

# Corporate Social Responsibility Report

Stock Code: 603444

2023





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# About this Report

- Information about this Report
- Reporting boundary
- Reporting cycle
- Data description
- Preparation basis



## | Information about this Report

This is the 2023 Corporate Social Responsibility Report of G-bits Network Technology (Xiamen) Co., Ltd (stock code: 603444). Through the Report, we hope to fully communicate with all stakeholders on G-bits's social responsibility philosophy, performance, and commitment to corporate sustainable development.

## | Data description

The information, data and cases used in this report are from the Company's official documents, statistical reports, financial reports or public documents, as well as the Company's functional departments statistics and summaries of ESG practice information. The reporting currency of the financial data in this Report is Renminbi ("RMB").

## | Reporting boundary

This Report covers the period from 1 January, 2023 to 31 December, 2023 (the "Reporting Period" or "this year") for all G-bits office locations.

## | Preparation basis

This Report is prepared and disclosed mainly in accordance with the *No.1 Guidelines for Self-discipline Regulation of Listed Companies on the Shanghai Stock Exchange- Operating in a Well-regulated Manner and Sustainability Reporting Guidelines* (GRI Standards) issued by the Global Sustainability Standards Board.

## | Reporting cycle

This Report is simultaneously released with the Company's Annual Report.





# About G-bits



- Company profile
- Party-enterprise integration
- Honors

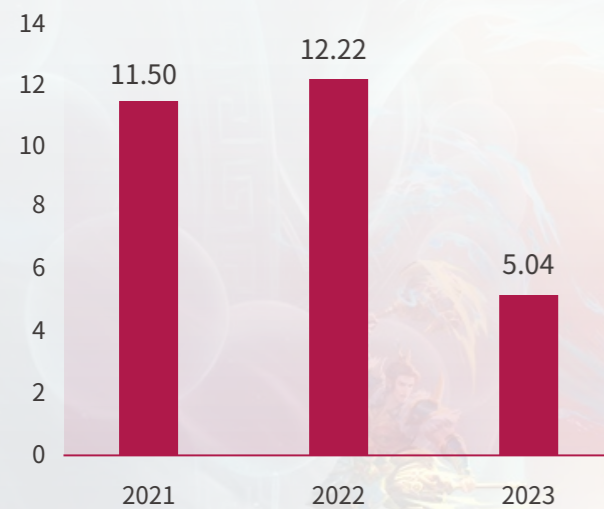


## Company profile

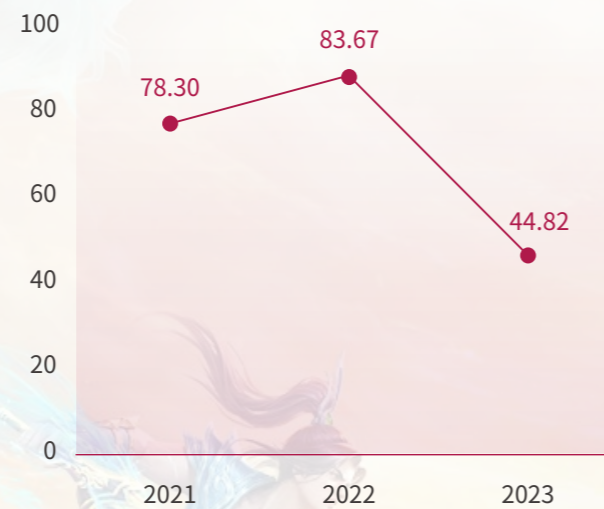
G-bits Network Technology (Xiamen) Co., Ltd. (hereinafter referred to as "G-bits", "We" or "the Company") is a company specialized in creative planning, R&D, production and commercial operation of online games. The Company aims to provide "original, high-quality and ethical" online games and is committed 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. We make unremitting efforts to create high-quality and healthy recreational products and provide global users with differentiated products and services. In the future, the Company will actively engage in R&D and innovation, continuously provide high-quality game products, and spread wonderful experiences in the cultural and recreational field.

### Emphasis on shareholder returns



Amount of cash dividend (RMB 100 million)



Cash dividend amount as a percentage of net profit attributable to shareholders of the Company (%)

## Corporate culture



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.



**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.

**Clarity of Essence (Clarity):** We grasp the essence of things, understanding and addressing problems from the "source". 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. We believe it is essential to stay close to our users and clearly understand their evolving needs. Therefore, we must build a user-centric mindset within the organization, conducting and assessing our work with a user-driven approach.

**Benefit from Humility (Humility):** We encourage our employees to be humble rather than arrogant or complacent. We believe it is essential to respect others' opinions and view ourselves from their perspective.

**Elegance in Behavior (Elegance):** We pursue good product quality instead of trying to profit from vulgarity or anything against humanity. We encourage our employees to follow a decent discipline, pursue a quality lifestyle, and cultivate an appreciation for aesthetics.

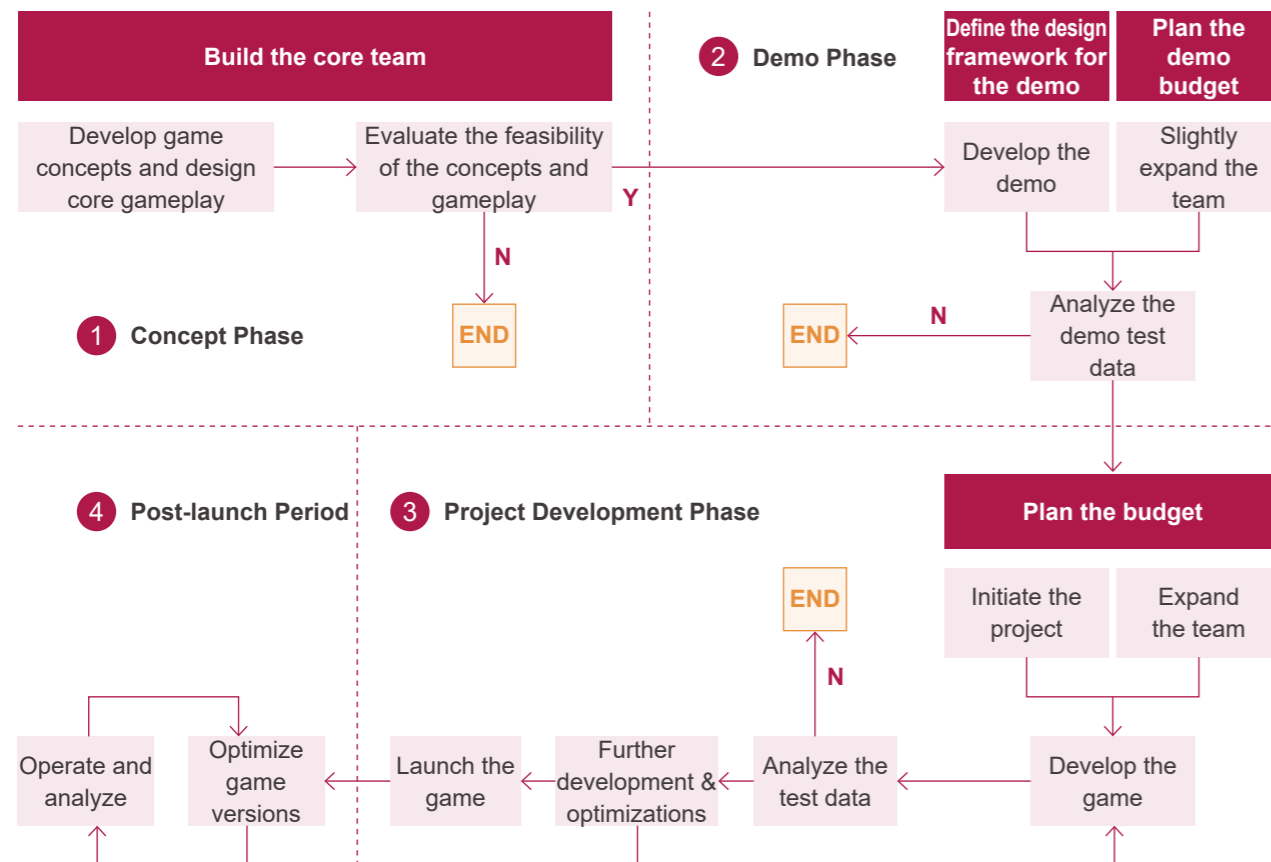


Respect, Integrity, Compliance with Rules, Professionalism, Progress, Perseverance and Honesty



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

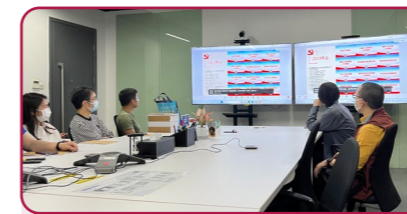
G-bits attaches great importance to product innovation and strives to improve competitiveness by creating differentiated and commercialized high-quality games. With a unique R&D strategy of "MVP Approach", the Company tests the core gameplay, conception and painting style of the game by rapidly iterating. At the stage of project R&D, the project team members produce the prototype according to the design idea. After conducting user tests to verify the feasibility of core gameplay, the project team members will iteratively update the feedback and optimize the prototype based on test data constantly and rapidly. The verification will be repeated until the game is launched online. "MVP Approach" is beneficial for controlling product direction, avoiding ineffective investment, and controlling R&D costs. However, the "MVP Approach" does not imply that the project scale or total investment is small, instead, it means increasing investment in situations where the project's certainty is relatively high. Furthermore, with the "MVP Approach", the operations team closely collaborates with and supports the R&D team through multiple tests and analyses to get an in-depth understanding of market conditions and user characteristics of the products, and to provide better-customized launching plans for the products to reduce relevant risks and costs.



## Party-enterprise integration

Adhering to Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the Spirit of the 20th National Congress of the Communist Party of China, G-bits fully leverages the advantages of an internet enterprise to propel high-quality development. 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 game supervision.

This year, the Company continued to integrate party building into governance, culture and responsibility. Combined with actual business operations, we actively conducted various forms of learning and activities to strengthen party member education and enhance the level of corporate spiritual civilization.



In March 2023, all branches of the Company held a general meeting of party members to convey the spirit of General Secretary Xi Jinping's important speeches and the main contents of the government's work report during the 2023 National People's Congress (NPC) and the 2023 Chinese People's Political Consultative Conference (CPPCC). The aim was to guide all party members to take the initiative to study and put the spirit of the NPC and CPPCC into practice.



In April 2023, the party members of the Company participated in the theme activity of "Remembering Revolutionary Martyrs, Inheriting the Spirit of Dedication" on Qingming Festival, deeply remembering the great achievements of the revolutionary martyrs, reminiscing the glorious course of the revolutionary martyrs, passing on the red genes and carrying forward the revolutionary spirit.



On the occasion of the 102<sup>nd</sup> anniversary of the founding of the Communist Party of China (CPC), the Company held a general meeting of party members on 1<sup>st</sup> July to learn the great founding spirit of the CPC and continuously improve the political quality of party members.



In July 2023, party members of the Company listened to the special lecture on "Learning and Implementing the Spirit of the 20th National Congress of the Party" at the Heron River Lecture Theatre, to cultivate the love for the Party and patriotism, and to further cohesion of the power of advancement.



In August 2023, the Party branch of the Company co-organized the "Supporting Growth, Safeguarding Youth" 2023 Siming District New Xiamen People's Library Summer Camp, which was guided by the Siming District Committee of the Communist Youth League, Siming District Minors' Ideological and Moral Construction Center and other units, aiming to strengthen the rule of law education and publicity, and enhance the protection of the rights and interests of minors and crime prevention work to create a good atmosphere of the rule of law.



## Honors

### From 2017 to 2023

The Company was selected for 7 consecutive years in the "Top 100 China Internet Enterprises with Comprehensive Strength" list jointly issued by Internet Society of China and Ministry of Industry and Information Technology. It ranked 54<sup>th</sup> in 2023, climbed up by 6 places from previous year

### From 2019 to 2023

The Company was selected for 5 consecutive years as one of the "Top 100 enterprises with competitiveness in software and information technology services". It ranked 49<sup>th</sup> in 2023, climbed up by 2 places from previous year

### From 2022 to 2023

The Company was awarded "Grade A"<sup>1</sup> by the Shanghai Stock Exchange (SSE) for its annual information disclosure work for 2 consecutive years; In 2023, among the 2,160 Shanghai-listed companies under evaluation, a total of 400 companies ultimately received "Grade A", accounting for 18.5%.

### From 2019 to 2023

The Company was included in the SSE Social Responsibility Index<sup>2</sup> for 5 consecutive years

### From 2021 to 2023

The Company was awarded the honorary title of "Relatively Outstanding Enterprise in Social Responsibility Performance of Chinese Game Enterprises of the Year" by People's Daily for 3 consecutive years

### In March 2024

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

### From 2022 to 2023

The Company and its subsidiaries were selected as "Cases of Game Public Welfare Ceremony" by People's Daily for 2 consecutive years

### From 2022 to 2023

The Company was awarded the honorary title of "Enterprise with Outstanding Performance in Social Responsibility" in Gamma Data's "Social Responsibility Report of Chinese Gaming Enterprises" for 2 consecutive years

### In 2023

The Company was awarded the honorary title of "National Intellectual Property Advantageous Enterprise" by the National Intellectual Property Administration.

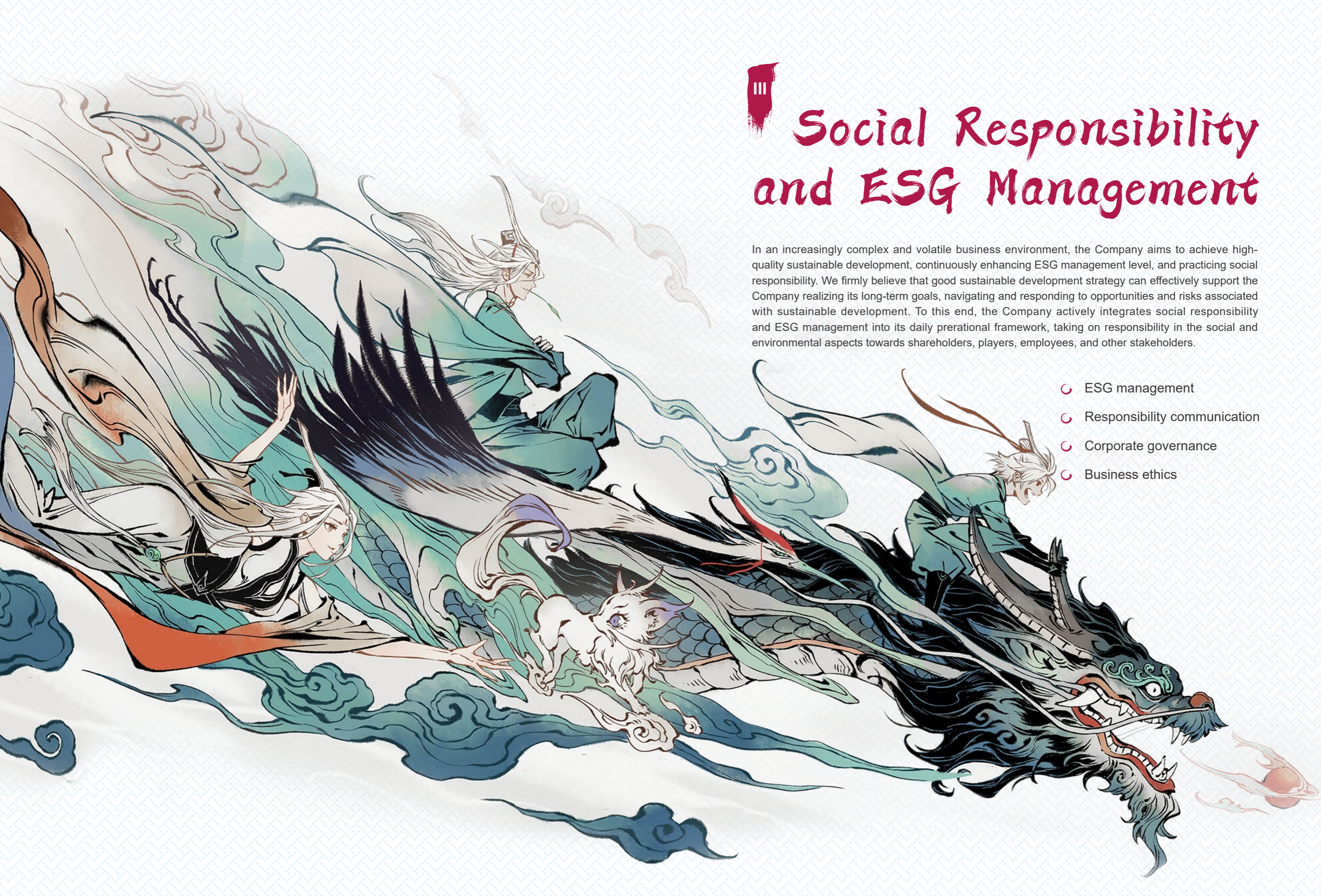
### From 2022 to 2023

The Company was nominated as one of the "Top 10 Outstanding Game Technology Innovation Enterprises" by China Audiovisual and Digital Publishing Association for 2 consecutive years

<sup>1</sup> 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.

