

**37 Interactive Entertainment Network
Technology Group Co., Ltd.**

2024 Interim Report

August 2024

Part I Important Notes, Table of Contents and Definitions

The Board of Directors (or the “Board”), the Supervisory Committee as well as the directors, supervisors and senior management of 37 Interactive Entertainment Network Technology Group Co., Ltd. (hereinafter referred to as the “Company”) hereby guarantee the truthfulness, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions therein.

Xu Zhigao, the Company’s legal representative, and Ye Wei, the Company’s Chief Financial Officer & Board Secretary, hereby guarantee that the financial statements carried in this Report are truthful, accurate and complete.

All the Company’s directors have attended the Board meeting for the review of this Report.

Any plans, development strategies and other forward-looking statements in this Report shall not be deemed as earnings forecasts or promises to investors. Investors and other stakeholders shall be fully aware of the risk and understand the difference between plans, forecasts and promises.

Possible risks facing the Company and countermeasures have been detailed in “VII Risks Facing the Company and Countermeasures” under “Part III Management Discussion and Analysis” herein, which investors are kindly reminded to pay attention to.

The Company is subject to the disclosure requirements for listed companies engaged in software and IT services.

The Board has approved an interim dividend plan as follows: based on the total issued share capital (exclusive of shares in the Company’s account for repurchased shares) on the date of record, a cash dividend of RMB 2.10 (tax inclusive) per 10 shares is planned to be distributed to all the shareholders of the Company, with no bonus issue from either profit or capital reserves.

Table of Contents

Part I Important Notes, Table of Contents and Definitions	2
Part II Corporate Information and Key Financial Information.....	4
Part III Management Discussion and Analysis	6
Part IV Corporate Governance.....	25
Part V Environmental and Social Responsibility.....	28
Part VI Share Changes and Shareholder Information.....	30
Part VII Financial Statements	37

Part II Corporate Information and Key Financial Information

I Corporate Information

Stock name	37 Interactive Entertainment	Stock code	002555
Place of listing	Shenzhen Stock Exchange		
Company name in Chinese	三七互娱网络科技集团股份有限公司		
Abbr. (if any)	三七互娱		
Company name in English (if any)	37 INTERACTIVE ENTERTAINMENT NETWORK TECHNOLOGY GROUP CO.,LTD.		
Legal representative	Xu Zhigao		

II Contact Information

	Board Secretary	Securities Affairs Representative
Name	Ye Wei	Wang Sijie
Office address	Room 7001, 7/F, Tower B1, Wanjiang Fortune Plaza, 88 Ruixiang Road, Wuhu City, Anhui Province	Room 7001, 7/F, Tower B1, Wanjiang Fortune Plaza, 88 Ruixiang Road, Wuhu City, Anhui Province
Tel.	0553-7653737	0553-7653737
Fax	0553-7653737	0553-7653737
Email address	ir@37.com	ir@37.com

III Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes No

	H1 2024	H1 2023	Change (%)
Operating revenue (RMB)	9,231,969,089.44	7,760,573,887.29	18.96%
Net profit attributable to the Listed Company's shareholders (RMB)	1,264,633,578.95	1,226,061,335.07	3.15%
Net profit attributable to the Listed Company's shareholders after deducting non-recurring profits and losses (RMB)	1,274,632,666.86	1,115,491,118.74	14.27%
Net cash flows from operating activities (RMB)	2,129,183,514.99	2,319,957,176.41	-8.22%
Basic earnings per share (RMB/share)	0.57	0.55	3.64%
Diluted earnings per share (RMB/share)	0.57	0.55	3.64%
Weighted average return on equity (%)	9.68%	9.54%	0.14%
	30 June 2024	31 December 2023	Change (%)
Total assets (RMB)	19,331,593,556.82	19,134,551,079.36	1.03%
Equity attributable to the Listed Company's shareholders (RMB)	12,645,288,955.19	12,706,945,475.87	-0.49%

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

IV Accounting Data Differences under China's Accounting Standards for Business Enterprises (CAS) and International Financial Reporting Standards (IFRS) and Foreign Accounting Standards

1. Net Profit and Equity under CAS and IFRS

Applicable Not applicable

No difference for the Reporting Period.

2. Net Profit and Equity under CAS and Foreign Accounting Standards

Applicable Not applicable

No difference for the Reporting Period.

