resource trading systems, item collection, hunting and gathering, dungeon exploration, and an in-depth companion system. Players can immerse themselves in an idealic lifestyle as the lords of their



own manor. The game has obtained licensing and is expected to be released on August 24, 2023.



### 3. Overseas Business Overview

As the Company has been expanding its overseas operations for some time, the Company has established systematic procedures for overseas product testing and publishing, thereby achieving extensive coverage in most regions of the world. The Company's MVP approach can be easily applied in overseas markets, allowing the Company to start tests with in-game purchases at an earlier stage than in domestic markets. This provides the Company with a rich pool of information and data for product selection, development, and optimization.

During the first six months of 2023, our overseas division recorded a revenue of RMB 119 million, representing a year-on-year growth of 5.99%. During the reporting period, the Company has successfully launched products such as *Overmortal* (Vietnamese), *Dungeon Survivor III* (HK/MO/TW), and *Funny Fighters: Battle Royale* (Southeast Asia) in overseas markets. At the same time, the Company's existing games are maintaining stable operations. Furthermore, the Company has conducted multiple tests for various in-house developed products in overseas markets, in line with our MVP approach of rapid iterations.

The Company is also preparing to launch several new products targeted for overseas markets, including *Alchemy Family*, *Outpost: Infinity Siege*, *New Manor Times*, *Origin* (Code Name), and *M88* (Code Name).

### 4. Investment Overview

While immersing itself in the game industry, the Company is not only focusing on game development and operations, but also prioritizing investment in top-tier game studios, publishers, and other related companies and funds within the industry.

Companies we invest in:

(1) **Qingci Games Inc.**



Qingci Games, established in March 2012, specializes in online game development and operations. It's known for *The Marvelous Snail*, the idle mobile game with a beautiful hand-drawn art style, and the roguelike game *Gumballs*. It was listed on the Hong Kong Exchanges in December 2021, and the Company holds an 18.55% stake in the company.

## **(2) TapTap**

TapTap, founded in March 2016, manages the TapTap platform. G-bits holds a 9.67% stake in the company. TapTap is a renowned third-party platform connecting game developers, publishers, and players, allowing users to download high-quality games and share their experiences with others.

## **(3) Xiamen Yongshi Technology Co., Ltd.**

Xiamen Yongshi Technology Co., Ltd., established in December 2014, focuses on online game development and production. *Azure Lane*, an anime-style game co-developed by the company, has received international acclaim. G-bits holds a 20.00% stake in the company, which is listed on the NEEQ. According to its 2023 biannual report, it generated a revenue of RMB 28 million, with a net profit of RMB 13 million.

## **(4) Xiamen Taojin Interactive Network Co., Ltd.**

Established in June 2013, Xiamen Taojin Interactive Network Co., Ltd. focuses on online game development and production. The company created the popular roguelike series *Dungeon Survivor*, in which the Company holds a 30.00% stake. Its 2022 annual report showed a revenue of RMB 67 million, with a net profit of RMB 40 million.

## **(5) Xiamen Zhenyouqu Information Technology Co., Ltd.**

Xiamen Zhenyouqu Information Technology Co., Ltd., established in August 2012, mainly develops and produces online games. G-bits holds a 10.00% stake in the company. It has numerous popular games such as *Sausage Party*, *Ulala: Idle Adventure*, and *Rapid Clash*. In particular, *Sausage Party* has over 200 million downloads on TapTap.

## **(6) Unity China**

Unity China, established on November 29, 2021, is a joint venture of US-based game engine developer Unity Technologies. G-bits holds a 1.6% stake in the company. Unity Technologies is one of the leading companies in the industry. Apps built on Unity have been downloaded over 5 billion times per month by the end of 2021. Moreover, over 50% of games across mobile, PC, and console platforms are developed on Unity. Unity China is tasked with creating localized versions of Unity's core products and managing their operations in China.

## **(7) PeroPeroGames**

PeroPeroGames, founded in August 2017, mainly develops and produces online games. G-bits holds a 15.00% stake in the company. Its parkour-themed music game *Muse Dash* received a score of 9.2 on TapTap and has a 96% positive review rating on Steam.