<sup>2</sup> SSE Corporate Social Responsibility Index is an index compiled from a sample of stocks in the corporate governance sector of the SSE that have performed well in the fulfillment of social responsibility, assessing the comprehensive performance of enterprises in economic, social and environmental aspects and the fulfillment of social responsibility.





# III Social Responsibility and ESG Management

In an increasingly complex and volatile business environment, the Company aims to achieve high-quality sustainable development, continuously enhancing ESG management level, and practicing social responsibility. We firmly believe that good sustainable development strategy can effectively support the Company realizing its long-term goals, navigating and responding to opportunities and risks associated with sustainable development. To this end, the Company actively integrates social responsibility and ESG management into its daily prerational framework, taking on responsibility in the social and environmental aspects towards shareholders, players, employees, and other stakeholders.

- ESG management
- Responsibility communication
- Corporate governance
- Business ethics



## ESG management

In order to fully perform corporate citizenship responsibilities and achieve the coordinated development of enterprises and society, the Company has constantly improved the policies and systems in respect of environment, society and governance (ESG), established a three-tier ESG governance structure of "Board of Directors - Strategic Committee - ESG Working Group", continuously improved the ESG management level of the Company, and promoted the high-quality and sustainable development of the Company.

The Company will, in accordance with the requirements of the *Rules of Procedure of the Board of Directors* and the *Working Rules of the Strategic Committee of the Board of Directors*, clearly stipulate that the Board of Directors is the highest decision-making body for ESG matters of the Company, and shall be mainly responsible for the supervision, management and decision-making of ESG matters of the Company. The Board of Directors authorizes the Strategy Committee to be responsible for matters relating to the ESG of the Company, and the Committee is mainly responsible for studying the vision, objectives, and policies of the ESG governance of the Company, providing the Board of Directors with advisory suggestions on decision-making, supervising and inspecting the implementation of the ESG Working Group of the Company and providing guidance in due time. The ESG Working Group is responsible for developing the ESG implementation plan, coordinating the implementation of ESG issues and regularly reporting to the Strategy Committee.





## Responsibility communication

### Stakeholder communication

The Company attaches importance to the communication with stakeholders, establishes diversified communication channels, pays close attention to the demands of stakeholders, actively responds to the expectations of the interested parties for the Company, and assists the Company to determine the priority of the sustainable development and jointly defines the key directions for future sustainable development.

Stakeholders	Expectations and demands	Major communication channels
 Shareholders and investors	<ul style="list-style-type: none"> <li>Financial performance growth</li> <li>Returns to shareholders</li> </ul>	<ul style="list-style-type: none"> <li>Periodic report</li> <li>Temporary announcement</li> <li>Shareholders' meeting</li> <li>Performance briefing</li> <li>Investor survey</li> <li>Press releases</li> <li>Investor hotline</li> <li>IR mailbox</li> <li>sns.sseinfo.com</li> </ul>
 Directors	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Product liability</li> <li>Information security and privacy protection</li> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Phone, e-mail, and meetings</li> <li>Periodic report</li> <li>Temporary announcement</li> </ul>
 Governments and regulators	<ul style="list-style-type: none"> <li>Law-abiding operation</li> <li>Boosting employment</li> <li>Strict compliance with laws and regulations</li> <li>Tax payment on time</li> <li>Implementation of policies</li> </ul>	<ul style="list-style-type: none"> <li>Routine inquiries</li> <li>Senior management meetings</li> <li>Open to supervision</li> <li>Proactive communication</li> <li>Information reporting</li> <li>Working conferences</li> <li>Policy participation</li> <li>On-site inspection</li> <li>Information disclosure</li> </ul>

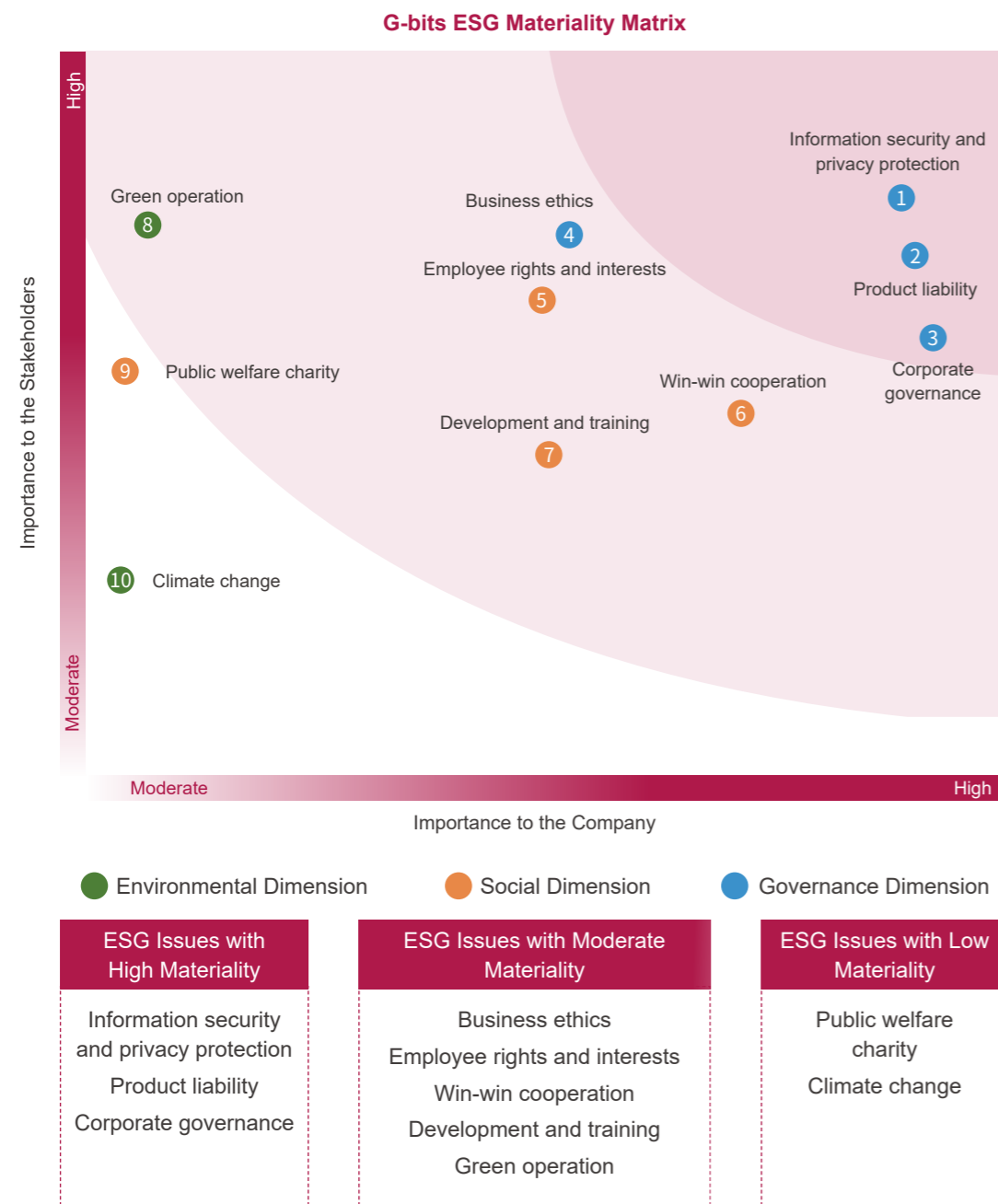
Stakeholders	Expectations and demands	Major communication channels
 Employees (including management level)	<ul style="list-style-type: none"> <li>Legitimate rights and interests protection</li> <li>Welfare system improvement</li> <li>Development opportunities</li> <li>Employee training</li> <li>Occupational health protection</li> <li>Democratic rights protection</li> </ul>	<ul style="list-style-type: none"> <li>Staff union</li> <li>Founder meetup event</li> <li>Corporate culture conference</li> <li>Face-to-face interview with employees</li> <li>Employee feedback channel</li> </ul>
 Players	<ul style="list-style-type: none"> <li>Innovating high-quality games</li> <li>Player-centered Service and Products</li> <li>Protection of privacy rights</li> </ul>	<ul style="list-style-type: none"> <li>High-quality gaming products</li> <li>Professional customer service team</li> <li>Self-service platform</li> <li>Social Media</li> <li>Player Surveys</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>Fair, just, honest</li> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Regular communication mechanisms</li> <li>Tender and bid system</li> <li>Visits to suppliers</li> <li>On-site investigation</li> <li>Supplier training</li> </ul>
 Community and public	<ul style="list-style-type: none"> <li>Support in community development</li> <li>Creating employment opportunities</li> <li>Rural revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Engage in public welfare activities</li> <li>Community communication and visits</li> <li>Care for vulnerable groups</li> </ul>
 Industry	<ul style="list-style-type: none"> <li>Fair industry competition</li> <li>Industry growth facilitation</li> <li>Assistance in cultural promotion</li> <li>Industry barrier elimination</li> </ul>	<ul style="list-style-type: none"> <li>Industry cooperation</li> <li>Intellectual property protection exchange</li> <li>Cultural promotion</li> </ul>



## Materiality assessment

In order to identify the ESG issues that are most concerned by stakeholders and clarify the focus of ESG practice and information disclosure, we have invited internal and external stakeholders to identify and determine material ESG issues by means of questionnaire survey, review and summary, exchange meeting, etc.

Based on the data collected during this materiality assessment process and the results of the analysis, we identified the most concerned stakeholders 10 material issues and responses in each section of this report to help stakeholders better understand the Company's ESG performance. Among them, there are 3 very material issues, 5 material issues, 2 sub-material issues, and the materiality assessment results are as follows:



## 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, continuously improves the corporate governance policy, system, the "three meetings and one layer" governance structure of G-bits, composed of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the 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 repays the society and the majority of shareholders with commendable performance.

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 as shareholders. The Board of Directors of the Company consists of a Strategic Committee, an Audit Committee, a Nomination Committee and a Remuneration and Appraisal Committee. The Board of Directors and all special committees shall jointly be responsible for determining the strategic direction and overall strategy of the Company, and supervise the work and business performance of the Management, the operation and financial performance of the Company. The Board of Directors currently consists of 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 members of the Board of Directors 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	Zhai Jian	Male	Bachelor's degree	✓	✓	
Director	Gao Yan	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		✓	✓



## Business ethics

The Company strictly abides by laws and regulations including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*, and adheres to business ethics in daily operation and external cooperation. In doing so, the Company strives to effectively control risks and creates a clean business environment to ensure the stable, healthy and sustainable development of the Company.

### Enhancing management system

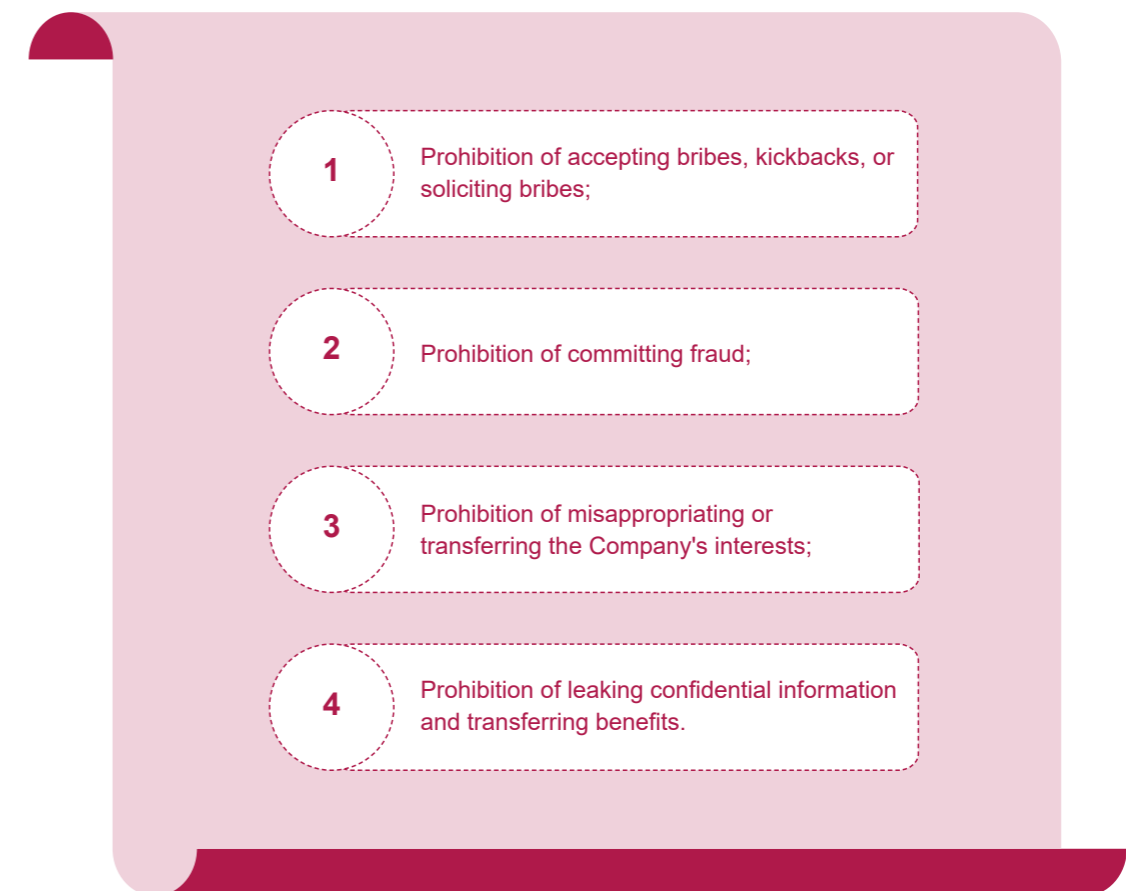
The Company strictly abides by anti-unfair competition, anti-bribery and anti-corruption laws and regulations of the places where the Company operates, including but not limited to the *Anti-Unfair Competition Law of the People's Republic of China* and the *Interim Provisions on Banning Commercial Bribery*. The Company also formulates internal policies and management systems based on business ethics standards and keeps refining the business ethics management system, so as to create a sound business environment.

The Company has developed and released the *Code of Ethical Business Conduct for G-bits Network Technology (Xiamen) Co., Ltd* (hereinafter referred to as "*Code of Ethical Business Conduct*"), which covers anti-corruption and anti-bribery, intellectual property rights and information privacy, conflicts of interest, anti-fraud, fair employment, discrimination and harassment, anti-unfair competition, and the prohibition of insider trading, etc.. The *Code of Ethical Business Conduct* is applicable to all directors, management and employees (full-time and part-time employees, consultants or those working for the Company on a temporary basis including contractors and interns) of the Company, all subsidiaries and related entities. Besides, our suppliers, contractors and other business partners must comply with the *Code of Ethical Business Conduct* when providing goods and services to the Company or conducting businesses (such as business negotiation and contract signing) on behalf of the Company.

A robust supervision mechanism is necessary for the effective enforcement of the *Code of Ethical Business Conduct* to address business ethics risks. The Company's Audit Department regularly reviews compliance operations and fulfilment of the *Code of Ethical Business Conduct* under the guidance of the Audit Committee, and performs business ethics audits of the Company and all its subsidiaries once every three years, which covers all business operations.



The Company operates persistently with integrity and honesty, having formulated internal policies and systems, including the *Anti-Fraud Regulations*, the *Code of Integrity and Honesty* and the *Gift Acceptance of Policy*. Together with the *Code of Ethical Business Conduct*, they frame the Company's code system of business ethics. Meanwhile, the Company's Audit Department will revise or update policies and systems related to business ethics as necessary according to updates to laws and regulations, business development and risk assessment. The Company takes zero-tolerance attitude towards any breach of business ethics, and explicitly prohibits any form of integrity violations including corruption and fraud. In addition, the Company also sets out the four prohibitions of the integrity code that all employees must comply with:



As a member of the Trust and Integrity Enterprise Alliance, G-bits actively participates in training and industry exchange meetings organized by the Alliance and participated in five such training sessions and meetings in this year. Besides, G-bits are constantly learning from external anti-corruption governance and audit experience to gradually improve our integrity culture and anti-fraud system, thus optimizing internal control systems and processes. Moreover, we strive to build a fair, just and open cooperation platform and environment.