V Non-recurring profits and losses

Applicable Not applicable

Unit: RMB

Items	Amount	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-4,556,239.36	
Government grants recognised in profit or loss (exclusive of those that are closely related to the Company's normal business operations and given in accordance with defined criteria and in compliance with government policies, and have a continuing impact on the Company's profit or loss)	27,618,921.23	Mainly due to government grants other than the rebates of value-added tax
Gain or loss on fair-value changes in financial assets and liabilities held by a non-financial enterprise, as well as on disposal of financial assets and liabilities (exclusive of the effective portion of hedges that is related to the Company's normal business operations)	-20,386,773.03	
Reversed portions of impairment allowances for receivables which are tested individually for impairment	1,400,456.40	
Non-operating income and expenses other than the above	-3,189,306.89	
Less: Income tax effects	10,874,541.52	
Non-controlling interests effects (net of tax)	11,604.74	
Total	-9,999,087.91	

Particulars about other gains and losses that meet the definition of non-recurring profits and losses:

Applicable Not applicable

No such cases for the Reporting Period.

Explanation of why the Company reclassifies as recurrent a non-recurring profits and losses item listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Non-recurring Profits and Losses Items:

Applicable Not applicable

No such cases for the Reporting Period.

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

Part III Management Discussion and Analysis

I Principal Operations of the Company in the Reporting Period

(I) Industry review

1. Industry information

In 2024, according to the China's Game Industry Report from January to June 2024 (hereinafter referred to as the "Report") released by the Game Publishing Committee of China Audio-video and Digital Publishing Association (CADPA), China's game industry maintained steady growth in the first half of this year. The actual sales revenue of China's game market was RMB147.267 billion, a year-over-year (YoY) increase of 2.08%. During the same period, there were 674 million game players in China, with a YoY increase of 0.88%, hitting a new record high.

In overseas markets, in the first half of this year, the actual sales revenue of China's self-developed games was USD8.554 billion, up 4.24% YoY. The US, Japan and South Korea remained the major overseas markets for China's mobile games, accounting for 33%, 15.66% and 8.82%, respectively, totalling 57.48%.

Among the top 100 self-developed mobile games by overseas revenue, strategy games continued to dominate, making up 32.66% of the total, while simulation games experienced an increase from 5.28% last year to 9.97% this year. At the same time, multiplayer online battle arena (MOBA) games represented 9.07%, higher than last year's 3.83%. Incremental games also saw a rise from 3.95% to 7.5%. These three categories showed notable revenue growth. In contrast, the share of role-playing games (RPGs) dropped substantially to 10.48%.

Furthermore, global users' behaviours and preferences become more fragmented in 2024, making lightweight games a major trend in the global game industry. In China, the number of applet games has surged, offering a variety of genres, themes, and gameplay to meet players' demands for lighter and more diverse forms of entertainment. This has injected new vitality into the game industry. According to the Report, in the first half of 2024, applet mobile games recorded RMB16.603 billion in revenue, marking a 60.5% YoY increase.

2. Changes in the industry's policy environment and their impact on the Company

In August 2024, the State Council issued the Guideline on Boosting High-quality Development of Service Consumption (hereinafter referred to as the "Guideline"). The Guideline outlined several key tasks aimed at boosting the vitality of life-enhancing consumption, including cultural and entertainment consumption. Furthermore, the Guideline calls for more efforts to "improve the quality of online literature, online performances, online games, radio and television programmes, and online audiovisual services" and "encourage the development of new business formats such as immersive experiences, script-based entertainment, digital art, and online performance live-streaming". These initiatives are expected to further boost high-quality development in the industry.

In July 2024, the Third Plenary Session of the Twentieth Central Committee of the Communist Party of China approved the Decision of the Central Committee of the Communist Party of China on Further Deepening Reforms in a Comprehensive Way and Promoting Chinese-Style Modernisation, which put forward further requirements for improving the systems and mechanisms for promoting high-quality economic development and deepening the reform of the cultural system.

In March 2024, the State Council unveiled the Regulation on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. This regulation further refines and adjusts the provisions regarding consumer rights and interests, business obligations, and penalties based on the Law of the People's Republic of China on the Protection of Consumer Rights and Interests. The Company attaches great importance to compliance in both game operations

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

and promotional activities. By continuously improving its internal systems for content compliance and risk control, the Company safeguards consumers' rights and interests and strictly prevents risks. The Company has stringent review processes in place for user rights and interests protection, account management, personal data protection, identification and handling. Additionally, the Company has established a dedicated customer service portal for complaints on its website. This has enabled quick and timely handling of user complaints, provision of necessary protection and assistance services, and reporting to relevant authorities.