## Part IV Financial Statements

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

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

Unit: RMB Yuan

Item	30 June 2023	31 December 2022
<b>CURRENT ASSETS</b>		
Cash and Cash equivalents	2,379,884,538.91	2,628,619,551.17
Settlements Provision		
Loans to banks and other financial institutions		
Financial assets held for trading	1,212,174,622.80	629,605,938.78
Derivative financial assets		
Notes receivable		
Accounts receivable	258,677,260.15	264,695,831.84
Financing receivables		
Prepayments	23,658,742.54	13,330,296.84
Insurance premium receivable		
Due from reinsurers		
Receivable reinsurance contract reserve		
Other receivables	8,949,877.42	8,022,029.25
Including: Interest receivable		
Dividends receivable		4,000,000.00
Financial assets purchased under agreements to resell		
Inventories		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	7,959,252.60	20,502,738.32
Other current assets	14,294,113.51	14,078,760.20
<b>Total current assets</b>	<b>3,905,598,407.93</b>	<b>3,578,855,146.40</b>
<b>NON-CURRENT ASSETS</b>		
Loans and advances		
Debt investment		
Other debt investments		
Long-term receivables	18,058,251.69	16,707,513.05
Long-term equity investments	1,228,422,435.99	1,187,261,211.65
Other equity instruments investments		
Other non-current financial assets	655,113,097.99	656,389,807.13
Investment properties	177,882,028.29	185,051,014.53
Fixed assets	621,883,954.47	639,100,053.20
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use asset	41,605,912.69	7,639,002.23
Intangible assets	70,967,728.51	72,135,456.36
Development expenditures		
Goodwill	3,808,266.80	3,808,266.80
Long-term prepaid expenses	10,625,038.11	5,681,818.18
Deferred tax assets	89,369,600.25	97,185,342.58
Other non-current assets	41,299,500.00	40,605,666.67
<b>Total non-current assets</b>	<b>2,959,035,814.79</b>	<b>2,911,565,152.38</b>
<b>Total assets</b>	<b>6,864,634,222.72</b>	<b>6,490,420,298.78</b>
<b>Current liabilities</b>		

Item	30 June 2023	31 December 2022
Short-term borrowings		
Borrowing from the central bank		
Deposits and balances from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	207,785,818.75	282,198,091.94
Receipts in advance	100,276.12	64,876.98
Contract liabilities	448,189,265.99	509,694,875.47
Financial assets sold under agreements to buy		
Customer deposits and balances from banks and other financial institutions		
Customer brokerage deposits		
Securities underwriting brokerage deposits		
Payroll and employee benefits payable	492,737,493.81	530,906,045.00
Taxes payable	262,051,791.66	262,203,676.39
Other payables	36,108,230.31	75,527,618.02
Including: Interest payable		
Dividend payable		
Fees and commission payable		
Payable reinsurance		
Liabilities classified as held for sale		
Current portion of non-current liabilities	11,284,866.59	4,148,677.00
Other current liabilities	20,252,983.36	25,882,386.82
<b>Total current liabilities</b>	<b>1,478,510,726.59</b>	<b>1,690,626,247.62</b>
<b>Non-current liabilities</b>		
Insurance reserves		
Long-term borrowings		
Bonds payable		
Including: Preference share		
Perpetual debt		
Lease liabilities	32,075,917.63	3,606,651.23
Long-term Payable		
Long-term payroll and employee benefits payable		
Provisions		
Deferred income	684,231.97	684,231.97
Deferred tax liabilities	2,967,456.63	3,464,492.20
Other non-current liabilities	68,484,152.95	82,537,676.23
Total non-current liabilities	104,211,759.18	90,293,051.63
<b>Total liabilities</b>	<b>1,582,722,485.77</b>	<b>1,780,919,299.25</b>
<b>Shareholders' equity:</b>		
Paid-in capital	72,041,101.00	71,866,482.00
Other equity instruments		
Including: Preference share		
Perpetual debt		
Capital reserve	1,399,861,164.66	1,334,367,676.34
Less: treasury shares		
Other comprehensive income	91,011,756.51	59,710,028.24
Special reserve		
Surplus reserve	36,020,550.50	35,941,112.50
General reserve		
Retained earnings	2,936,625,578.49	2,476,849,266.95
Equity attributable to shareholders of the Company	4,535,560,151.16	3,978,734,566.03