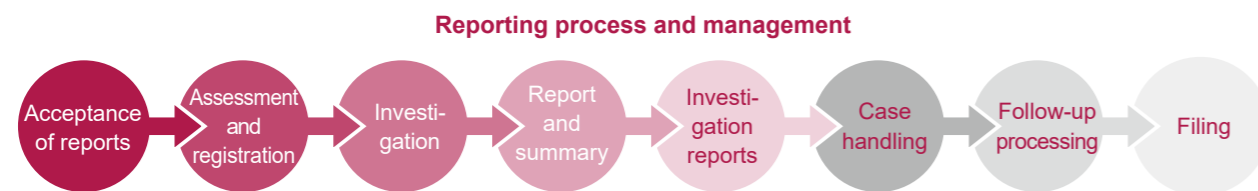
G-bits actively participated in **5** such training sessions and meetings in this year



## | Maintaining clear reporting channels

The Company has established a **comprehensive reporting process**, clearly specifying the mechanism for protecting whistleblowers in the Code of Ethical Business Conduct and the Anti-Fraud Regulations, to fully safeguard the legitimate rights and interests of whistleblowers from any infringement. The Company has authorized the Audit Department to conduct dedicated investigations into corrupt practices and report directly to the Board. The Audit Department gives top priority to the confidentiality of the reports and personnel of the department shall sign the confidentiality agreement when they join the Company. The agreement requires **absolute confidentiality of the whistleblower's personal information and all the reporting materials during processes of acceptance, registration, storage and investigation**. In the event of a breach of confidentiality, such as the leakage of whistleblower's information, the Company will strictly and seriously punish the person held responsible for the incident. And any act that constitutes a violation of the law shall be subject to prosecution for criminal responsibility.

The Company strictly prohibits any employee from retaliating against the whistleblower in any form. If the whistleblower suffers retaliation in any form and to any degree, he/she can report it to the Company's Audit Department immediately, and we will determine whether to refer the matter to a judicial authority depending on the severity of the case. In cases of corruption or fraud that have been verified, a corresponding cash reward will be given to the relevant person or whistleblower according to the system.



We have established multiple public reporting channels, including telephone, email, postal mail, and the Intranet, to facilitate joint supervision from both internal and external parties:

 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**

To better prevent and detect fraud risks, the Company's Audit Department is authorized to conduct fraud investigations as part of its routine work in addition to collecting internal and external reporting information through whistleblower channels, and any findings are reported directly to the Board of Directors. This year, the Company carried out anti-fraud investigations in three audit projects, and no significant corrupt practices were detected.

## | Strengthening business ethics awareness

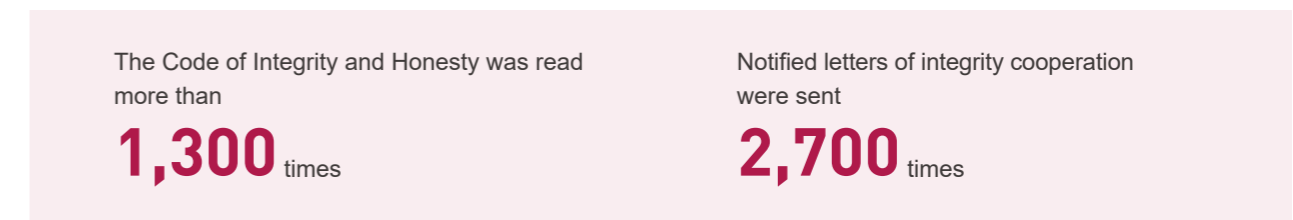
The Company focuses on daily integrity promotion and conducts business ethics training for new employees. After the training, employees will be assessed to ensure that they are well aware of the Company's current policies, systems and requirements on business ethics. **In the year, all employees of the Company (full-time and part-time employees, interns and contractors) participated in business ethics training, and more than 800 people (including interns) signed the Letter of Commitment to the Integrity and Honesty of Employees.**

To build a strong culture of integrity and support integrity operations, we have tried different ways to raise our employees' awareness of business ethics, integrity, anti-fraud, anti-bribery and anti-corruption. In particular, we regularly send routine integrity promotion emails to all employees, including integrity promotion emails during festivals and case sharing emails on International Anti-Corruption Day, and all these efforts can help employees better understand why complying with the Company's code of business ethics matters.

## | Promoting supply chain integrity

A transparent supply chain system is a key element in the long-term development of enterprises. For this reason, **the Company has developed and released the Code of Integrity and Honesty**, and is working with its suppliers and other partners to build a clean supply chain ecosystem and a business environment that advocates cooperation with integrity and honesty.

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 and Honesty* 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 and Honesty was read more than 1,300 times, and a total more than 2,700 letters were sent. And all our suppliers participated in the business ethics training.**



To ensure integrity and fairness in cooperation with suppliers, we specify integrity clauses in each contract along with the channels for reporting commercial bribery. And 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. However, suppliers can report any breaches of integrity by relevant personnel of the Company using the appropriate channels.

Employees who are confronted with a direct, indirect or attempted bribe from a supplier or other partner must refuse and make it clear that such behavior is a serious breach of the Company's requirements for integrity cooperation.







# IV

## Product Empowerment

The Company adheres to the concept of player-centricity, focusing on high-quality content creation, research and development, and is dedicated to creating a vibrant, enjoyable, and entertaining gaming world for players. We believe in the power of products. By skillfully integrating traditional cultural elements into the game design, we show the unique charm of Chinese culture, so as to promote Chinese culture with all our heart and tell a good and elaborate Chinese story. In addition, in order to create a good atmosphere for innovation and R&D, the Company deeply implements the protection of intellectual property rights, adheres to the respect and protection of R&D achievements, and continuously creates positive value for the industry and society through innovation.

- Player-centric approach
- Promoting Chinese traditional culture
- Intellectual property protection
- Exploring technological frontiers



## Player-centric approach

The Company believes that creating a quality gaming experience for its players is the key to success. The Company actively responds to their demands and continues to optimize their experience. Simultaneously, we have an in-depth insight into the needs of game enthusiasts demands and market trends, and create various unique game products to meet the demands of the majority of players.

### Valuing the gamer experience

The Company insists on the concept of "Serve as the Official Companion by the User's Side, Creating an Exceptional Service Experience" for a long time, and is committed to providing professional, efficient and satisfactory game experience. This year, in addition to adding game communities, conducting player research, visiting gamers of various ages and locations, The Company has also repeatedly organized face-to-face communication and offline events to listen to players, and determines game optimization and iteration direction based on players' demands.

#### Case: Engage in face-to-face activities to listen to players' feedback

The Company attaches importance to player feedback and suggestions, invites players and KOC (Key Opinion Consumer) to participate in face-to-face activities, communicates with the official development planning team and operation team of the game on the spot, and discusses issues such as the development direction and game experience optimization of the game.



In June 2023, Face-to-face activity of players of AskTao Mobile



In September 2023, Face-to-face activity of players of YINian XiaoYao

#### Case: The Conference on AskTao Mobile

In May 2023, the annual AskTao Mobile Conference was successfully held as scheduled. The event aimed to foster communication with players of AskTao Mobile, understand their actual needs, and iterate the game based on their core requirements. A total of 1,250 individuals registered for the offline event, reaching an online audience of 103.4 thousand users. Eventually, 51 player representatives were invited to attend the offline event. During the conference, these player representatives expressed their views on 102 topics, and through a voting process, 10 key issues were selected to guide the optimization direction for AskTao Mobile in the upcoming year.



A total of **1,250** individuals registered for the offline event



Reaching an online audience of **103.4** thousand users



AskTao Mobile Conference



Issues of the Conference

#### Case: National Competition of AskTao Mobile

The 2023 National Competition of AskTao Mobile concluded successfully on 16<sup>th</sup> December. During the competition, we established unified criteria for levels, morals, and martial arts. All participating players started from the same point, and the ultimate champion was determined through score matches, elimination rounds, and offline finals. The live broadcasts and videos related to this event reached a total of 5.33 million views, with the official online live broadcast accumulating 190.9 thousand views.



The live broadcasts and videos related to this event reached a total of

**5.33** million views



The official online live broadcast accumulating

**190.9** thousand views



2023 AskTao Mobile National Competition



## User communication and services

In order to ensure the high quality of the game experience and respond to the needs of the players in time, 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 process of the user service system, we have followed the COPC<sup>3</sup> standard, established effective and fast user feedback mechanism and diversified communication channels, such as online interaction, work order acceptance, hotline answering, user visit reception, to continuously enhance the user service capacity.

In addition, in order to improve the quality of customer service, the Company has established a service quality inspection mechanism to analyze, guide, follow up and check the defects found in the inspection process. Simultaneously, the Company conducts regular training for customer service personnel and holds 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. This year, the Company was awarded the honorary title of "Top Ten ODR (Online Consumer Dispute Resolution) Enterprises" by the Xiamen Consumer Rights Protection Committee, and our high quality customer service has been recognized by others.



## Promoting Chinese traditional culture

Culture is a valuable treasure created, accumulated, and inherited by human society throughout its long-term development. The Company insists on cultural confidence, actively explores the method to integrate game products with Chinese traditional culture, and is dedicated to promoting Chinese culture to users both domestically and internationally.

### Tapping into the charm of traditional patterns and colors, Disseminating the aesthetics of Chinese costumes

In early 2023, *AskTao Mobile* collaborated with China Academy of Art to create digital costumes with oriental colors in the game with "traditional Chinese patterns and colors" as the main axis, showing the charm of the disappearing traditional Chinese patterns and colors through digital methods. The creation and production team went deep into Luoyang, Guilin, Beihai, Huangshan and other places, to observe how traditional Chinese patterns and colors look like in nature, and incorporated them into the design of the game's costumes, which ultimately presented the "Chinese-inspired Fashion" in the game. The Interaction explores the contemporary application of traditional culture, expresses the integration, inheritance and innovation of excellent traditional Chinese culture in digital form, disseminates traditional Chinese color, pattern and dress aesthetics, and promotes cultural self-confidence and self-strengthening.



<sup>3</sup> COPC (Customer Operations Performance Center) is a global business management and certification standard designed to help organizations deliver superior user service and operational performance.



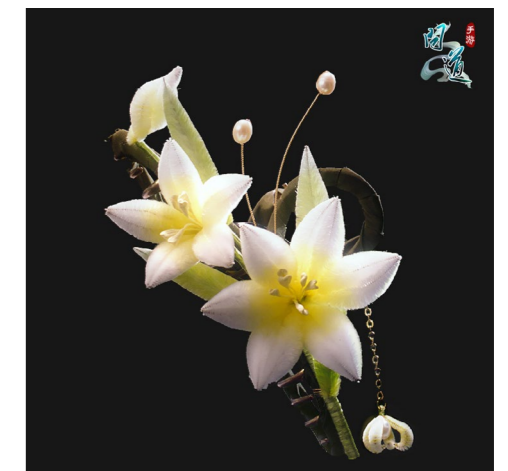
The "Chinese-inspired Fashion" featuring traditional Chinese colors, patterns and costumes in *AskTao Mobile*

### Integrating ancient intangible culture heritage: crafting a Qixi Festival velvet flower gift box

As the Qixi Festival approaches, *AskTao Mobile* collaborates with Mr. Zhao Shuxian, an intangible cultural heritage inheritor of the craft of velvet flowers, to jointly create a Qixi Velvet Flower Gift Box. This unique gift box transforms lilies, symbolizing friendship in the game, into everlasting velvet flowers. By leading players to experience a unique oriental romance while conveying blessings, it aims to promote the protection, inheritance, and innovation of the intangible cultural heritage craft of velvet flowers.



Together with Mr. Zhao Shuxian, *AskTao Mobile* collaborates in crafting a Qixi Velvet Flower Gift Box



Velvet flower made by ancient intangible culture heritage



## Implementing intangible culture heritage protection projects public welfare projects

In 2023, *YiNian XiaoYao* started the cultural public welfare project of "Guarding and Inheriting", dedicated to promoting traditional intangible culture heritage projects into daily life. This year has witnessed the successful implementation of various intangible culture heritage public welfare activities, including Cuju, paper-cutting, opera, shadow play, and more, with a cumulative donation amount exceeding RMB 400 thousand. In the future, *YiNian XiaoYao* will continue to promote the integration of intangible culture heritage culture and games, allowing more young people to understand and appreciate traditional culture.

### Protecting and Inheriting - Cuju Culture

In order to promote the Intangible Cultural Heritage of Cuju, *YiNian XiaoYao*, together with Mr. Ma Guoqing (the first batch of inheritors of intangible cultural heritage of the State) and Mr. Yu Jian (the inheritor of intangible cultural heritage of Cuju production skills), went to Fayi Primary School in Chuxiong Prefecture, Yunnan Province, with the gamers to lead the children to learn and personally make Intangible Cultural Heritage Cuju, and held a special Cuju friendship match after the completion of the production, which successfully completed the study tour. In addition, the Company donated to the Qi Culture Museum RMB 100 thousand for excavation and dissemination of intangible cultural heritage Cuju.



The Company donated to the Qi Culture Museum RMB **100** thousand



Cuju competitions

### Protecting and Inheriting - Paper-Cutting Culture

In order to show the unique charm of Chinese paper-cut culture, *YiNian XiaoYao* introduced the in-game "Traditional Style Limited Paper-cut Skin", and invited Ms. Yang Huizi, an artist of paper-cut heritage, to create paper-cut works of Ling Rabbit based on the prototype of the "Yue Ling Rabbit" in the game, through which the ancients' pursuit of beauty and love for life are expressed. The Company remains dedicated to the preservation and promotion of paper-cutting culture. As part of the "*YiNian XiaoYao* Guardian Inheritance" cultural public welfare project, a donation of RMB 100 thousand was made to the Yangzhou City Intangible Cultural Heritage Protection Center (Yangzhou City Museum of Culture) to support the inheritance and development of paper-cutting culture, as well as to enhance the skills of intangible cultural heritage workers.



A donation of RMB **100** thousand was made to the Yangzhou City Intangible Cultural Heritage Protection Center (Yangzhou City Museum of Culture)



Traditional Style Limited Paper-cut Skin



Ms. Yang Huizi, paper-cut heritage artist

### Protecting and Inheriting - Opera Culture

In order to pay tribute to the traditional Chinese opera culture, *Yi Nian Xiao Yao*, inspired by the classic style of Peking opera Mu Guiying's Leading Role, presents the theme costume "Ode to Chellona" in the game, and invites Mr. Li Xin, an intangible cultural heritage craftsman specializing in helmet-making. This initiative aims to immerse the younger generation in the beauty of traditional Chinese opera culture. After the event, the Company donated RMB 100 thousand to Beijing Cultural Development Foundation for the protection and dissemination of traditional operas.



The Company donated RMB **100** thousand to Beijing Cultural Development Foundation



Theme fashion of "Ode to Chellona"



### Protecting and Inheriting - Shadow Play Culture

In order to help more young people understand the shadow play culture, *YiNian XiaoYao* inspired by the traditional shadow play, introduced the in-game accessory "Earrings · A Dream of Light & Shadow Play", and produced theme content of intangible culture heritage shadow play. The Company donated RMB 100 thousand to Chengdu Shadow Play Museum for the inheritance and development of shadow play.



The Company donated RMB **100** thousand to Chengdu Shadow Play Museum



Intangible culture heritage shadow play theme content




## 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, 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 systems, regulates the work relating to the administration of intellectual property protection, builds a robust intellectual property system, and provides all-round protection for products. [This year, the Company was honored with the title of "National Intellectual Property Advantage Enterprise" by the 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 List*, studied the originality of the works in terms of font, picture, music and screen, strengthened the compliance risk inspection of publicity and promotion materials such as graphic and text contents and video materials, and reduced the possible infringement upon intellectual property rights by the Company. Meanwhile, typical cases discovered through "self-inspection" and "traceability" are shared within the Company in the form of article push to further strengthen employees' awareness of Intellectual Property Compliance.

In terms of safeguarding its intellectual property rights against infringement, the Company continuously improves its monitoring capacity, realizes the coverage of the whole platform of independent monitoring network, conducts infringement investigation through the monitoring system, timely discovers infringement acts, orders infringers to stop infringement, shortens the handling cycle of infringement by means of sending letters, warnings, complaints and so on, removing infringing materials and products in a "short and quick" manner. This year, the Company has continuously optimized the quality and efficiency of the monitoring and complaint handling of infringement incidents. This year, the Company continued to optimize the quality and efficiency of its infringement monitoring work and complaint handling work, and the number of external infringement links monitored and complaints handled for the year totaled 564,412, a year-on-year increase of 837.8%.

 The number of external infringement links monitored and complaints handled for the year amounted to

**564,412**



A year-on-year increase of

**837.8%**

The Company continued to deepen the work of intellectual property rights protection and crackdown. This year, 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, unfair competition, etc., and took a variety of measures to protect the intellectual property rights of the Company's products, vigorously pursue brand rights protection.



### Case: Comprehensive criminal crackdown on the black and gray game industry chain

Upholding a highly responsible attitude towards players and the game market, the Company assisted the police in cracking 20 criminal cases one after another against violations of criminal acts such as game private servers, cheats, unauthorized charging, illegal trading of game accounts. The actions led to the arrest of 167 suspects and the implementation of criminal measures. Notably, in the field of private servers, the Company [cracked down on and closed 102 such servers, involving a total sum exceeding RMB 200 million](#) this year. Simultaneously, the Company continued to dig deep into the whole chain of black and gray market, expanding the radiation surface of the rights protection and crackdown, including the third-party illegal charging, the fourth-party payment platforms, source code websites and other upstream and downstream of the black and gray production.