In terms of protection for minors, apart from implementing the real-name authentication system and anti-addiction requirements required by competent authorities, the Company has strengthened protection for minors by consistently improving and upgrading its protection system for minors. We have always advanced various tasks in a proactive and positive manner to ensure minors are well-protected in cyberspace. The Company has rolled out an upgraded version of the "real-name registration and anti-addiction system for minors" for our proprietary platforms. Additionally, we have optimised the logo and wording of the "age-appropriate prompt". Meanwhile, the Company has refined and upgraded our "Parent Monitoring Platform", optimised our customer service procedures, and aided guardians in queries and verification, all aimed at creating a clean and healthy cyberspace for minors.

The game industry continues to enhance the guiding role of online games in disseminating positive values and uplifting content and drive healthy and orderly development. Against this background, the unswerving pursuit of boutique, premium, and healthy products in the industry has led to a constant stream of exceptional works, substantially contributing to the preservation and promotion of traditional Chinese culture.

In response to national policies, the Company has earnestly implemented management requirements. On one hand, it delved into the essence of traditional culture in game R&D and operational strategies. And it has sought to integrate cultural significance into player experiences and apply innovative technologies. On the other hand, the Company continuously excavated historical and cultural resources, hoping to showcase the beauty of Chinese traditional culture in an integrated way through "Games+", thereby enabling mutual empowerment of both cultural and industrial values. For example, the Company incorporated Peking opera facial makeup, Cantonese culture, and the ancient Maritime Silk Road into its globally published game Trading Legend (叫我大掌柜), helping overseas players gain a deeper understanding of Chinese culture. Furthermore, it actively explored the "Games+" integrated development model of "technology + cultural tourism". The Company has launched the "City Walk Programme" with an innovative model that combines the virtual character "CongMei" and real-world cultural tourism scenarios to facilitate the promotion of cultural tourism in cities such as Guangzhou and Wuhu. The ultimate goal is to advance the digital promotion and preservation of traditional culture and new consumer scenarios of cultural tourism in the new era.

The Company adheres to technology-driven innovation, closely follows the latest trends in scientific and technological innovation, and explores the potential for deep integration of AI and other emerging technologies with the Company's business. Also, it improves work efficiency and promotes organic innovation capabilities. At the same time, focusing on promoting the cross-industry integration of game technologies, the Company launched a series of popular science games with rich themes covering medicine, traditional Chinese medicine, aerospace, intangible cultural heritage, and more to maximise the positive social impact of games by leveraging the unique interactivity and vividness of games. In this July, the Company's aerospace-themed educational game Fei Tian Meng Xiang Qi Hang (飞天梦想启航) was awarded the "Best Innovative Social Value Award" at the 4th China Game Innovation Competition for its creative and engaging presentation of aerospace science.

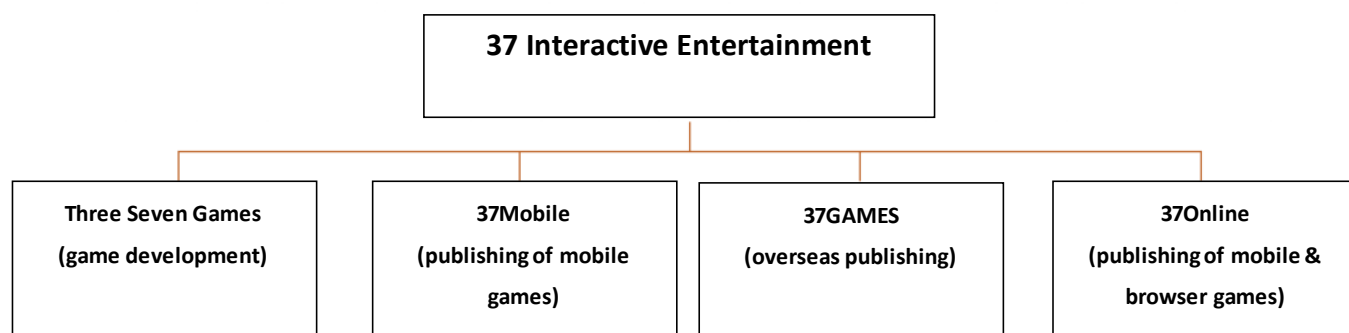
During the Reporting Period, leveraging its business strengths and early arrangements in artificial intelligence (AI), the Company played a significant role in drafting the association standard—Compliance Guidelines for Data Application of Generative Artificial Intelligence. This standard offers companies a valuable reference for their compliant application of generative AI, helping to enhance their data security capabilities.