Item	30 June 2023	31 December 2022
Non-controlling interests	746,351,585.79	730,766,433.50
Total shareholders' equity	5,281,911,736.95	4,709,500,999.53
<b>Total liabilities and shareholders' equity</b>	<b>6,864,634,222.72</b>	<b>6,490,420,298.78</b>

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

### COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

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

Unit: RMB Yuan

Item	30 June 2023	31 December 2022
<b>CURRENT ASSETS</b>		
Cash and Cash equivalents	253,337,165.02	316,357,502.93
Financial assets held for trading	252,400,342.50	60,342,000.00
Derivative financial assets		
Notes receivable		
Accounts receivable	27,486,813.86	31,868,438.63
Financing receivables		
Prepayments	781,044.44	560,714.17
Other receivables	248,715,324.16	116,613,690.66
Including: Interest receivable		
Dividends receivable	234,997,000.00	114,576,000.00
Inventories		
Contract assets		
Assets classified as held for sale		
Current portion of non-current assets	2,300,588.45	4,089,865.87
Other current assets	495,619.78	177,765.77
<b>Total current assets</b>	<b>785,516,898.21</b>	<b>530,009,978.03</b>
<b>NON-CURRENT ASSETS</b>		
Debt investment		
Other debt investments		
Long-term receivables	7,262,677.06	5,861,968.11
Long-term equity investments	2,165,018,988.14	2,128,930,582.66
Other equity instruments investments		
Other non-current financial assets	145,287,238.63	148,339,140.34
Investment properties	293,945,588.47	304,655,429.83
Fixed assets	10,375,190.20	10,849,209.46
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use asset		
Intangible assets	397,794.25	518,200.56
Development expenditures		
Goodwill		
Long-term prepaid expenses	507,604.24	
Deferred tax assets		
Other non-current assets		
<b>Total non-current assets</b>	<b>2,622,795,080.99</b>	<b>2,599,154,530.96</b>
<b>Total assets</b>	<b>3,408,311,979.20</b>	<b>3,129,164,508.99</b>
<b>Current liabilities</b>		
Short-term borrowings		
Financial liabilities held for trading		

Item	30 June 2023	31 December 2022
Derivative financial liabilities		
Notes payable		
Accounts payable	4,759,431.03	7,546,577.55
Receipts in advance	40,366.55	34,710.95
Contract liabilities	22,852,026.93	28,818,229.76
Payroll and employee benefits payable	101,105,279.35	118,552,169.31
Taxes payable	29,158,123.60	47,822,500.61
Other payables	5,237,785.39	5,109,242.69
Including: Interest payable		
Dividend payable		
Liabilities classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	2,118,982.90	1,976,867.48
<b>Total current liabilities</b>	<b>165,271,995.75</b>	<b>209,860,298.35</b>
<b>Non-current liabilities</b>		
Long-term borrowings		
Bonds payable		
Including: Preference share		
Perpetual debt		
Lease liabilities		
Long-term payable		
Long-term payroll and employee benefits payable		
Provisions		
Deferred income	533,731.97	533,731.97
Deferred tax liabilities	2,386,423.07	3,061,614.95
Other non-current liabilities	1,802,092.57	1,653,646.50
<b>Total non-current liabilities</b>	<b>4,722,247.61</b>	<b>5,248,993.42</b>
<b>Total liabilities</b>	<b>169,994,243.36</b>	<b>215,109,291.77</b>
<b>SHAREHOLDERS' EQUITY :</b>		
Paid-in capital	72,041,101.00	71,866,482.00
Other equity instruments		
Including: Preference share		
Perpetual debt		
Capital reserve	1,208,892,386.39	1,143,391,521.98
Less: treasury shares		
Other comprehensive income	-24,035.06	-24,035.06
Special reserve		
Surplus reserve	36,020,550.50	35,941,112.50
Retained earnings	1,921,387,733.01	1,662,880,135.80
<b>Total shareholders' equity</b>	<b>3,238,317,735.84</b>	<b>2,914,055,217.22</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>3,408,311,979.20</b>	<b>3,129,164,508.99</b>