#### In January 2023

The Company cooperated with the Public Security Bureau of Wuyi County, Zhejiang Province, and successfully cracked a surrogate charging case that utilized the loophole of Apple system recharging to maliciously steal and swipe, arresting five suspects, and seizing a number of computers, cell phones, bank cards and other items involved in the case, with the funds involved amounting to more than RMB 2 million.

#### From February to December 2023

The Company cooperated with the public security bureaus of Zhejiang, Hubei, Hunan, Shandong and other places to successfully crack a number of cases of copyright infringement of *AskTao Mobile*, with more than one hundred suspects arrested and a total amount exceeding RMB 100 million involved in the case. This cooperation strongly deterred the arrogance of the lawless elements, practically protected the interests of the players and legitimate rights and interests of enterprises' intellectual property rights.

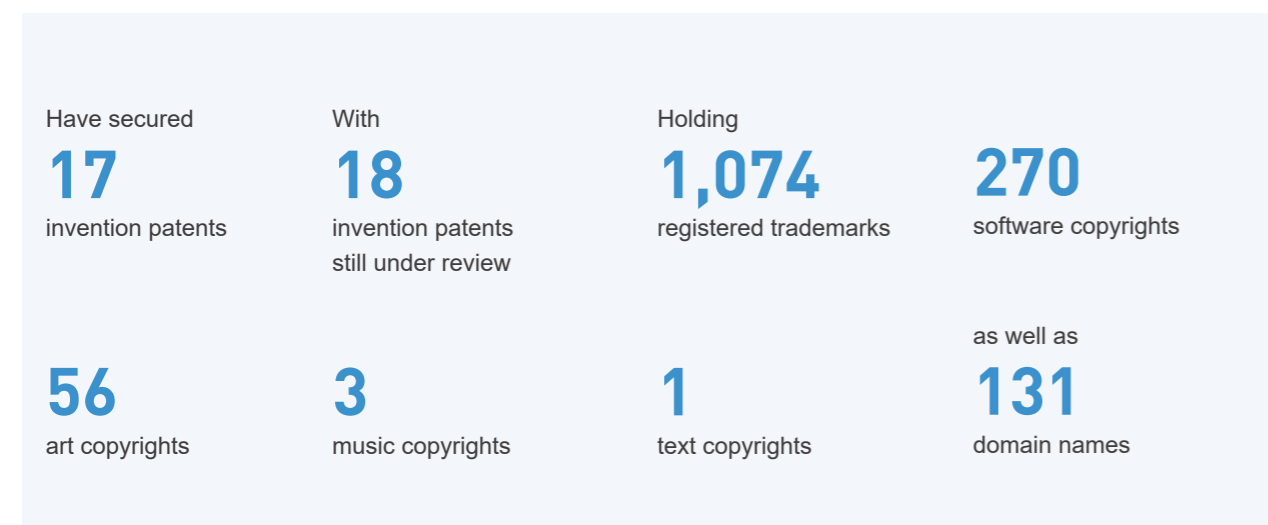


### Case: Breakthrough in civil rights protection against new types of infringements

In March 2023, the Shenzhen Intermediate People's Court issued a judgment in the case of Shenzhen Leiting Information Technology Co., Ltd. (hereinafter referred to as "Leiting Game") v. Xue and Zhejiang Taobao Network Co. Ltd. for infringement of the software copyright of *Tale of Immortal*. Xue was the actual operator of the Taobao online store "Tom Game", which sold Steam offline accounts including *Tale of Immortal* operated by Leiting Game. The court determined that Xue's profitable sale of Steam offline accounts, without Leiting Game's permission, constituted an infringement of *Tale of Immortal's* copyright. Xue was ordered to pay RMB 200 thousand in compensation for Leiting Game's economic losses and RMB 51,300 to cover reasonable expenses for the defense of its rights. This is the first case in judicial practice that confirmed that selling offline versions of games and accounts constitutes intellectual property infringement, which has positive significance and far-reaching impact on the protection of intellectual property rights in the game industry.

In order to strengthen the awareness of the importance of intellectual property protection among all employees, the Company actively conducted intellectual property advocacy training such as "AIGC<sup>4</sup> Compliance Lecture" and "The Pit of Copyright Infringement, Legal Affairs Teaches You to Avoid" this year, synchronously sharing the latest regulatory requirements and law enforcement dynamics, and advocating at all times that the employees should protect their own work achievements and legally comply with the use of third-party intellectual property rights in daily work.

The Company encourages continuous innovation among its employees and is committed to increases investment in research and development. This year, the Company filed 8 new patent applications and obtained 5 new patent authorizations. As of the end of the Reporting period, the Company and its subsidiaries have secured 17 invention patents (with 18 invention patents still under review), holding 1,074 registered trademarks, 270 software copyrights, 56 art copyrights, 3 music copyrights, 1 text copyrights, as well as 131 domain names.



<sup>4</sup> AIGC, Artificial Intelligence Generated Content, refers to AI automatically created and generated content.

## Exploring technological frontiers

In recent years, the rapid development of Artificial Intelligence (AI) technology has brought great opportunities to the game industry, and AI technology will become an important part of the content productivity of the game industry in the future. The Company is gradually integrating AIGC and other cutting-edge technologies into the development and operation of its game products, with the aim of improving R&D efficiency and optimizing the game experience. In terms of image generation for game products, the Company utilizes AI image generation technologies to generate original art drawings and in-game icons, which saves time and resources for image production and improves the efficiency of game art creation. In addition, the Company strives to advance the use of algorithmic modeling and other technological tools (such as AIGC) in its operational business to further improve operational efficiency.

In 2023, the Technology Center built an AI Web Hub within the Company, assembling various commonly used AI mapping tools and models to promote the rapid application of AI mapping in the Company's game development process.

In order to make better use of AI technology to produce high-quality games, the Company periodically organizes AIGC application experience sharing sessions, technical exchanges meetings and other activities.

### Case: G-bits AI Programming Game Contest

This year, we launched the AI Programming Game Contest for all programmers and game enthusiasts in the Company. Participants used the GS language code developed by the Company's technology center to create AI-controlled game characters, which learnt independently according to the programming instructions, cleared the game levels, and completed the actual combat duel. Through the duel and collision of the competition, the participants gained a deeper experience of the application of AI technology in game creation.



AI Programming Game Contest





# Data Ecological Protection

In order to create a safe, healthy, inclusive and friendly network environment, the Company actively strengthens the ecological governance of the contents, assumes responsibility for the protection of minors, constantly improves the protection system for minors, and supports the healthy development of minors. At the same time, we are fully aware of the importance of data security and privacy protection for users, strengthen data protection capacity in the full life cycle of data and at various stages of the product, continuously improve upon data security management mechanism, strengthen risk prevention and contingency measures, and protect user data and privacy.

- Content ecological governance
- Data security management
- Protection of minors





## Content ecological governance

In the era of rapid digitization, as we strive to deliver an enjoyable gaming experience for users, we are dedicated to fostering a clean gaming environment. Our goal is to establish a trusted and responsible gaming products for players.

### Game content review

The Company strictly adheres to 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, formulate the [Content Editing and Review System](#), the [Online Editing and Content Self-Review System](#), the [Game Operation and Content Self-Review System](#) and other internal systems. These internal mechanisms regulate the Company's compliance review of game content at an institutional level. The Company [diligently enforces the editorial responsibility system and the requirements for content review and proofreading](#). The scope of relevant reviews encompasses the entire lifecycle of both R&D and operational products, guiding the Company's products into a virtuous cycle of high-quality development.



Content compliance training for publications

Based on content construction and in combination with the requirements of laws, regulations and moral norms relating to online and digital publishing, the Company conducts various content compliance training programs to enhance the responsibility awareness among all employees. Except for full-time publishing and editing, the Company shall vigorously promote editorial education and cultivation in product research and development, promotion and operation stages, enhance integrated full-time and part-time education for editors, ensure that the relevant personnel are responsible for content compliance review at all stages from project initiation of the product to publishing of the game, ensure compliance of the contents of the publication.



Compliance testing

The Company formulates compliance testing process for game products. All products and versions must undergo multiple tests, including content compliance, privacy compliance, data security, and information security. They can only be announced or released to the public after successfully passing these tests. We have formulated relevant standards for websites, forums, advertisements and other content, and implemented multi-level review requirements to ensure that the content released by platform players is manageable and controllable. The Company conducts regular and irregular content self-inspections, special verification and other activities. We inspect and follow up the compliance of product content after the launch, and strengthen the supervision over published products.



## Game content ecological governance

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*, *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 laws and regulations, builds a work system for ecological governance and security of game content. We strengthen the ecological regulatory process for content, standardize the development of security platforms, and improve the platform's collaborative efficiency and risk prevention capacity.

In order to build a strong security line and resist undesirable content, the Company has established complaint and reporting channels, including in-game customer service, public number of player service, 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.

#### Normative content ecological 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

Continuously enhance the construction of content security platform tools. 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 efficiency of emergency drills and 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.

## Data security management

At G-bits, security and compliance constitute the fundamental principles of our business. In our journey of R&D and innovation, G-bits consistently prioritizes users' demands and expectations regarding data security, placing utmost emphasis on user and data security. While building and improving our own security management system, we also put efforts to strengthen the data security management capabilities of our partners to help build a security ecosystem across the industry.

### Data security management system

In addition to upgrading the data security management system, G-bits has also formulated and optimized internal rules and policies, and established a special working group to strictly manage suppliers' data security, so as to effectively reduce data security risks.

### | Data security management mechanism

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, the Company has developed and updated policies covered all relevant business lines, including the *Network Information Security Management System and Technical Protection Measures*, the *User Information Security Management System*, the *License and User Agreement for G-bits 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 set up a special security leadership team for network security, headed by the CEO, with relevant business leaders and senior technical engineers tasked with guiding and coordinating data security work under him. Staff from the Security Department, Operation and Maintenance Department, Platform R&D Center and Information Technology Center comprise the Network Security Execution Management Department, working together to develop and implement data security control strategies and protect the Company's data security. The team members are highly professional and hold authoritative certifications in the information security sector such as Certified Information Security Professional (CISP), Certified Information Security Assurance Worker (CISAW) and Network Communications Security Administrator.



## | 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 strictly provide suppliers with data beyond 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.



## o Data lifecycle management

For network security, G-bits strictly complies with 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. Based on these, we have established a data protection system with **classified and graded user data, and three lines of defense**, holding fast to the red line of user data privacy protection.

## | Three lines of defense

To guarantee data security, the Company has built up three lines of defense, and established appropriate and effective internal data management policies and processes for data lifecycle management, protecting the security of users' privacy and data with concrete actions.





## A holistic approach to data security

The Company manages data by its category and materiality, and stipulates security strategy on specific data group. The Company encrypts the operational data of games, including the private data of players, the business data of games; and strengthens authorizing management of office operational data, including game code data and general office data. And the code data of core projects is confined within the production of the Internet R&D. In addition, the Company has stepped further to improve the safety management throughout the data lifecycle. Through this holistic approach, G-bits has managed to decrease the safety risks of the internet information by strictly standardizing the data management in all sectors including data collection, transmission, processing, storage, usage and destruction.

### Data Collection

The Company rigorously adheres to the national standard of *Information Security Technology - Basic Requirements for Personal Information Collection in Mobile Internet Applications (Apps)(GB/T 41391-2022)*, and strictly prohibits any collection of service-irrelevant data resources and private information. [Before collecting any user's personal privacy data, clear notification is 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

G-bits attaches great importance to the confidentiality of the transmission. The Company [has deployed anti-DDos servers and WAP on the core systems and set flow surveillance and the early warning at the entry of the system.](#) Once the warning is triggered, the system will identify it is caused by a hacker attack and intercept accordingly. The Company ensures data safety, intactness and confidentiality by [encrypting the transmission channels and restricting accesses](#) when uploading the users' private data.

### Data Processing

The Company always removes sensitive individual information, strictly limits the usage of users' information, and collectively archives it after using. To better ensure the security of data processing, the Company has set limits respectively on data access according to business workflow and positions, maximizing the security of users' private data within the Company. 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 transmission, storage of sensitive personal information and access control, the Company adopted different storage strategies for different information based on types and privacy levels. 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 has established a defense-in-depth system in layers to ensure the security of data computation, processing and storage.

### Network communications

Different network segments are divided based on actual business needs and security levels, and the core network segments are physically isolated from other networks to strictly control access of equipment to the network. Firewall is also deployed at the network boundary, and security policies are configured in the firewall to detect abnormal behaviors. For highly reliable network attacks, corresponding network communication will be directly blocked by the device. The production network on the public cloud uses security groups and elastic networks provided by the cloud service provider to effectively control network traffic.

### Host devices






Before being installed, all devices within the Company undergo baseline configuration. In-office mainframe equipment is only allowed to connect to the network after ensuring the successful deployment of host security protection and data leakage prevention software. Additionally, in-office mainframe equipment deploys self-developed intrusion detection suite, and the host on the public cloud deploys the host security products of the cloud service provider. The intrusion detection suite and the host security products periodically perform security scanning and baseline checking of the access devices.

### Application systems

The Company strictly controls the security access of third-party systems. For systems that do not meet the security requirements, the supplier is required to make rectifications before launching. For the self-developed system, the Company formulates the corresponding security checklist, while the R&D Department first carries out the security self-inspection and the Security Department conducts a secondary security review of the self-developed system to improve the security level of the application system, and ensure the security of user data.

### Data Usage and Sharing

The Company discloses the use purpose and method of the 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 retrieval and analysis of plaintext data, a implementing a secondary encryption and obfuscation process to reduce data identifiability;
-  Restricting data access rights, and keeping records of data access and data manipulation;
-  Separating the code from on-line environment by encrypting and storing all data in the database, which is only available at G-bits;
-  Separating the data logic from keys by setting access limits according to positions and retraining the R&D staff from accessing the on-line database;
-  All transmission of sensitive data require approval from the superior leader.

### Data Destruction

The Company complies with the process, technical methods, authority and retention of destruction records clarified in laws and regulations. For processed data, the Company conducts regular checks, destroys and anonymizes if necessary, securing the holistic approach for data security management.



## 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, security audit on internal and external data, risk prevention and contingency plans, a healthy and safe data environment has been established within G-bits with security risks prominently lowered.

### Conducting specific compliance inspections

To better consolidate users' data security, the Company abides by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. In 2023, the Company accomplished the specific compliance audit on the internet data security and application in telecommunication and internet industry in Shen Zhen conducted by Shen Zhen Communications Administration. The audit targeted at the security system of the internet and data, internet security protection, and protection of the data security and personal information. The Company also employed a third party for the on-site specific audit. The party conducted security inspection throughout the data lifecycle by scanning code, the sensitive data and loopholes of the interface, and the safe storage of the data before recognizing and diffusing the security risks.

In terms of data security compliance management of suppliers, the Company regularly conducts security reviews of its suppliers and continuously pays attention to the status of systematic compliance audits conducted by itself. The aim is to examine that whether it aligns with the relevant laws and regulations and the contract requirements. During the Reporting Period, the purchased public service system of Alibaba Cloud had passed the independent third-party audit, which was performed strictly in accordance with the ISO20000 and ISO27000. After the audit, the third party released the Report on Alibaba Cloud System and Organization Control<sub>2</sub> (SOC<sub>2</sub>).

### Conducting internal and external security audits

To better identify data security risk and evaluate the data security management mechanism, the Company conducts internal data security audit on an annual basis. The Company urged the relevant executive department to rectify the exposed loopholes. During the Reporting Period, the Security Department and the Audit Department conducted four security audits. The content covered the inspection of system access control, password policy, and data backup. Furthermore, we internally reviewed resource management, version update, and data backup, permission management to promptly identify potential security hazards.

Besides, the Company actively conducts external independent audits. Annually, the Company invites third-party assessment organizations to conduct comprehensive audits, including gap analyses on the physical security environment, secure communication networks, and regional security boundaries. The security evaluation serves as a benchmarking, comparing the internal security management, technology system with the best practices from peers, the general standard, thus effectively improving the security level of the Company. 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.



Third level Security of Information System Protection Certificate

## Risk prevention and contingency plans

The Company has established the *Network and Information Security Plan* to enhance management of network and information security emergencies. We have clarified personnel in charge at all levels to effectively prevent and control information security emergencies and minimize corresponding impacts, guaranteeing the stable operation of information systems and networks. We also require all department to complete periodical off-site and off-host backup. For the primary backup room, the Company implements periodically the logic back-up of the user core data. The encrypted data is synchronously updated to and stored in other machines. Meanwhile, it is stored in the cloud database to prevent data damage and loss.