The Company has remained focused on its core business and deepened its "integration of R&D and operation" strategy. We have continued to enhance our capability of producing quality games, solidify our core competitive edge in overseas expansion, Should there be any discrepancy between the English version and the Chinese version of this Report, the Chinese version shall prevail.

and explore possibilities of integrating technology into our business by leveraging resources both within and outside the technology domain. With steady strides, we have advanced high-quality and sustainable business development, dedicated to offering the public a wealth of premium cultural content.

(II) The Company’s principal operations and products

The Company specializes in the development and publishing of games for global players, with the excellent game development brand “Three Seven Games”, as well as professional game publishing brands “37Mobile”, “37GAMES” and “37Online”. The Company precisely grasped the industry development trends, made continuous improvements in operation, and remained a top performer in the industry, while adhering to the "boutiqueization, diversification and globalization" strategy. For the Reporting Period, the Company recorded operating revenue of RMB 9.232 billion, a YoY increase of 18.96%, and a net profit attributable to its shareholders after deducting non-recurring profits and losses of RMB 1.275 billion, a YoY increase of 14.27%. The Company's business development has accelerated significantly.



1. Continuously enhancing the long-term operation of diverse products

In response to industry trends, the Company has consistently adhered to the "diversification" strategy, understanding the demands of diverse user bases and continuously expanding its user base. By tapping into new markets and nurturing new growth drivers, we have continuously pushed back the boundaries of our game genres. In addition to delving into the existing four primary genres: Massive multiplayer online role playing games (MMORPGs), strategy games, gacha games, and business simulation games, we have developed games where RPG, casual, and puzzle elements are incorporated. These diverse and lightweight games have diversified player experiences.

During the Reporting Report, the Company celebrated the third anniversary of its self-developed card mobile game The Soul Land: Hun Shi Dui Jue (斗罗大陆: 魂师对决). To mark that special occasion, the Company introduced new soul masters and gameplay revolving around the “Tang San’s Journey to Becoming a God” storyline in the original work. This update evoked a sense of nostalgia among users for the IP, increasing the number of the game’s daily active users and prolonging the product life cycle.

Regarding the mobile game Fan Ren Xiu Xian Zhuan: Ren Jie Pian (凡人修仙传: 人界篇), the Company launched its anniversary version in mid-2024, which featured new content of the Immortality Chapter and was published using a traffic management-centric approach. This has not only helped the Company expand its active user base but has also allowed it to continuously improve the game’s ecosystem and enrich players’ experiences. The game has thus become a flagship product in the Company’s cultivation-themed massively multiplayer online role-playing game (MMORPG) lineup.

Trading Legend (叫我大掌柜), a Chinese-style simulation mobile game of the Company, has successfully converted new players through an engaging and nostalgic marketing approach and intellectual property (IP) collaborations. By creating a long-

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

term ecosystem with a focus on user interactions, this game has consistently sparked a boom. On the game's third anniversary, a "palace version" featuring ancient palace elements was released. In this version, players role-play as minor palace characters and climb the ranks. This version has helped the Company expand its user base and prolong the game's life cycle, further demonstrating the Company's capability of long-term operation.

We adopted an innovative marketing approach combined with top-tier celebrity endorsements for Ba Ye (霸业), one of our self-developed strategy mobile games on the theme of the Three Kingdoms. With a constant stream of creative materials, this game saw a growing player base, helping the Company stabilise the structure of its strategy game portfolio.

During the Reporting Period, the Company released the anniversary version of its Chinese-style fun cultivation game Xun Dao Da Qian (寻道大千). Combining teamwork-based social interaction with strategy gameplay, this version featured deepened content and increased engagement, enhancing user stickiness. This version also saw an in-depth collaboration between the game Xun Dao Da Qian (寻道大千) and other popular IPs, such as the novels Soul Land and A Record of a Mortal's Journey to Immortality, and the animated movie Ne Zha. The differentiated content and customised integration have offered players immersive experiences and new unique gameplay. As a result, the game achieved long-term operation through brand empowerment and social interaction, and helped the Company garner leading experience in the mini-game domain.