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

### CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2023

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

Unit: RMB Yuan

Item	H1 2023	H1 2022
1. Total revenue	2,348,924,659.16	2,510,553,952.19
Including: Operating revenue	2,348,924,659.16	2,510,553,952.19
Interest income		

Item	H1 2023	H1 2022
Net earned premiums		
Net fee and commission revenue		
2. Total cost of sales	1,372,301,755.60	1,399,534,728.61
Including: Cost of sales	269,653,185.81	252,704,356.91
Interest expenses		
Fees and commission expenses		
Surrenders		
Net payments for insurance claims		
Net provision of insurance reserve		
Policyholder dividends		
Reinsurance expenses		
Taxes and surcharges	13,817,803.01	8,188,094.84
Selling expenses	643,496,326.15	669,586,391.87
General and administrative expenses	195,040,040.65	204,728,261.24
Research and development expenses	369,828,064.89	378,571,292.51
Financial expenses	-119,533,664.91	-114,243,668.76
Including: Interest expense	651,783.12	172,743.30
Interest income	45,750,292.34	10,179,288.12
Add: Other income	36,216,535.75	27,182,794.62
Investment income/(loss)	67,632,401.01	7,590,758.94
Including: Share of profits or loss of associates and joint ventures	58,257,678.97	-8,310,230.70
Gain from derecognition of financial assets measured at amortized cost		
Exchange gains or losses		
Net exposure hedging gains/ (losses)		
Gain/ (loss) on the changes in fair value	1,012,585.46	-5,570,418.04
Credit impairment losses	957,606.19	6,096,020.02
Assets impairment losses	-149,355.22	-8,368,613.63
Gain/ (loss) from disposal of assets	161,357.95	-28,270.84
3. Operating profit	1,082,454,034.70	1,137,921,494.65
Add: Non-operating income	193,954.18	829,851.55
Less: Non-operating expenses	1,261,219.80	2,203,851.48
4. Profit/(loss) before tax	1,081,386,769.08	1,136,547,494.72
Less: Income tax expense	187,643,728.41	242,489,321.80
5. Net profit /(loss)	893,743,040.67	894,058,172.92
(1) Categorized by operation continuity		
Net profit from continuing operations	893,743,040.67	894,058,172.92
Net profit from discontinuing operations		
(2) Categorized by ownership		
Net profit attributable to shareholders of the Company	675,971,006.54	688,329,156.45
Net profit attributable to non-controlling interests	217,772,034.13	205,729,016.47
6. Other comprehensive income, net of tax	32,736,567.34	40,620,784.68
(1) Other comprehensive income, net of tax, attributable to shareholders of the Company	31,301,728.27	39,108,451.33
(i) Other comprehensive income that will not be reclassified to profit or loss		
Remeasurement gains or losses of a defined benefit plan		
Other comprehensive income using the equity method that will not be reclassified to profit or loss		
Changes in fair value of other equity instrument investments		
Changes in fair value of enterprise's own credit risk		

Item	H1 2023	H1 2022
(ii) Other comprehensive income to be reclassified to profit or loss	31,301,728.27	39,108,451.33
Other comprehensive income that can be reclassified to profit or loss in equity method	8,719,662.30	10,600,240.71
Changes in fair value of other debt investments		
Amount of financial assets reclassified into other comprehensive income		
Provision for credit impairment of other debt investments		
Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)		
Exchange differences on translation of foreign currency financial statements	22,582,065.97	28,508,210.62
Others		
(2) Other comprehensive income, net of tax, attributable to non-controlling interests	1,434,839.07	1,512,333.35
7. Total comprehensive income	926,479,608.01	934,678,957.60
Total comprehensive income attributable to shareholders of the Company	707,272,734.81	727,437,607.78
Total comprehensive income attributable to non-controlling interests	219,206,873.20	207,241,349.82
8. Earnings per share		
Basic earnings per share (yuan / share)	9.40	9.58
Diluted earnings per share (yuan / share)	9.39	9.58