The Company also stipulates that all system users must perform operational tasks by logging into the host system through a bastion host and using multi-factor dynamic code authentication to ensure the authenticity of their operations. The bastion host records and captures the actions of system users, conducting security checks across various layers such as network, system, applications, and databases. The records are stored in real-time on separate machines, ensuring that users or administrators cannot arbitrarily tamper with or delete audit logs, providing authenticity assurance for subsequent security audits and event tracing.

## Development of data security awareness

The Company conducts specialized security training for employees from different stages, different departments and 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 scenarios, cartoons, and security principles to convey knowledge on information security. Additionally, for all employees and suppliers, the Company's internal online learning platform has launched the "Information Security Awareness Training" video course. This initiative guides all employees, as well as suppliers, to learn the training content related to the information security anytime and anywhere.

To consistently raise employees' awareness of data security, the Company holds regular training related to data security. Additionally, it encourages employees to participate in external training on data security. During the Reporting Period, 10 technical training sessions were conducted independently within the security department, covering the attack and defense of security technologies and vulnerability mining.

Additionally, to help employees develop healthy mindset of the internet security and urge them comply with the internet security principles, the Company conducts related training regularly. During the Reporting Period, the Company carried out 2 thematic trainings on email security, Trojan Attack and other topics; at the same time, the Company carried out information security awareness promotion for all employees on a regular basis and carried out data security related promotion in the employees' onboarding emails and real-time work communication tools.



10 technical training sessions were conducted independently within the security department



The Company carried out 2 thematic trainings on email security, Trojan Attack and other topics





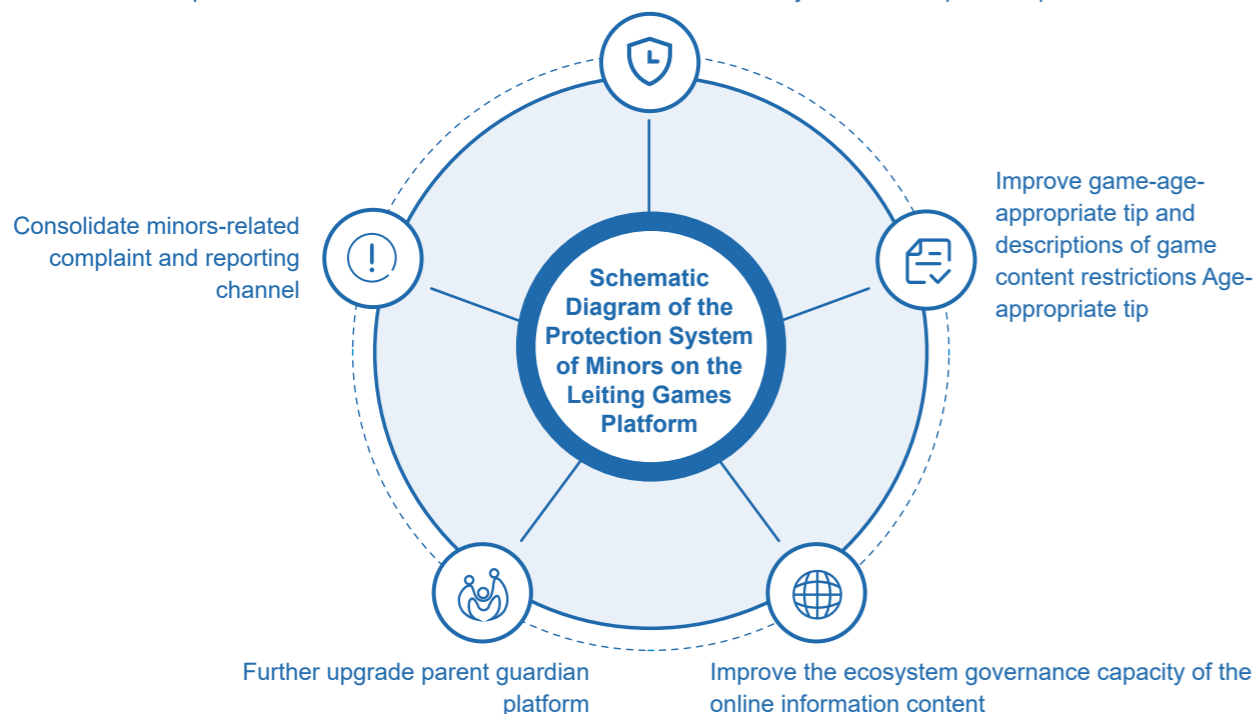
## Protection of minors

Young people represent the future of the country, and the Company attaches importance to the healthy growth of young people. 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 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. Continuous efforts are made to deepen 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 system for minors protection in online games

The Company takes proactive steps to establish and refine the protection system for minors in online games, improving the efficiency of both machine and manual identification. Strict measures are implemented to address issues like 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. Since the State Council's announcement of the Regulation on the Protection of Minors in Cyberspace in October 2023, the Company has organized multiple learning sessions to study the regulation's contents. Additionally, the Company has aligned its work functions with the requirements of the regulation. This year, the Company conducted 4 special clean-up initiatives focusing on topics such as student vacations, online hostility, and cyberbullying. Furthermore, seven sessions were dedicated to optimize the strategies for enhancing the protection system for minors.

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



### Enhancing the Parental guardian Platform

The Company continues to enhancing the development of a the parental guardian platform, ensuring the supervision of minors' gaming behavior. Upon linking a minor's gaming 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. Concurrently, 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.



Parent guardian platform of Leiting Games

### Unobstructed 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.cn) on the Leiting 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.

- Attach great importance to topics involving minors and 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 to ensure that the measures taken are compliant and reasonable.



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





# VI

## Talent Attraction and Development

G-bits firmly believes that employees are the Company's most valuable assets. Embracing a people-centric development philosophy, we strive to create a diverse, equal, and comfortable working environment. We have established a robust system to safeguard employee rights, developed a competitive compensation and performance system, and built effective channels for communication. Additionally, we provide multidimensional employee benefits and humane care to enhance the happiness of each employee, laying a solid talent foundation for the Company's sustainable development. Simultaneously, we consider it our responsibility to facilitate the comprehensive development of our employees. Guided by the belief in cultivating talents with an innovative spirit, we have established comprehensive and diverse training programs and talent development pathways, aiming to grow together with our employees.

- Talent development plan
- Protection of employee rights and interests
- Maintenance of smooth communication channels
- Employee benefits
- Innovation in talent cultivation
- Supporting employee development



## Talent development plan

G-bits has established a comprehensive and sustainable talent ecosystem aligned with industry trends and our specific business requirements. The Company formulates the direction of talent development based on assessments of talent gaps, demand planning, 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.

We prioritize recruiting suitable and high-potential talents aligned with the Company's business strategy during the recruitment and selection process. This ensures a strong fit between employees and the Company, fostering team diversity and collaboration. Additionally, we actively unleash employees' potential by assigning them appropriate roles and responsibilities, providing ample space for talent to flourish. Employee development is a key focus, and we tailor training programs for different talent types, considering the characteristics and development of various businesses and projects. These multidimensional training initiatives aim to support business breakthroughs in team management, talent motivation, and cultural development. The Company has established a highly competitive compensation system, featuring a bottom-up project approval mechanism, an open competition mechanism for key positions, a talent rotation mechanism, and diverse incentive plans as promotion paths. These measures offer outstanding talents more opportunities for development, contributing to the overall dynamism of the organization.

We periodically evaluate our internal talent map to pinpoint strengths and weaknesses in both the quantity and quality of our talent pipelines. Additionally, we consistently enhance our competitiveness through refined talent strategy and management, aiming to establish a robust foundation for the Company's sustainable development.

## 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 to ensure that our employees are treated equally and fairly.

### Employee recruitment

The Company always 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*, *Regulations on the Prohibition of Child Labor* and other relevant laws and regulations and have formulated internal management systems such as *Management Measures for Labor Contracts*. Meanwhile, during the conclusion of a labor contract, the Company strictly verifies the employee's identity to ensure that no incidents of employing child labor occur. 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 violations in relation to human rights.

Through diverse 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 systems such as the *Passing a Probation Period and Management Measures*. During the recruitment, we follow the "open and fair merit-based selection process that targets internal candidate first" 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 interest-based relationship (such as kinship and the relationship between a referee and a referrer) between the interviewee and the interviewer, the interviewer will not be involved in any part of the interview.

By the end of the Reporting Period, G-bits had 1,447 full-time employees.

### Employee remuneration, performance and feedback

In line with 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 the *Management Measures for Labor Contracts*, and the *Management Measures for Salary and Benefit* to establish a remuneration package competitive in the industry for employees.

The Company's remuneration package consists of basic salary, performance-based compensation, bonus, subsidy, benefit and others. We develop a multi-dimensional evaluation framework for employees' performance. Employees are given face-to-face feedback on their daily performance and progress toward preset targets regularly.

The Company has also established a confidential channel for employees to complain about their performance results. For any doubt about the performance assessment result, employees can file a complaint anonymously through the complaint channel. Relevant management personnel will communicate with the assessment personnel in accordance with the feedback to help them optimize the performance management method.

### Contributing to diversification and equality

G-bits continuously strives to create a healthy, diversified and equalized 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 an equal, inclusive and free work environment free of discrimination based on religion, gender, age or disability for all employees.



#### Anti-discrimination and unfair competition

Following a zero-tolerance attitude for discrimination and unfair competition in any form, G-bits is committed to creating a safe, equal and diversified working environment for all employees.

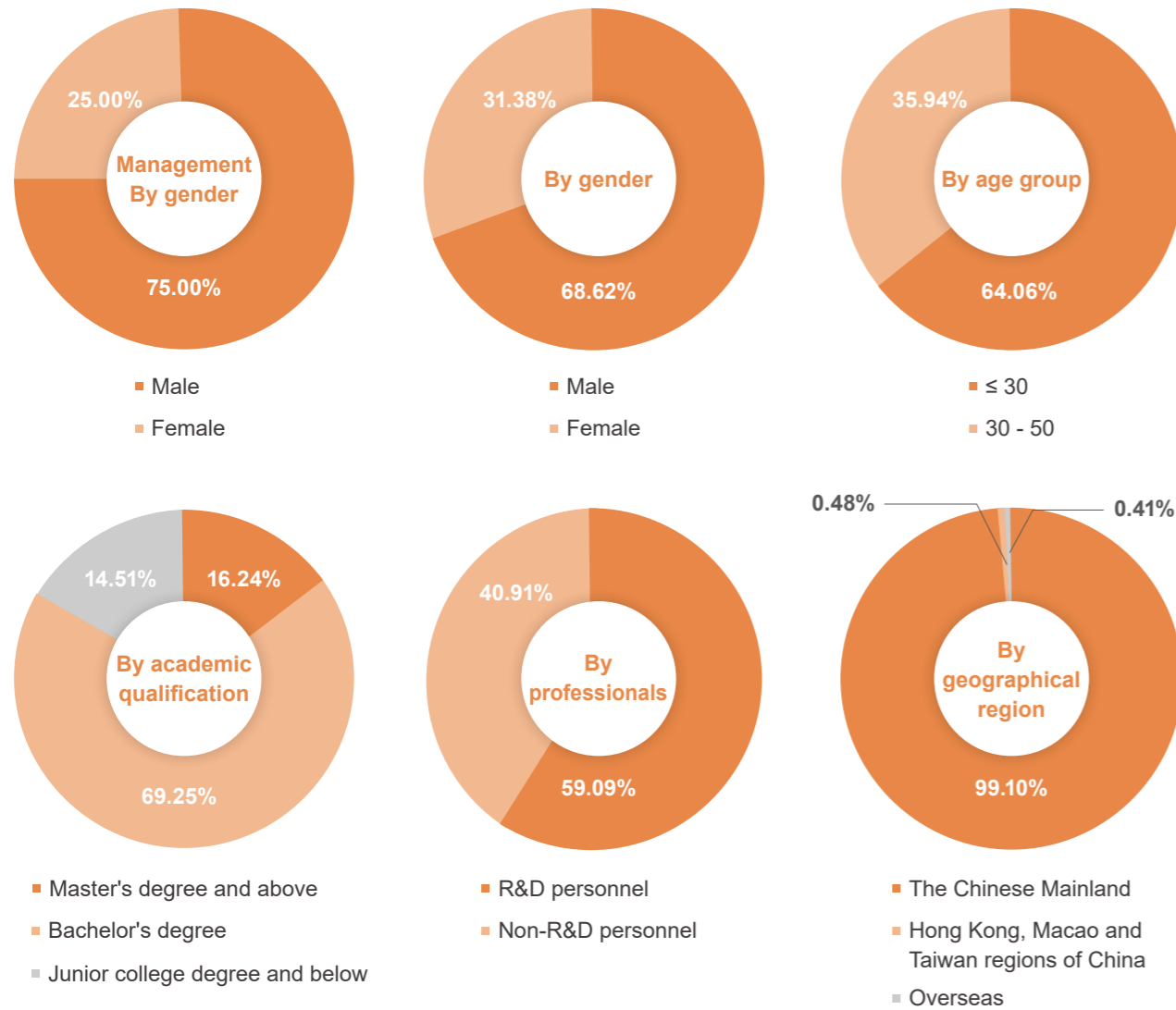


#### Anti-harassment

The Company has 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.



Believing that diverse minds can inspire innovation, the Company continues building up a diversified team of talent with different backgrounds and different professional specialities.



We also prioritize the protection and support of the legal rights and interests of our female employees. We care about the physical and mental health of female employees by providing a series of separate rights and interests and welfare for them, such as special vacation, health lectures and special holiday activities.



Afternoon tea on "Women's Day" in Shenzhen office



Health lecture on "Women's Day" in Shenzhen office

## Maintenance of smooth communication channels

G-bits strives to establish diversified 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 resource management personnel in time. In addition, the Company conducts an annual 180-degree assessment for employees. Evaluation and feedback opinions on the management personnel are collected from their direct superiors and subordinates, and then passed on to the evaluated management personnel to help them improve their management.

### "Founder Meetup" events

All employees can ask questions that they are interested in, give opinions or make suggestions **confidentially or in their real names**. After collecting and summarizing the questions, we organize a "Founder Meetup" event every two or three months, in which the Company founder answers each of the questions. In this way, we build a bridge for smooth communication. During the Reporting Period, the Company held a total of 4 "Founder Meetup" activities, and 177 questions were collected and handled, including 77 anonymous questions. In addition, the Company published three posts related to the "Founder Meetup" event through its internal platform, with a total of 2,703 views.



### "Little G Listening" cultural interview activities

The Company regularly organizes "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. The Company adopts an "Active + Passive" approach to build multiple channels at different levels and in all aspects, enabling employees to give voice to their thoughts and participate in management. Employees are encouraged to communicate sincerely with the Company, and put forward reasonable suggestions for the Company's management and development. During the Reporting Period, the Company organized a total of 4 batches of "Little G Listening" cultural interviews, with the participation of 48 employees.

### Corporate culture group meetings

The Company regularly holds corporate culture group meetings to convey the connotation of corporate culture, and allow employees to have a clearer understanding of the values advocated by corporate culture and the way of doing things through the display and discussion of typical cases. During the Reporting Period, the Company organized a total of 11 corporate culture group meetings, with 321 participants.



## Employee benefits

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



## Protecting employees' health

We are committed to safeguarding the physical and mental well-being of our employees by implementing a range of health management initiatives, aiming to enable each individual to work and live in a state of positivity, happiness, and wellness.

### Annual medical examination service for employees

With the concept of caring about employees' health in mind, we are committed to providing employees with more comprehensive health care services. We offer all employees a comprehensive medical examination each year, and regularly invite doctors to interpret reports individually for each employee in the Company. Thus, we make sure employees are fully aware of their health status. During the Reporting Period, our investment related to employees' medical examinations totalled RMB 1,362.9 thousand.



Our investment related to employees' medical examinations totalled RMB

**1,362.9** thousand

## Mental health counselling for employees

The Company continues to pay attention to the mental health of its employees, and has set up the online platform "G-healing" (mental health counselling desk) to help employees reduce the psychological pressure and emotional burden they face in their daily work. At the same time, the Company opens up psychological counselling appointment channels for employees in Xiamen, Shenzhen and Guangzhou, and screens qualified third-party psychological counselling agencies to provide one-on-one psychological counselling for employees, and the psychological counselling costs incurred in the counselling process are uniformly borne by the Company. During the year, the Company's three offices in Shenzhen, Guangzhou and Xiamen were used for EAP psychological one-on-one counseling expenses totaling RMB 236.4 thousand. In addition, the Company also provides employees with online mental health courses and a wealth of group counselling activities to help people relax and reduce stress, and advocate a healthier way to work and live.

		"Correct Understanding of Counseling"		
Online Mental Health Courses	Career Development and Growth	"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



## | Support for employees' exercise

We help employees maintain good physical conditions by organizing a variety of sports events. We have set up several sports and fitness clubs in all office areas, regularly hold entertaining sports events such as badminton, basketball, and marathon competitions. We also provide rewards to motivate employees. Furthermore, we have established gyms in workplaces, which are equipped with fitness equipment such as treadmills, elliptical machines, steppers, climbing machines, spinning bikes and table tennis tables. The equipment is available for employees at any time, satisfying their daily exercise needs. We regularly organize experiential sports courses such as yoga on mat, Frisbee games, fat-burning boxing and yoga for shoulder and neck so that our employees can enjoy the healthy activities in their leisure time. To encourage the communication and sharing on health topics among employees, we have established a sharing session, the *Health Master*. We help other employees develop good exercise habits by inviting certain employees to share their rich fitness experiences. During the Reporting Period, the total investment related to the Company's employees' sports and exercise amounted to RMB 1,121.5 thousand.



The total investment related to the Company's employees' sports and exercise amounted to RMB

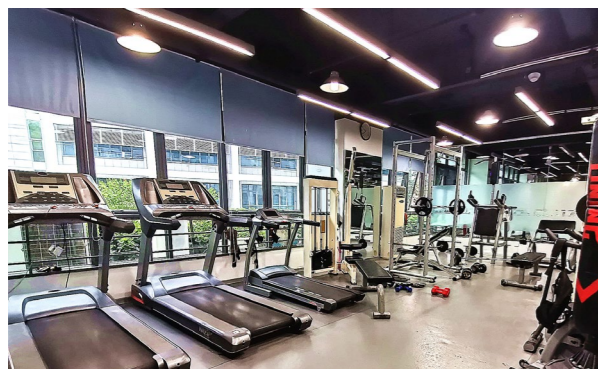
**1,211.5** thousand



Fun sports events



Badminton club activity



Ancillary gym in the office area



## | Employee health and nutrition assurance

We place a significant emphasis on the daily diet of our employees. The ingredients used in our cafeteria are directly sourced by our logistics personnel, who also craft customized, healthy meals to ensure employees enjoy fresh and safe dishes. In addition, we ensure clean and hygienic tableware by regularly sending the tableware used by employees to third-party institutions for testing.

## | Promotion and dissemination of health knowledge among employees

We attach importance to the dissemination of health knowledge. We convey the concept of health in a variety of ways to encourage employees to develop healthy lifestyles and work habits. In 2023, we held 9 health lectures, covering diverse topics such as women's health, shoulder and neck relaxation techniques, family education, eye protection, sub-health and nutritious diet. Employees improved their health protection awareness through the health lectures. They also received practical health instructions to maintain a good lifestyle and work status. Besides, 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.



A lecture on eye protection



A lecture on shoulder and neck relaxation techniques

## | Flexible work arrangements for employees

Faced with extreme weather conditions such as typhoons and rainstorms, G-bits takes into full consideration both the weather and 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 provides employees with the option of flexible working hours, enabling certain staff members to autonomously arrange their work hours according to their specific job requirements.



## Building a secure environment

Regarding the safety of our employees as our top priority, we are committed to building a secure and healthy working environment for them. We equip all workplaces with automated external defibrillators (AED) and fire extinguishing equipment and conduct regular first-aid training. During the Reporting Period, we organized two sessions of first aid training and participated in 3 safety inspections.



AED equipment in the workplace



Fire Safety Equipment in the workplace

We also prioritize the physical health of our employees. We conduct regular cleaning of air conditioning units and engage third-party testing services to ensure the quality of drinking water in the office. Before any new office is opened, formaldehyde tests are conducted to ensure a safe working environment. Furthermore, in our commitment to providing a comfortable workspace, each employee is equipped with an ergonomic office chair.



## 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 methods of humanistic care. The Company also organizes diversified activities to ensure that each employee can feel warmth and care in the Company.

The Company organizes and carries out collective movie watching activities every month, which can provide employees with easy social opportunities, expand employees' horizons, and help employees relieve work pressure. The Company organizes e-sports competitions to enrich the spare time life of employees while providing a platform for teamwork and competition and enhancing team cohesion.

In addition, the Company organizes team building events for all employees from time to time. This year, the Company arranged special activities for holidays such as Lantern Festival, Women's Day, Dragon Boat Festival and International Children's Day. We prepared holiday gifts and afternoon tea snacks for employees and shared happy moments with them. During the Reporting Period, we also organized a family open day, inviting family members of employees to visit the Company, enjoy lunch together and participate in on-site interactive games, which enhanced the understanding of employees' family members about the Company, and enhanced the sense of belonging of the Company's employees to improve employee satisfaction.



Women's Day Event



Dragon Boat Festival Event



International Children's Day Event



Family Open Day Event



Case: "Mooncake Game" at the Mid-Autumn Festival

At the Mid-Autumn Festival, the Company organized a "Mooncake Game" event, a national intangible cultural heritage, for employees. The event created a joyful and harmonious festive atmosphere that promoted cultural inheritance and exchange, while strengthening bonds among employees.



2023 Mooncake Game

Talent incentive

To motivate employees and boost their creativity, the Company has implemented several effective incentive mechanisms. In October 2020, we launched a share-based incentive plan to grant 1.00% of our total share capital to employees. The incentive plan targets all core technology and business employees of the Company, representing 6.66% of the total workforce for the year.

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

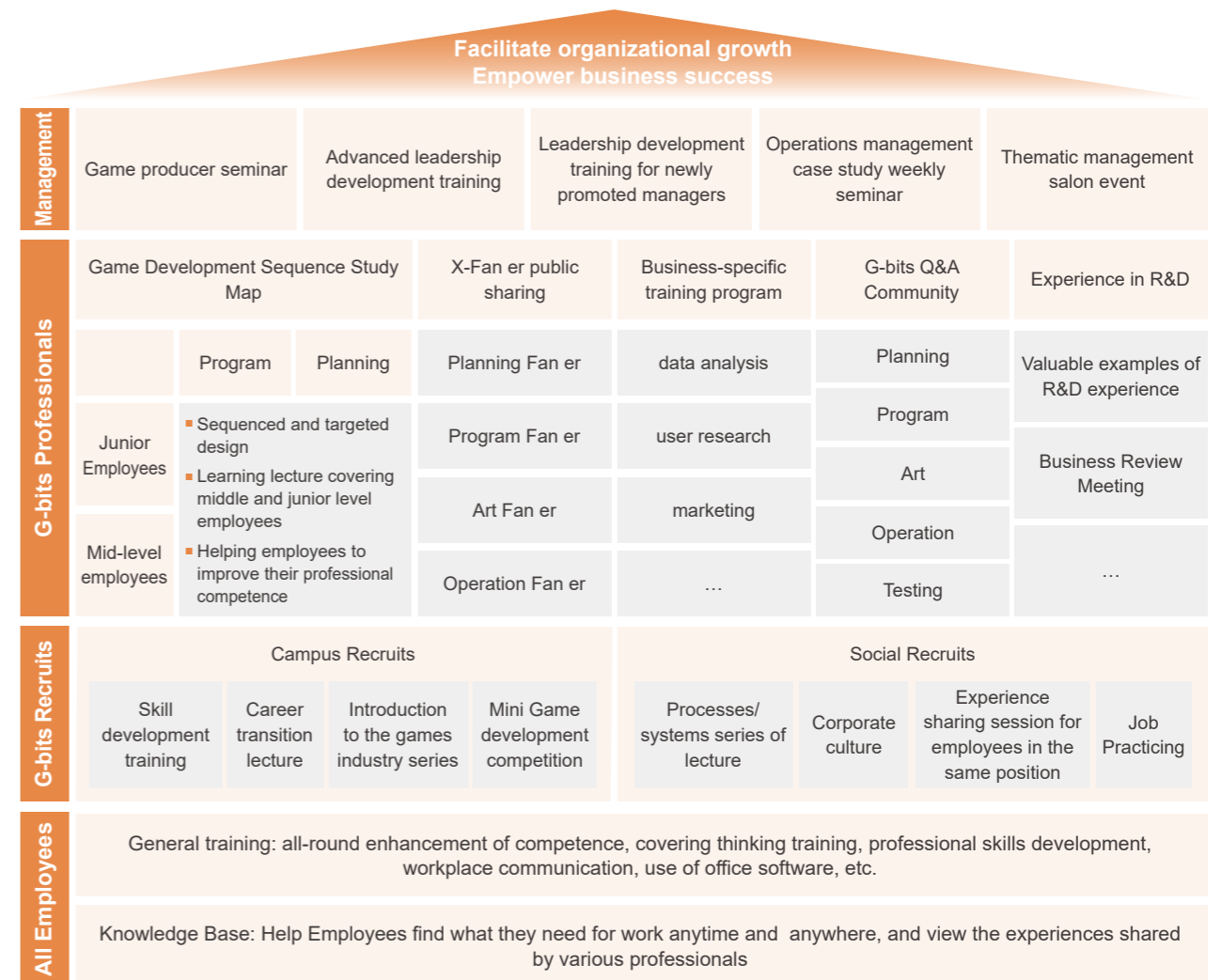
G-bits places significant emphasis on the development of each employee, continually refining its training mechanisms. This year, the Company established internal management policies such as the *Training Management Measures*, which standardizes the responsibilities of training managers, internal and external training processes, and other training mechanisms.

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, fresh graduate training, leadership training, among others. Such training may take various forms, such as a combination of "Internal + External" and "Online + Offline" courses. This year, the Company carried out a total of 168 training sessions with 504 training hours, and a total training investment of RMB 3,526.8 thousand.



A total training investment of RMB

3,526.8 thousand



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 master basic skills and improve the overall business skills of teams. Besides, we provide training in technology, planning, art, and other aspects of game production to enhance the professional and innovation skills of our employees. We also provide product launch support training to improve collaboration across product teams and thus ensure that our product rollout is a market success.

This year, the Company has organized a total of 76 job-specific development training sessions, including 46 sessions on launches and operations, 17 sessions on R&D, and 13 sessions on general knowledge and skills. These sessions were highly regarded by employees, with a total of 4,314 participants.



Job-Specific Development Training

## 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 concentrated series of 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. Addressing operational nuances, mentors impart knowledge on the company's distinctive "MVP Approach" in game development, along with insights into business operations, marketing strategies, and product optimization. This facilitates a rapid establishment of a foundational understanding of the company's operations and the game industry.

In addition, the Company has invited game production mentors and senior professionals in the game industry to share their professional and personal development experience and answer questions to help fresh graduates better adapt to the workplace. For new employees in positions related to game development, the Company has organized the "Mini Game Development Competition". Mentors provide feedback on game demos developed during training sessions. They also coach campus recruits in solving difficulties arising from the game production, thus helping them form their own understanding of game development. This year, the Company organized three forms of training for fresh graduates, including concentrated training sessions, the "Mini Game Development Competition" and working exchanges, with a total of 77 hours of training courses.



Orientation training for campus recruits

## Leadership development training

The company is dedicated to 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. Aligned with talent assessments, the company conducts a series of training sessions to empower management talents at every tier.

### Leadership development training for newly promoted managers

Helping newly promoted managers achieve career development goals is a priority for us. In this regard, we have conducted a series of centralized training sessions to help them better adapt to job changes and master basic management skills. We provide training on a wide range of topics for newly promoted managers. For example, "Management Role-Based Training" helps them develop their leadership styles and explore their leadership potential; "Talent Finding 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 9 management training sessions for newly promoted managers, with 237 participants.



Leadership development training for newly promoted managers



Carried out a total of

9

management training sessions for newly promoted managers



With

237

participants

### On-duty supervisor advanced management training

The Company regularly conducts advanced leadership development training for managers with certain experience. Mentors communicate with managers about people management challenges in real-life scenarios and help them find appropriate and distinctive ways to address them. This year, the Company carried out a total of four 2-day training sessions on communication and management, such as "Leadership in Different Scenarios" and "Inspiring Inner Drive", with 108 participants.



On-duty supervisor advanced management training



## | Game producer training

The Company organizes seminars to train game producers and their managers. External experts are invited to share their experiences, answer questions, and provide guidance. This year, the Company organized three major theme-based training sessions for game producers: game development, team management, and business review. Producers shared their insights into game innovation and R&D, team collaboration and communication, project operations, and other aspects, and discussed solutions to business and management problems. This year, the Company carried out a total of 3 game producer training sessions, each lasting 2 days, with 46 participants.



Game producer training

## ⌚ External joint training sessions

At G-bits, our employees are able to access excellent industry resources by attending exchanges and training sessions. This allows us to keep abreast of the latest knowledge and skills in the game industry and to better adapt to changes in the industry.

This year, in cooperation with external professional organizations, the Company organized advanced management training for management trainees at all levels, with the aim of cultivating their ability and preparing them for future management promotion. Working with external professional organizations such as Mercer and Ram Charan's global partners, we organized specialized training sessions for our game producers. Through extensive interaction with industry professionals, they have gained a wealth of expertise and management experience.



Advanced leadership development training



Mercer Consulting Game Producer Seminar

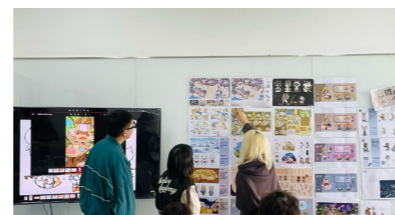
In addition, the Company has partnered with several universities in China to develop joint courses and develop industry talent with practical skills and expertise. This year, we maintained the long-term partnership with universities such as the Guangzhou Academy of Fine Arts, the Shenzhen University and the China Academy of Art. Combining our first-hand industry experience with the university teaching system, we offered co-created projects and elective courses. In this way, we shared cutting-edge theory of knowledge and experience of industry with students fond of games. These joint courses provided students with hands-on experience in a more comprehensive manner, while giving us the opportunity to work more closely with the academic community and learn from each other.



G-bits × Shenzhen University, Business Practice of Game Release, Co-Created Elective Course



New Manor Times Project Team × Guangzhou Academy of Fine Arts, Co-Created Course on Character Design



Super Meow Star Project Team × China Academy of Art, Preparatory Course on Conceptual Design

## Supporting employee progression

### ⌚ Employee promotion system

Employees are fundamental to the sustainable development of a company, which is why we value and encourage our employees to develop and grow. 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 specialties. 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. In addition, the Company's promotion system is flexible enough to allow employees to advance their careers in a more open and diverse way. Employees can choose to focus on one development path and make progression step by step. They can also change the path based on their personal interests and development aspirations, actively explore other areas, and better broaden their career horizons.

Meanwhile, the Company will regularly hold seminars to review job levelling and adjust the promotion path of different positions to meet employees' expectations for future development. With our promotion mechanism, our employees' abilities are enhanced in more targeted and clearer manner, while their growth and contribution can be clearly reflected through the job levelling system.

### ⌚ Support for employee upskilling

G-bits places great emphasis on the development of the employees. We are committed to providing a good learning environment and encouraging them to keep upskilling. To this end, we have clearly stated in the *Training Management Measures* that we will offer financial support to all regular employees for obtaining professional qualifications.

The amount of financial support varies with the types of professional qualifications. The Company bears the full education cost for employees who have obtained the qualification of Certified Public Accountant (CPA), the professional qualification in publishing or other qualifications required by the Company, while bearing 50% education cost for employees who have obtained the qualification of Project Management Professional (PMP), international coaching qualification of ICF and other qualifications that are closely related to the industry or job position. For employees who have participated in the relevant qualification training but failed to obtain the certificate, the Company will provide the same financial support after validating their individual learning outcomes.







VII

# Green Operation

G-bits focuses on sustainable development and practices the concept of green development. This year, G-bits continues to identify and assess climate-related risks and develop responses to promote green operations, conserve biodiversity, and reduce environmental dependency and impact in corporate operations.

- Response to climate change
- Practicing green operation
- Protection of biodiversity



## Response to climate change

Climate change represents a significant threat to humanity, with global warming and extreme weather events increasingly affecting both the global ecosystem and business operations. G-bits actively responds to climate change. In line with the *Guidance on Climate Disclosures* (TCFD), we identify, assess and respond to the impacts of climate change on our businesses, and formulate mitigation and adaptation strategies that are more scientific and reasonable.