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

### INCOME STATEMENT OF COMPANY

For the six months ended 30 June 2023

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

Unit: RMB Yuan

Item	H1 2023	H1 2022
1. Total revenue	188,690,911.55	191,026,723.95
Less: Total cost of sales	24,331,834.66	24,411,222.82
Taxes and surcharges	2,380,122.39	1,780,037.99
Selling expenses		
Administrative expenses	31,248,373.61	38,387,601.11
Research and development expenses	72,013,475.11	74,599,691.19
Finance expenses	-5,433,832.03	-1,048,347.15
Including: Interest expenses (expressed with positive value)		
Interest income (expressed with positive value)	4,019,007.66	1,023,408.29
Add: Other income	23,071,223.30	6,351,021.35
Investment income/(loss)	405,947,008.66	204,608,695.88
Including: Share of profits or loss of associates and joint ventures	-414,794.00	-1,872,133.22
Gain from derecognition of financial assets measured at amortized cost		
Net exposure hedging gains/ (losses)		
Gain/ (loss) on the changes in fair value	-2,493,559.21	-1,466,191.79
Credit impairment losses	302,347.91	-34,461.10
Assets impairment losses		
Gain/ (loss) from disposal of assets	419.03	-28,329.80

Item	H1 2023	H1 2022
2. Operating profit/Loss	490,978,377.50	262,327,252.53
Add: Non-operating income	5,795.58	4,741.60
Less: Non-operating expenses	255,057.24	337,888.16
3. Profit/(loss) before tax	490,729,115.84	261,994,105.97
Less: Income tax expense	16,026,823.63	13,981,614.20
4. Net profit/(loss)	474,702,292.21	248,012,491.77
(1) Net profit from continuing operations	474,702,292.21	248,012,491.77
(2) Net profit from discontinuing operations		
5. Other comprehensive income, net of tax		
(1) Other comprehensive income, net of tax		
Other comprehensive income that will not be reclassified to profit or loss		
Other comprehensive income using the equity method that will not be reclassified to profit or loss		
Changes in fair value of other equity instrument investments		
Changes in fair value of enterprise's own credit risk		
(2) Other comprehensive income to be reclassified to profit or loss		
Other comprehensive income that can be reclassified to profit or loss in equity method		
Changes in fair value of other debt investments		
Amount of financial assets reclassified into other comprehensive income		
Provision for credit impairment of other debt investments		
Cash flow hedging reserves (effective part of profit and loss of cash flow hedging)		
Exchange differences on translation of foreign currency financial statements		
Others		
6. Total comprehensive income	474,702,292.21	248,012,491.77
7. Earnings per share		
(1) Basic earnings per share (yuan / share)		
(1) Diluted earnings per share (yuan / share)		

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

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

Unit: RMB Yuan

Item	H1 2023	H1 2022
<b>1. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from the sale of goods and the rendering of services	2,362,948,931.09	2,581,104,505.64
Net increase in customer bank deposits and due to banks and other financial institutions		
Net increase in loans from the central bank		
Net increase in funds borrowed from other financial institutions		
Cash premiums received on original insurance contracts		
Net cash received from re-insurance business		
Net increase in deposits and investments from insurers		
Cash received from interest, fees and commission		



Item	H1 2023	H1 2022
Net increase in funds deposit		
Net increase in repurchase business funds		
Net income from securities trading brokerage business		
Tax refunds received		
Cash received relating to other operating activities	96,462,452.54	42,480,945.04
Sub-total of cash inflows	2,459,411,383.63	2,623,585,450.68
Cash paid for purchase of goods and services	387,513,135.80	378,169,754.99
Net increase in loans and payments on behalf of customers		
Net increase in deposits with central bank and other financial institutions		
Payments for claims for original insurance contracts		
Net increase in funds lent		
Cash paid for interest, fees and commission		
Commissions on insurance policies paid		
Cash paid to and on behalf of employee	610,711,025.42	552,059,896.75
Cash paid for taxes	268,724,511.21	447,362,595.10
Cash paid relating to other operating activities	590,812,870.56	496,080,012.76
Sub-total of cash outflows	1,857,761,542.99	1,873,672,259.60
Net cash flows from operating activities	601,649,840.64	749,913,191.08
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from disposal of investments	2,181,050,000.00	2,618,479,663.05
Cash received from investment income	62,707,662.00	72,724,205.80
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets	1,310.00	60,970.00
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		6,841,666.67
Sub-total of cash inflows	2,243,758,972.00	2,698,106,505.52
Purchase of property, plant and equipment, intangible assets and other non-current assets	41,046,523.24	41,557,308.85
Cash paid for investments	2,756,960,000.00	1,954,805,000.00
Net increase in secured loans		
Net cash paid for acquisition of a subsidiary and other operating units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	2,798,006,523.24	1,996,362,308.85
Net cash flows from investing activities	-554,247,551.24	701,744,196.67
<b>3. Cash flows from financing activities</b>		
Cash received from investment	63,743,604.71	601,287.70
Including: Cash receipts from capital contributions from non-controlling interests of subsidiaries		
Proceeds from borrowings		
Cash receipts relating to other financing activities		
Subtotal of cash inflows	63,743,604.71	601,287.70
Repayments for debts		
Cash payments for distribution of dividends or profit and interest expenses	428,916,112.00	1,353,857,312.00
Including: Dividends or profit paid to non-controlling shareholders of subsidiaries	204,000,000.00	204,000,000.00
Cash payments relating to other financing activities	3,607,844.95	2,398,336.27
Subtotal of cash outflows	432,523,956.95	1,356,255,648.27
Net cash flows from financing activities	-368,780,352.24	-1,355,654,360.57
<b>4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	74,837,052.69	111,379,716.66

Item	H1 2023	H1 2022
<b>5. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	-246,541,010.15	207,382,743.84
Add: Cash and cash equivalents at beginning of year	2,622,640,821.07	2,900,085,934.16
<b>6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	2,376,099,810.92	3,107,468,678.00

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

## COMPANY STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

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

Unit: RMB Yuan

Item	H1 2023	H1 2022
<b>1. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from the sale of goods and the rendering of services	176,479,019.30	180,276,252.57
Tax refunds received		
Cash received relating to other operating activities	42,120,414.02	39,292,269.24
Sub-total of cash inflows	218,599,433.32	219,568,521.81
Cash paid for purchase of goods and services	1,563,337.97	4,297,897.13
Cash paid to and on behalf of employee	120,964,069.28	115,791,197.27
Cash paid for taxes	40,189,771.25	87,094,057.07
Cash paid relating to other operating activities	13,796,480.26	17,437,404.40
Sub-total of cash outflows	176,513,658.76	224,620,555.87
Net cash flows from operating activities	42,085,774.56	-5,052,034.06
<b>2. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from disposal of investments	210,000,000.00	1,028,900,000.00
Cash received from investment income	286,022,510.83	898,654,434.60
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-term assets		30,033.00
Cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows	496,022,510.83	1,927,584,467.60
Purchase of property, plant and equipment, intangible assets and other non-current assets	2,892,637.93	2,081,222.61
Cash paid for investments	436,100,000.00	679,800,000.00
Cash Paid for disposal of subsidiaries and other business units		
Cash paid relating to other investing activities		
Sub-total of cash outflows	438,992,637.93	681,881,222.61
Net cash flows from investing activities	57,029,872.90	1,245,703,244.99
<b>3. Cash flows from financing activities</b>		
Cash received from investment	63,743,604.71	601,287.70
Proceeds from borrowings		
Cash receipts relating to other financing activities		
Subtotal of cash inflows	63,743,604.71	601,287.70
Repayments for debts		
Cash payments for distribution of dividends or profit and interest expenses	224,916,112.00	1,149,857,312.00
Cash payments relating to other financing activities	122,760.30	656,042.06
Subtotal of cash outflows	225,038,872.30	1,150,513,354.06
Net cash flows from financing activities	-161,295,267.59	-1,149,912,066.36
<b>4. EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	3,783.81	29,541.62

Item	H1 2023	H1 2022
<b>5. NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	-62,175,836.32	90,768,686.19
Add: Cash and cash equivalents at beginning of year	312,508,715.23	296,008,023.58
<b>6. CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	250,332,878.91	386,776,709.77