The climate change risks and opportunities identified during the Reporting Period and our responses are as follows:

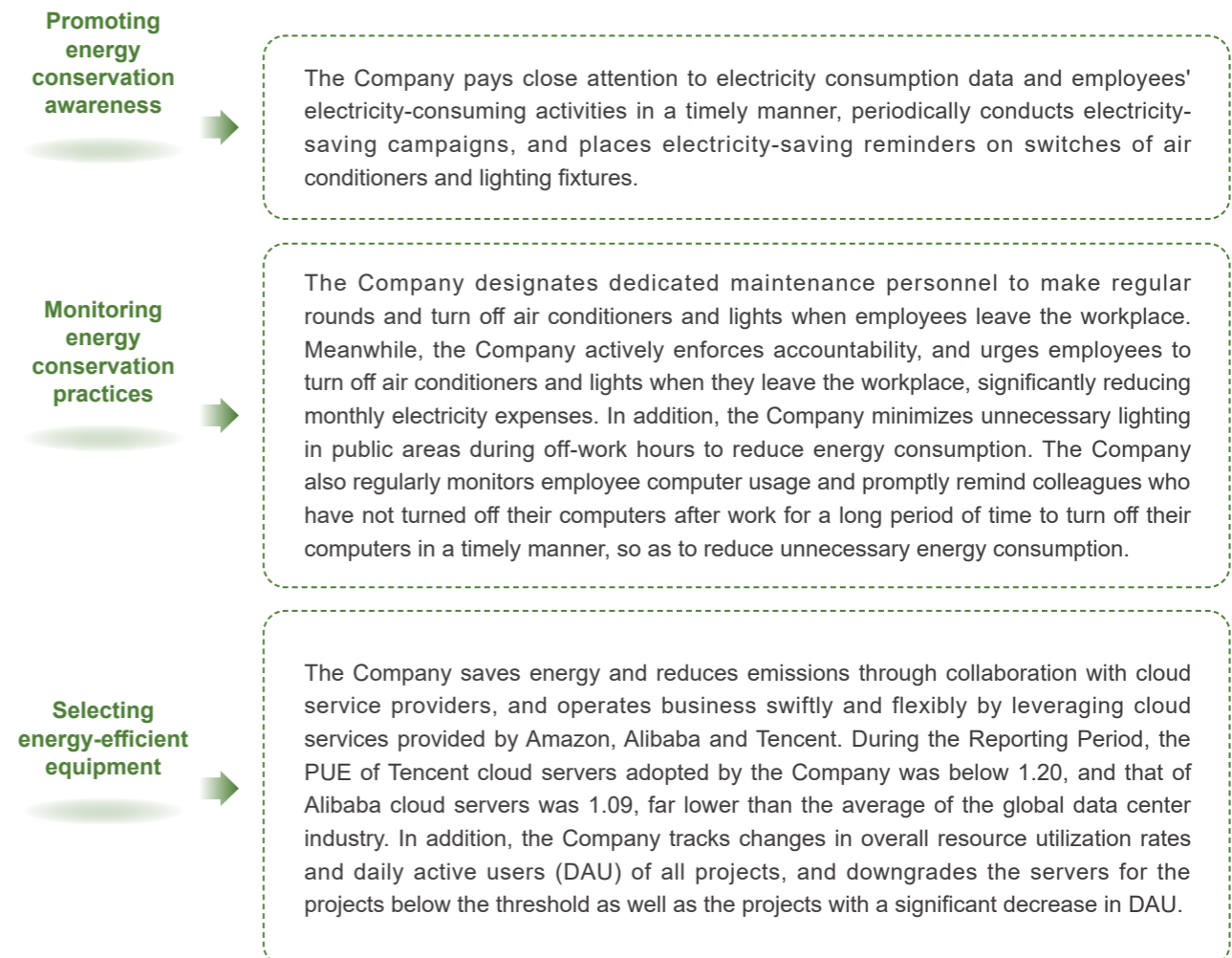
Risk type	Identification and assessment	Our responses
Transition risks	Market risk	<ul style="list-style-type: none"> <li>- Uncertainties in energy procurement, such as rising prices of electricity and other energy, could lead to an increase in the Company's operating costs.</li> <li>• Incorporate climate change considerations into supplier admission standards, select electronic equipment with higher energy efficiency and lower energy consumption, and encourage existing suppliers to use clean energy to reduce the Company's market risk arising from fluctuations in electricity prices;</li> <li>• Carry out more elaborate energy management, establish specific requirements for the use of air conditioners, lighting fixtures and other electric equipment in workplace, and advocate green office among employees to reduce the energy consumption in the workplace.</li> </ul>
	Acute risk	<ul style="list-style-type: none"> <li>- Extreme weather such as typhoons, droughts, floods, extreme cold or heat caused by climate change may threaten our normal operation, resulting in higher energy consumption and operating costs.</li> <li>• Pay close attention to the early warning of extreme weather events, formulate the <i>Explosion Prevention Plan</i>, the <i>Typhoon Emergency Plan</i>, the <i>Comprehensive Safety Emergency Plan</i> and other safety-related plans, and equip all workplaces with fire-fighting facilities and equipment to ensure the safety of people and properties;</li> <li>• Establish mechanisms for rapid and effective disaster relief, rescue and emergency response. Organize all employees to conduct fire drills, typhoon drills, violent and terrorist attack drills and other activities. 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.</li> </ul>
Physical risks	Chronic risk	<ul style="list-style-type: none"> <li>- Sea level rise may pose a higher asset risk to the Company's IT infrastructures in coastal areas such as Xiamen and Shenzhen, resulting in higher costs for maintenance, repair or replacement of IT equipment.</li> <li>• Regularly inspect the use of equipment, and deploy and maintain facilities to grapple with extreme weather, such as backup power supply;</li> <li>• Increase the proportion of cloud services, and protect important data through off-site backup and cross-device backup.</li> </ul>
	Energy opportunity	<ul style="list-style-type: none"> <li>- The application of energy-saving measures/technologies enables the Company to lower energy consumption in the course of operation as well as operating costs.</li> <li>• Actively carry out distributed energy projects to increase the use of clean energy;</li> <li>• Lease data centers with low power usage effectiveness (PUE) to increase electricity effectiveness per unit time and minimize energy consumption in the course of operation.</li> </ul>

## Practicing green operation

G-bits pays attention to the efficiency of energy and resource use and waste recycling during green operation. In the light of the *Environmental Protection Law of People's Republic of China*, the *Law of the People's Republic of China on 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 carries the green and low-carbon philosophy into day-to-day operations, and continuously makes products and services more environmentally-friendly.

### Reducing energy consumption

Being aware of the importance of energy conservation and emissions reduction, G-bits exercises fine management of resources and energy-consuming equipment. To this end, G-bits has established requirements for the Company's air conditioners, lighting fixtures and production equipment, and selects third-party cloud servers with lower electricity consumption to ensure operating efficiency and reduce energy consumption.





## Advocating green office

G-bits actively builds a safe, green, and low-carbon workplace for employees by advocating low-carbon travel, electronic office and the use of environmentally friendly materials.

### Low-carbon commuting

Electric vehicles are used for all shuttle bus routes of the Company's Shenzhen Office and Xiamen Office. Moreover, the Company carries out fine management of shuttle buses, adjusting the routes and frequency of shuttle buses based on employees' needs and prioritizing cinemas located more closely to minimize the use of shuttle buses when organizing monthly movie-watching activities.

### Low-carbon office

The Company is committed to raising employees' awareness of environmental protection by encouraging them to adopt double-sided printing and black-and-white printing, and reuse wastepaper for scribbling or pasting expense claim forms to reduce waste.

### Environmentally friendly decoration

The Company has used several energy-saving and environmentally friendly materials to decorate the new workplace in Shenzhen. The company's air-conditioning system, fresh air system, air-conditioning and fresh air equipment and pipelines of the original building, lighting using LED energy-saving lamps, decoration of the main materials (such as: paint, flame retardant board, gypsum board, PVC flooring boards, ceramic tiles, artificial stone, wall coverings, wallcoverings, glue, etc.) are on-site sampling for inspection (test items include but are not limited to environmental protection, radioactivity testing, etc.) qualified for use, indoor lighting, pollutant concentration, etc. The indoor lighting, pollutant concentration and other environmental indicators reach the current environmental standards, and the air quality has met testing standards upon the completion of the decoration.

## Recycling

G-bits has integrated resource recycling into normal operations, and takes multiple measures such as promoting reusable tableware, reusing idle items to extend the life cycle of waste and reduce emissions.

### Reusable tableware

Reusable melamine or stainless steel tableware is used at the staff restaurants of the Company's Xiamen Office and Shenzhen Office with 108.17 thousand and 241.49 thousand repeats in 2023, respectively.

### Reusing idle items

At the Company's Shenzhen Office, we have relocated the original air conditioners, ventilation system and fire protection system based on the original pipeline layout of the office building instead of replacements to minimize material consumption. Moreover, we have some recycled furniture, carpets, raised floors, air conditioners, access control, surveillance equipment and other facilities and equipment for the new workplace. In addition, the Company takes a series of measures to accelerate waste recycling:

- Organize in-house sales of idle furniture to provide benefits for employees in need;
- Establish the Company's online group of used-items trade to fully circulate and utilize idle goods;
- Set up a free sharing area where excess goods/food are shared among employees to avoid waste;
- Recycle stationery from departing employees.





## Environmental key performance indicators

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

Indicator	Unit	2023	2022	2021
Indirect Greenhouse Gas Emissions (Scope 2) <sup>6,7</sup>	Tonne	2,654.54	2,235.42	2,079.45
Total electricity consumption in offices <sup>8</sup>	kWh	3,427,466.10	2,800,028.15	2,607,000.06
Energy intensity <sup>9,10</sup>	kWh/person	2,537.92	2,546.64	3,074.29
Total water consumption in offices <sup>11,12</sup>	Tonne	17,545.44	20,785.68	23,394.17
Water consumption intensity <sup>10,11,13</sup>	Tonne/person	12.99	18.90	27.59

<sup>6</sup> Due to our business nature, the major gas emissions of the Group are greenhouse gases, resulting from electricity converted from fossil fuels.

<sup>7</sup> The Company's greenhouse gas inventories include carbon dioxide, methane and nitrous oxide. GHG emissions are measured in carbon dioxide equivalents. Since 2023, GHG emissions calculated based on the 2021 Baseline Emission Factors for Regional Power Grids in China issued by the Ministry of Ecological Environment of the People's Republic of China.

<sup>8</sup> The current electricity consumption statistics include those of three office premises of the Company in Guangzhou, Shenzhen and Xiamen. This year, the Company added two new office premises in the Shenzhen region, resulting in an increase in electricity consumption.

<sup>9</sup> Energy intensity represents the energy consumed per person. The less the energy consumed per person, the lower the energy intensity is.

<sup>10</sup> 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, and has recalled the data for 2022 and 2021 according to this caliber.

<sup>11</sup> This year, we improved our water resources data and statistics capabilities, reorganized our water usage situation, and improved the disclosure of the Company's water consumption data for 2023.

<sup>12</sup> The Company mainly uses municipal tap water. The current water consumption statistics include those of three office premises of the Company in Guangzhou, Shenzhen (in addition to the new office premises) and Xiamen. This year, the water consumption of the new office premises cannot be separately calculated as the tap water cost is included in the property fee.

<sup>13</sup> Water consumption intensity represents the water resources consumed per person. The less the water resources consumed per person, the lower the water consumption intensity is.

## Protection of biodiversity

The sharp decline of global biodiversity has become one of the most serious environmental risks in the future. The Company is committed to the implementation of corporate responsibility, working with employees and partners to widely participate in biodiversity conservation, carried out a series of conservation activities.

### | Mangrove Planting Activities

On the occasion of the 2023 Arbor Day, the Company, in collaboration with the Putian Lumeng Coastal Wetland Research Center and the Shenzhen Green Source Environmental Protection Volunteer Association, has undertaken mangrove planting activities in Xiamen and Shenzhen. A total of 73 employees and their family members actively participated in the initiative, collectively planting 610 mangrove seedlings.



Employees participated in mangrove tree planting activities



### | Voluntary beach cleaning activity

On the occasion of the World Ocean Conservation Week, the Company organized 15 employees in Shenzhen to carry out voluntary beach cleaning activities in Shenzhen Bay Park, cleaning up about 21.19 kg of garbage.



Employees participated in beach cleaning activity

### | Ecological Bird-watching Activity

In collaboration with the Shenzhen Mangrove Foundation, the Company organized an ecological bird-watching activity in the Shenzhen Bay Nature Education Center in December 2023. Attended by 20 employees from the Shenzhen office, this initiative encourages employees to engage in biodiversity conservation.



Employee participation in ecological bird watching







VIII

# Undertaking Social Responsibility

G-bits has consistently prioritized corporate social responsibility, leveraging its strengths to share the Company's development achievements with society and drive the industry towards sustainable development. During the Reporting Period, the total amount of various public welfare donations amounted to over RMB 3.77 million.

- Assisting rural revitalization
- Focus on public welfare
- Empowering sustainable development in the industry

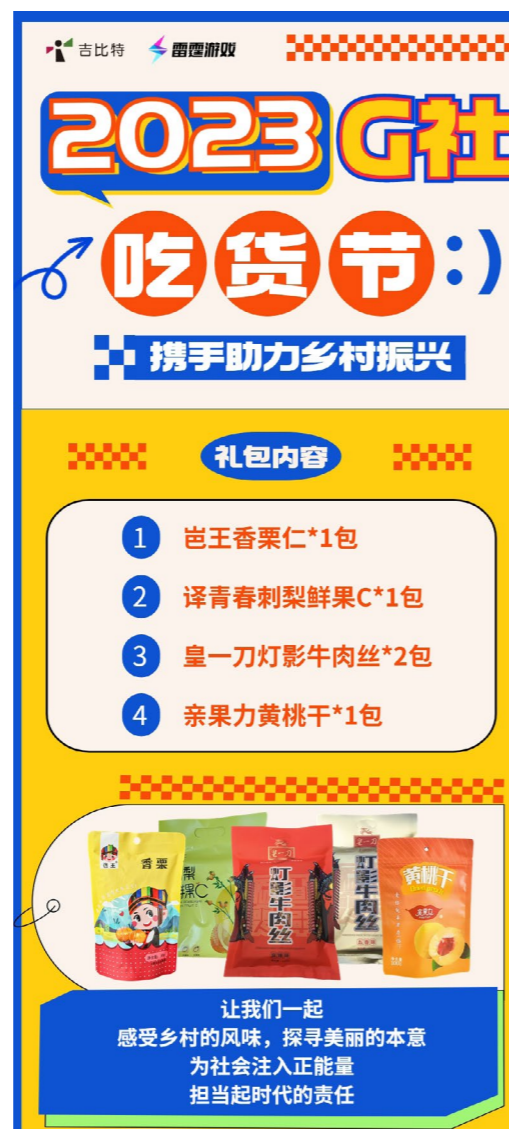


## Assisting rural revitalization

G-bits recognizes the importance of rural revitalization. The Company actively responds to the call of the Party and the country, actively participates in grassroots assistance work, and conducts on-site visits and donations after employee research to achieve effective one-on-one assistance. The Company has also made multiple purchases of agricultural and sideline products from rural areas as holiday gifts and event souvenirs, taking practical actions to support the development of distinctive rural industries in various regions and contribute to the common prosperity of society.

### Case: Multi-region consumer support for agricultural development

In May and September 2023, the Company conducted consumer support activities to boost the development of rural characteristic industries and increase income for farmers in various regions, including Yanyuan County, Liangshan Yi Autonomous Prefecture of Sichuan Province, Shanwei City of Guangdong Province, Qiannan Buyi and Miao Autonomous Prefecture of Guizhou Province, Hechi City in Guangxi Zhuang Autonomous Region, Xunwu County of Jiangxi Province and other regions. These efforts aim to promote overall prosperity in these areas.

吉比特 雷霆游戏

# 2023 G社吃货节

携手助力乡村振兴

**礼包内容**

- 1 岷王香栗仁\*1包
- 2 译青春刺梨鲜果C\*1包
- 3 皇一刀灯影牛肉丝\*2包
- 4 亲果力黄桃干\*1包

让我们一起  
感受乡村的风味，探寻美丽的本意  
为社会注入正能量  
担当起时代的责任

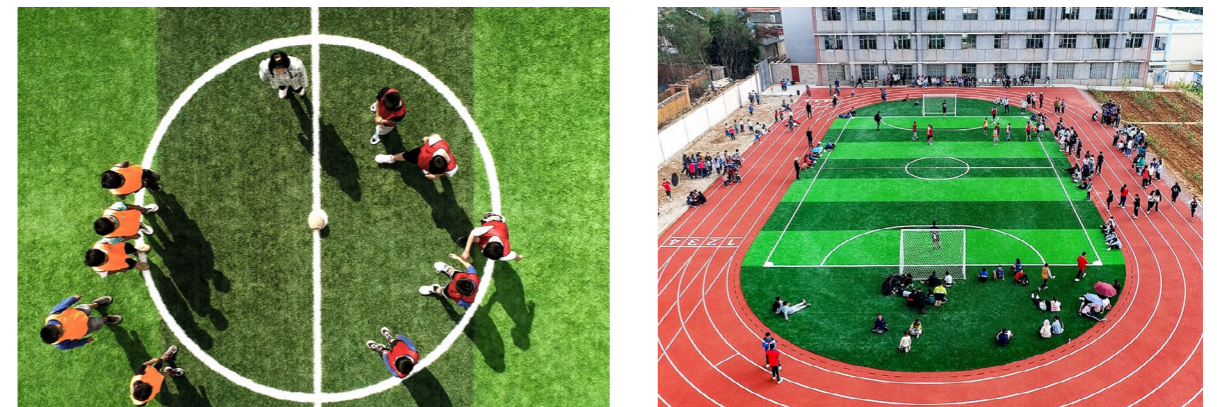
2023 G-bits Foodie Festival distributes consumer support packages to employees

The Company also pays close attention to the healthy development of children. The Company is committed to providing improved conditions for the growth of rural children, ensuring that they have access to a high-quality educational environment and better opportunities for learning and development.