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

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

Unit: RMB Yuan

Item	H1 2023														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
1. Balance at the end of previous year	71,866,482.00				1,334,367,676.34		59,710,028.24		35,941,112.50		2,476,849,266.95		3,978,734,566.03	730,766,433.50	4,709,500,999.53
Changes in accounting policies															
Corrections of prior period errors															
Business combination under common control															
Others															
2. Balance at the beginning of the year	71,866,482.00				1,334,367,676.34		59,710,028.24		35,941,112.50		2,476,849,266.95		3,978,734,566.03	730,766,433.50	4,709,500,999.53
3. Increase/(decrease) during the period	174,619.00				65,493,488.32		31,301,728.27		79,438.00		459,776,311.54		556,825,585.13	15,585,152.29	572,410,737.42
(1) Total comprehensive income							31,301,728.27				675,971,006.54		707,272,734.81	219,206,873.20	926,479,608.01
(2) Shareholders' contributions and reduction	174,619.00				65,222,087.90								65,396,706.90	278,776.51	65,675,483.41
(i) Shareholders' contributions in ordinary share	174,619.00				63,568,985.71								63,743,604.71		63,743,604.71
(ii) Other equity instruments contributions															
(iii) Amount of share-based payments recognized in equity					1,653,102.19								1,653,102.19	278,776.51	1,931,878.70

Item	H1 2023														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
(iv) Others															
(3). Profit distribution									79,438.00		-216,194,695.00		-216,115,257.00	-204,000,000.00	-420,115,257.00
(i) Transfer to surplus reserve									79,438.00		-79,438.00				
(ii) Transfer to general Reserve															
(iii) Distribution to shareholders											-216,115,257.00		-216,115,257.00	-204,000,000.00	-420,115,257.00
(iv) Others															
(4) Transfer within equity															
(i) Capital reserves converted to share capital															
(ii) Surplus reserves converted to share capital															
(iii) Loss made up by surplus reserves															
(iv) Changes in the defined benefit plan transferred to retained earnings															
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(5). Special reserve															
(i). Additions															

Item	H1 2023														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
(ii). Utilisation															
(6) Others					271,400.42								271,400.42	99,502.59	370,903.00
4. Balance at the end of the period	72,041,101.00				1,399,861,164.66		91,011,756.51		36,020,550.50		2,936,625,578.49		4,535,560,151.16	746,351,585.79	5,281,911,736.95

Item	H1 2022														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
1. Balance at the end of previous year	71,864,752.00				1,314,418,710.72		-14,049,938.94		35,941,112.50		3,171,962,867.27		4,580,137,503.55	479,481,724.36	5,059,619,227.91
Changes in accounting policies															
Corrections of prior period errors															
Business combination under common control															
Others															
2. Balance at the beginning of the year	71,864,752.00				1,314,418,710.72		-14,049,938.94		35,941,112.50		3,171,962,867.27		4,580,137,503.55	479,481,724.36	5,059,619,227.91
3. Increase/(decrease) during the period	1,530.00				11,888,470.95		39,108,451.33				-461,528,155.55		-410,529,703.27	3,898,105.86	-406,631,597.41
(1) Total comprehensive income							39,108,451.33				688,329,156.45		727,437,607.78	207,241,349.82	934,678,957.60
(2) Shareholders' contributions and reduction	1,530.00				4,303,384.55								4,304,914.55	590,145.07	4,895,059.62

Item	H1 2022														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
(i) Shareholders' contributions in ordinary share	1,530.00				599,757.70								601,287.70		601,287.70
(ii) Other equity instruments contributions															
(iii) Amount of share-based payments recognized in equity					3,703,626.85								3,703,626.85	590,145.07	4,293,771.92
(iv) Others															
(3). Profit distribution															
(i) Transfer to surplus reserve															
(ii) Transfer to general Reserve															
(iii) Distribution to shareholders													-1,149,857,312.00	-204,000,000.00	-1,353,857,312.00
(iv) Others															
(4) Transfer within equity															
(i) Capital reserves converted to share capital															
(ii) Surplus reserves converted to share capital															
(iii) Loss made up by surplus reserves															
(iv) Changes in the defined benefit plan transferred to retained earnings															

Item	H1 2022														
	Equity attributable to shareholders of the Company													Non-controlling interests	Total shareholders' equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	General reserve	Retained earnings	Others	Subtotal		
	preference share	Perpetual debt	Others												
(v) Other comprehensive income transferred to retained earnings															
(vi) Others															
(5). Special reserve															
(i). Additions															
(ii). Utilisation															
(6) Others					7,585,086.40								7,585,086.40	66,610.97	
4. Balance at the end of the period	71,866,282.00				1,326,307,181.67		25,058,512.39		35,941,112.50		2,710,434,711.72		4,169,607,800.28	483,379,830.22	

Legal Representative: Lu Hongyan  
Hualiang

Chief Accountant: Lin Jiajin

Head of Accounting Department: Chen

### COMPANY STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

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

Unit: RMB Yuan

Item	H1 2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
1. Balance at the end of previous year	71,866,482.00				1,143,391,521.98		-24,035.06		35,941,112.50	1,662,880,135.80	2,914,055,217.22
Changes in accounting policies											
Corrections of prior period errors											



Item	H1 2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
Others											
2. Balance at the beginning of the year	71,866,482.00				1,143,391,521.98		-24,035.06		35,941,112.50	1,662,880,135.80	2,914,055,217.22
3. Increase/(decrease) during the period	174,619.00				65,500,864.41			79,438.00		258,507,597.21	324,262,518.62
(1) Total comprehensive income										474,702,292.21	474,702,292.21
(2) Shareholders' contributions and reduction	174,619.00				65,500,864.41						65,675,483.41
(i) Shareholders' contributions in ordinary share	174,619.00				63,568,985.71						63,743,604.71
(ii) Other equity instruments contributions											
(iii) Amount of share-based payments recognized in equity					1,931,878.70						1,931,878.70
(iv) Others											
(3). Profit distribution								79,438.00		-216,194,695.00	-216,115,257.00
(i) Transfer to surplus reserve								79,438.00		-79,438.00	
(ii) Distribution to shareholders										-216,115,257.00	-216,115,257.00
(iii) Others											
(4) Transfer within equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Loss made up by surplus reserves											
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(5). Special reserve											

Item	H1 2023										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
(i). Additions											
(ii). Utilisation											
(6) Others											
4. Balance at the end of the period	72,041,101.00				1,208,892,386.39		-24,035.06		36,020,550.50	1,921,387,733.01	3,238,317,735.84

Item	H1 2022										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
1. Balance at the end of previous year	71,864,752.00				1,134,650,612.13		-24,035.06		35,941,112.50	2,607,757,021.13	3,850,189,462.70
Changes in accounting policies											
Corrections of prior period errors											
Others											
2. Balance at the beginning of the year	71,864,752.00				1,134,650,612.13		-24,035.06		35,941,112.50	2,607,757,021.13	3,850,189,462.70
3. Increase/(decrease) during the period	1,530.00				4,893,529.62					-901,844,820.23	-896,949,760.61
(1) Total comprehensive income										248,012,491.77	248,012,491.77
(2) Shareholders' contributions and reduction	1,530.00				4,893,529.62						4,895,059.62
(i) Shareholders' contributions in ordinary share	1,530.00				599,757.70						601,287.70
(ii) Other equity instruments contributions											
(iii) Amount of share-based payments recognized in equity					4,293,771.92						4,293,771.92
(iv) Others											
(3). Profit distribution										-1,149,857,312.00	-1,149,857,312.00
(i) Transfer to surplus reserve											

Item	H1 2022										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury Shares	Other comprehensive income	Special reserve	Surplus reserve	Retained earnings	Total shareholders' equity
		preference share	Perpetual debt	Others							
(ii) Distribution to shareholders										-1,149,857,312.00	-1,149,857,312.00
(iii) Others											
(4) Transfer within equity											
(i) Capital reserves converted to share capital											
(ii) Surplus reserves converted to share capital											
(iii) Loss made up by surplus reserves											
(iv) Changes in the defined benefit plan transferred to retained earnings											
(v) Other comprehensive income transferred to retained earnings											
(vi) Others											
(5). Special reserve											
(i). Additions											
(ii). Utilisation											
(6) Others											
4. Balance at the end of the period	71,866,282.00				1,139,544,141.75		-24,035.06	35,941,112.50	1,705,912,200.90	2,953,239,702.09	

Legal Representative: Lu Hongyan  
Hualiang

Chief Accountant: Lin Jiajin

Head of Accounting Department: Chen