### Case: YiNian XiaoYao "Qingyun Project" Public Welfare Scholarship Initiative for rural education

In 2022, the project team of the Company's gaming product *YiNian XiaoYao* initiated the "Qingyun Project" in alignment with the game's philosophy. The initiative aims to provide better education for children and contribute to their healthy growth. During the Reporting Period, the Company introduced the "1 RMB Qingyun Scholarship Package" in the game, allowing players to participate in the "Qingyun Project" by purchasing the package and contributing to the scholarship fund for public welfare education.

This year, *YiNian XiaoYao* project team of the Company donated and built a sports field for the Fayi Primary School in Yunnan Province, addressing the issue of insufficient sports facilities for rural schools. After the completion of the playground, the children gained a safer and more comprehensive sports environment. The total investment in the project for building the football field is 470.9 thousand yuan, with 454.5 thousand yuan paid in 2023.



Yunnan Province Fayi Primary School Sports Field Donation Charity Event



## Focus on public welfare

We embrace and care for the special children's community, providing dual support in both material and emotional aspects, aiming to improve their living conditions from multiple perspectives.

### Case: YiNian XiaoYao "Qingyun Project" Public Welfare Scholarship Initiative for special children care

This year, the "Qingyun Project" focuses on the donation work for special children's groups, providing care and support to vulnerable groups in society through initiatives such as caring for children with autism and supporting visually impaired children. We strive to create a more inclusive and equitable environment for special children's groups, demonstrating our commitment to corporate social responsibility.

#### • Caring for Children with Autism

The Company's game project team engaged in visits to children with autism, entering Xiamen's Tongan District Love and Crystal Baby Parent-Child Kindergarten to play with autistic children, providing care and companionship to warm the hearts of each child. Additionally, the Company's employees diligently captured precious moments, depicted the daily lives of children, and produced public service videos. Through social media, they shared the innocent smiles and heartwarming scenes of autistic children with a broader audience, fostering increased societal awareness and care for this group of children with autism.



Engaging in "caring for children with autism" activity and illustrate daily life scenes of children



At the same time, the Company's game project team donated RMB 100 thousand to the Xiamen's Tongan District Love and Crystal Baby Parent-Child Kindergarten, to assist in renovating the long-neglected park and maintaining a well-kept park environment.



Before park renovation



After park renovation

#### • Caring for children with visual impairment

In October 2023, the Company's game project team donated RMB 100 thousand to the Tianjin School for the Visually Impaired to support the purchase of ethnic musical instruments and enhance the school's facilities and equipment. The Company assisted in establishing a traditional Chinese music classroom, providing music courses to offer students a more extensive artistic experience and an enhanced learning environment.



Chinese Traditional Music classroom event

The Company will continue to deepen the "Qingyun Project" in the future, helping more children in need to grow and thrive.



### Case: Child-care education

In October 2023, the Company launched 200 sessions of "Girl Protection" child sexual abuse prevention courses in Chongqing, Sichuan, and Guizhou, employing various forms such as text and illustrations to strengthen children's awareness of safety.



Child sexual abuse prevention series "Girls Protection" courses

### Case: Earthquake relief assistance

In December 2023, a 6.2-magnitude earthquake struck Jishishan County, Linxia Prefecture, Gansu Province, resulting in severe casualties and property losses. Following the earthquake, the Company promptly donated a total of RMB 2 million in cash and materials through the Xiamen Charity Federation, Shenzhen Charity Association, and Shenzhen One Foundation. This contribution was dedicated to supporting the rescue efforts and post-disaster reconstruction in the earthquake-affected areas of Gansu.

All donated materials have been successfully distributed to the local residents, aiding them in overcoming the challenges brought about by the disaster.



Promptly donated a total of RMB

**2** million

in cash and materials



Distribution of Disaster Relief Supplies

## Empowering sustainable development in the industry

G-bits consistently monitors 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.

### Facilitating industry development

The Company remains attentive to industry development trends, leveraging its own strengths and integrating internal and external resources to share high-quality expertise externally, thereby supporting the advancement and progress of the industry.

### Offering advice and driving the prosperous development of the industry

The Company actively engages in industry events with the aim of contributing to the healthy and systematic development of the game industry.

In June 2023, the 29<sup>th</sup> Beijing International Book Fair, sponsored by the State Press and Publication Administration and other ministries, opened at the Beijing National Convention Center. The Book Fair, for the first time, established an "Online Publishing Pavilion". The Company exhibited and participated in the development forum for online publishing with its game operations platform, Leiting Games, and online publishing platform, Yifan Technology, actively promoting the global outreach of Chinese culture.



G-bits made an appearance at the 29<sup>th</sup> Beijing International Book Fair Online Publishing Theme Pavilion

In September 2023, the 10<sup>th</sup> National Cybersecurity Week, jointly organized by the Central Propaganda Department, the Central Internet Information Office, and other ten departments, was inaugurated at the Straits International Convention and Exhibition Center in Fuzhou City, Fujian Province. The Company, along with its game operating platform Leiting Games, participated in the event, actively fulfilling its responsibilities, and showcasing the achievements of cybersecurity initiatives.



G-bits participated in the 10th Cybersecurity Week

In 2023, the Company has actively provided recommendations for the game industry, offering feedback to the Game Publishing Committee of China Audio-video and Digital Publishing Association on various group standards such as *Classification of Online Games* and *Basic Requirements for Game Distribution and Promotion*. Additionally, the Company has collaborated with the Game Industry Committee in various research activities, including investigations into the public welfare activities of game enterprises, party-building activities of game enterprises, the international expansion of Chinese game enterprises, and the application and development of traditional Chinese culture in the gaming sector.



## Building platforms to facilitate industry exchange

G-bits is committed to nurturing and guiding talent within the industry. Leveraging its significant industry influence, the Company utilizes new media channels to disseminate industry experiences and showcase outstanding works, ultimately fostering collective progress within the industry. The Company actively shares and promotes specialized knowledge within the gaming profession. Through the creation of an in-depth interview series titled *My Story with Games*, diverse individuals within the industry have the opportunity to showcase their authentic experiences. Seasoned professionals use these interviews to convey the Company's gaming philosophy, share personal insights, and provide perspectives on the gaming business. This initiative aims to present the genuine ecosystem of the game industry to the public, dispelling societal biases and misconceptions about the game industry while promoting positive industry values. In this interview series, college students also share their game development experiences and personal growth stories, presenting their unique perspectives on the game industry to the broader audience.



My Story with Games program promotion

## Providing platforms to guide job seekers

The Company has established a series of columns, such as *Job Interpretation* and *Workplace Observation*, through new media platforms to disseminate knowledge about game industry positions and insights into the workplace ecology of game companies.

This assists the public in developing a correct understanding of the game industry and provides guidance for industry talent recruitment. The Company also offers a public exchange platform for job seekers in the game industry. By organizing live Q&A recruitment events, it opens a window for job seekers to learn about the game industry and seek information, helping to break down information barriers, lower entry thresholds, and establish a foundation for the industry to attract more high-quality talent. During the Reporting Period, the Company held a total of four live Q&A sessions.



Recruitment Q&A Live Sessions

The Company offers a platform for university students passionate about the game industry to showcase their talents. In May 2023, the Company conducted a live streaming event through its corporate social accounts, showcasing outstanding student works. This included information about team members, an introduction to gameplay, game demonstration videos, and more. Leveraging its industry resources, the Company provides opportunities for talented individuals to showcase their abilities.



Live Show of Excellent Works of College Students

## School-Enterprise Collaboration in Training

The Company places a high emphasis on the cultivation and reserve of professional talents, consistently integrating its own advantageous resources to empower game development talents in universities. Through various means such as organizing university competitions, establishing platforms for talent training and learning, and hosting salon events, the Company lays out a clear developmental path for young game talents in universities, contributing to the sustainable development of the industry.

## Organizing Game Competitions

The Company actively participates in industry activities, aiming to contribute to the healthy and orderly development of the gaming industry.

### Case: G-bits Game Developer Contest

Since 2019, the Company has consecutively organized the G-bits Game Developer Contest for five years. The competition invites more than 10 experienced R&D professionals from the industry to serve as mentors, guiding young game developers from universities in designing and developing game projects. This support aims to help them realize their game creation dreams and incubate high-quality creative products. The competition attracted over 470 universities from both domestic and international locations, with more than 1,760 participants. The competition adopted a format combining both online and offline elements, as well as a structure that emphasized differentiation and systematization. After a 70-day online preliminary round with unrestricted topics, over 1,760 participants competed, leading to the selection of the top 10 teams. These teams then engaged in a face-to-face Game Jam<sup>13</sup> challenge with their mentors, completing the task within a 48-hour timeframe.



G-bits Game Developer Contest Site



The college students boosted their confidence in game production, expanded their understanding of the game industry, and sparked more creative inspiration. Additionally, they offered the competition mentors fresh game ideas from the younger generation, contributing to the industry's future diversified development.

Over the five years of the competition, the majority of participating contestants have entered the game industry after graduation, becoming a new force in industry R&D. The winning team from the 4<sup>th</sup> competition has established a studio and successfully incubated their competition entry. The subsequent development and production of the game are progressing in an orderly manner.

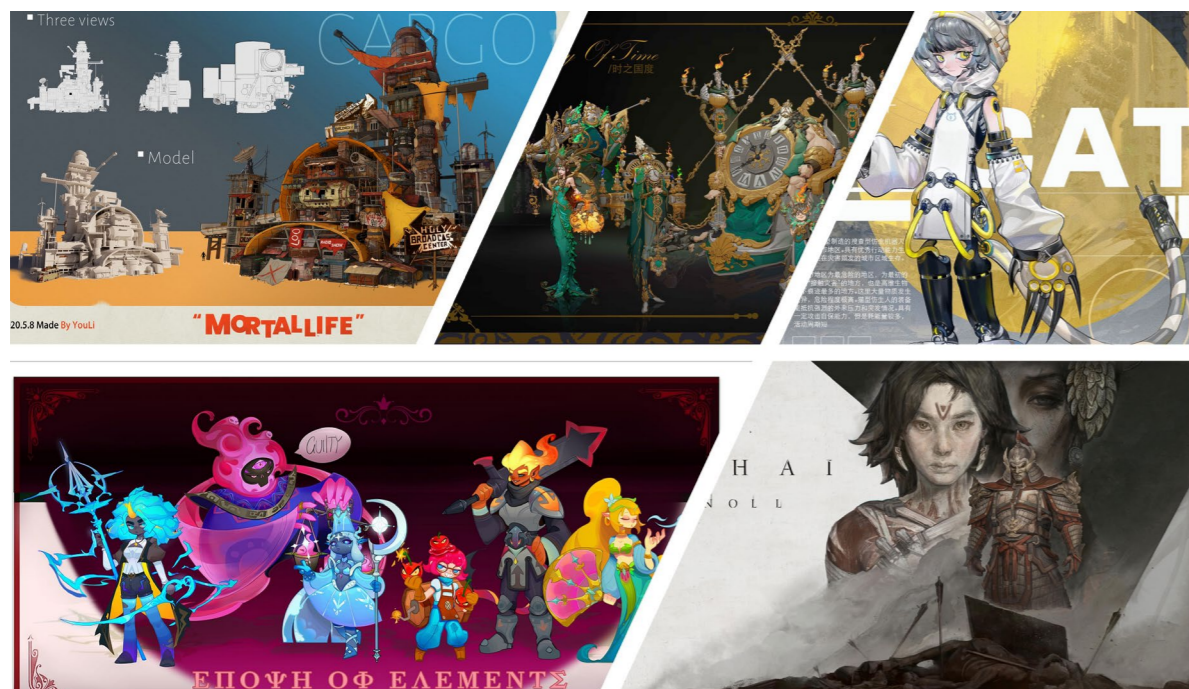
<sup>13</sup> Game Jam is a time-limited game development activity where participants create a game within a relatively short timeframe and publicly share their outcomes at the end of the event.



### Case: The First G-bits College Game Art Concept Competition

In September 2023, the Company held the first G-bits College Game Art Concept Competition. The competition featured diverse tracks, including 2D and 3D scene and characters, game illustrations and promotion, providing a platform for college students to explore and create in the realm of game art.

Prior to the competition, the Company conducted free live game art series courses, where frontline artistic talents from the Company, outstanding college professors, and renowned freelance artists shared their expertise with students. The courses garnered a total participation of 1,843 individuals and received high praise from the student community. The Company invites experienced professionals from the industry, including in-house artists and professors from art institutions, as judges. These judges engaged in direct discussions with the creators of the shortlisted works. This competition not only offered college students a valuable opportunity to enhance their professional skills but also played a crucial role in identifying and nurturing talent in the field of game art. It served as a magnet, attracting more outstanding artistic individuals to contribute to the game industry.



Excerpt of Excellent Entries

### | Building talent development and learning platforms

#### Case: 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 in game development, helping those who are passionate about game creation enhance their professional skills and industry awareness. The G-bits & University Game Development Alliance regularly conducts various practical and exchange activities, inviting industry producers, experienced frontline professionals, outstanding students, and more to share knowledge and insights in the game industry, creating communication channels for game enthusiasts. Simultaneously, the alliance supports the establishment and growth of game societies in major universities, providing necessary resources and activity support for the development of these societies.

In 2023, the G-bits & University Game Development Alliance has organized over 60 live course broadcasts and conducted various game education-related activities, including summer game development training for college students and a 48-hour Game Jam challenge for universities. As of the end of the Reporting Period, the alliance has nearly 3,000 members, spanning across almost 500 universities and involving 90 university game development societies.



G-bits & University Game Development Alliance Game Education Campaign (2023 Summer Game Development Practical Training Student Work)

### | Organizing Game Salon Events

#### Case: G-bits & University Game Developer Salon

In December 2023, the Company held a game developer salon in Guangzhou to build an offline learning platform for game developers. The event exhibits new games and excellent works of high school students and provides trial play opportunities. Developers exchange experience with each other and give feedback on the experience. The event also invited front-line producers and senior R&D staff to share their expertise and R&D experience. Talents in the game industry communicated with each other to burst into fresh inspiration and creativity.



Game Developer Salon Scene



# Appendix

## Key performance indicators

Indicators		Unit	2023	2022	2021	
Environment	Total electricity consumption in offices	kWh	3,427,466.10	2,800,028.15	2,607,000.06	
	Electricity consumption in Xiamen Office	kWh	1,427,013.00	1,352,345.00	1,413,428.00	
	Electricity consumption in Shenzhen Office	kWh	1,689,708.10	1,169,866.15	900,360.06	
	Electricity consumption in Guangzhou Office	kWh	310,745.00	277,817.00	293,212.00	
	Energy consumption intensity	KWh/per person	2,537.92	2,546.64	3,074.29	
	Total water consumption in offices	Tonne	17,545.44	20,785.68	23,394.17	
	Water consumption in Xiamen Office	Tonne	10,997.44	14,695.68	17,952.17	
	Water consumption in Shenzhen Office	Tonne	6,422.00	5,976.00	5,406.00	
	Water consumption in Guangzhou Office	Tonne	126.00	114.00	36.00	
	Water consumption intensity	Tons/per person	12.99	18.90	27.59	
	Indirect Greenhouse Gas Emissions (Scope 2)	Tonne	2,654.54	2,235.42	2,079.45	
	Society	Total number of employees	Number	1,447	1,254	945
By age group		≤30	Number	927	805	565
		30-50	Number	520	449	380

Indicators		Unit	2023	2022	2021
By academic qualification	Master's degree and above	Number	235	178	141
	Bachelor's degree	Number	1,002	874	652
	Associate degree and below	Number	210	202	152
By gender	Male	Number	993	860	668
	Female	Number	454	394	277
By gender	Male management	Number	129	119	/
	Female management	Number	43	39	/
By professionals	R&D employees	Number	855	692	530
	Non- R&D employees	Number	592	562	415
By geographical region	Mainland China	Number	1,434	1,243	940
	Hong Kong, Macao and Taiwan of China	Number	7	6	4
	Overseas	Number	6	5	1
Total number of training sessions		Session	168	177	87
Total training hours of employees		Hour	504	870	281
Training investment		RMB 10 thousand	352.68	389.88	25.05
Support of public welfare		RMB 10 thousand	292.95	226.69	879.77
Support of environmental protection		RMB 10 thousand	5.58	20.00	/
Support of rural revitalization		RMB 10 thousand	78.47	103.58	35.79



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## Feedback form

Dear readers,

We sincerely appreciate your time to read this Report. To provide more valuable information to you and other stakeholders and improve our capabilities to fulfil social responsibilities, we are earnestly looking forward to your opinions and suggestions.

1. Your overall rating of this 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 layout and design of this Report is reader-friendly?

Yes  No

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

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### Your contact information

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

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