Through the deconstruction of IP content and the innovative fusion of mini-game play, Ling Hun Xu Zhang (灵魂序章), the self-developed game based on the Soul Land IP, has displayed robust potential since its launch, further reinforcing the Company's competitive edge in the mini-game industry.

Regarding the 3D realistic ant-themed strategy mobile game, Underground Kingdom (小小蚁国), the Company has continuously optimised its mechanics to help players gather resources more efficiently and make the overall gaming experience more seamless. This optimisation has reduced the daily quest burden on players, improved long-term player retention, and ensured steady operations.

In August 2024, the modern-themed simulation mobile game Shi Guang Za Huo Dian (时光杂货店) was published by the Company as the agent. Fully recreating the 1990s, the game offers players a chance to relive childhood memories. To ensure better immersive experiences for players, the Company forged collaborations between the game and popular film and TV productions. This has further enhanced the Company's edge in publishing and operating business simulation games.

The Company consistently adheres to long-term operation, providing players with meticulous and comprehensive long-term services. It deeply integrates the highlights of its intellectual property (IP) to continuously innovate in terms of reflow methods and activities, consistently prolonging the product life cycle and igniting product vitality. During the Reporting Period, the highest monthly gross billing of the Company's globally published mobile games exceeded RMB 2.3 billion. Games such as Puzzles & Survival, Trading Legend (叫我大掌柜), and The Soul Land: Hun Shi Dui Jue (斗罗大陆: 魂师对决), which have been launched for over three years, continued to perform well, demonstrating the Company's strong capabilities of long-term game operation.

2. Continuously exploring global market opportunities

During the Reporting Period, the Company achieved overseas operating revenue of RMB 2.898 billion. The Company, drawing upon its years of experience in overseas expansion, has continuously explored its overseas markets in line with the "tailored games" strategy. We have consolidated our strengths in sectors such as MMORPGs, strategy games, gacha games, and business simulation games, and opened up opportunities in the casual game market, thereby boosting the steady growth of our overseas business.

Puzzles & Survival, a phenomenal product launched overseas by the Company, integrates "Match-3 gameplay + SLG". It demonstrates the continuous efforts made by the Company to explore the in-depth integration of creative elements and games. This game has become a benchmark for long-term operation within the Company. For example, the "Volcano Journey" version released this year took players on a thrilling escape adventure using the design of volcanic eruptions and crises, leading to

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

increased player satisfaction for this version. Since its release in 2020, Puzzles & Survival has generated over RMB10 billion in gross billing, consistently ranked among Japan's top ten bestsellers and the top 30 in Europe and the US.

The ant-themed game Ant Legion aims to represent a realistic and detailed insect world. By delving into player demands through preliminary research and considering the R&D and operational capacity, the Company has developed an immersive, ant world-themed version. In this version, players build ant colonies, fend off predators, and lead their ant armies to conquer the challenging natural environment, securing victories one after another. These continuous breakthroughs have led to a steady rise in player satisfaction.

During the Reporting Period, the Company continued to explore player preferences and market trends within the strategy game genre to iterate high-quality products through theme diversification and gameplay differentiation. For example, as an iteration of Puzzles & Survival, Puzzles & Chaos integrates "Match-3 gameplay + SLG" while retaining the core experiences of Puzzles & Survival. Compared to its predecessor, Puzzles & Chaos features greatly enhanced art design and special effects. Since its launch, the game has consistently broken new ground in overseas markets, ranking among the top 20 strategy games in different regions worldwide multiple times. Likewise, in Mecha Domination, a mechanised beast-themed mobile strategy game launched in Europe and the US in April this year, the highly free gameplay of beast capture and initial city-building simulation have enhanced the sense of immersion, attracting a diverse range of players and greatly expanding the user base of traditional strategy games. These have earned the game a top five spot on the Google free strategy game chart in 23 countries and regions on a cumulative basis.

The Company has also implemented a strategy of "lightening hardcore games and intensifying light games" to create differentiated competitive edges. For example, 데블 M focuses on highlighting the core enjoyment through "simplification", thus establishing a distinctive edge in the gaming experience. This approach has enabled the game to stand out in the fiercely competitive mobile MMORPG market in South Korea, contributing to sustained and robust gross billing. And this game has become a flagship product in the Company's overseas MMORPG segment.

The Company has deeply integrated the gameplay themes and promotional materials of its products with excellent traditional Chinese culture. This approach creates a communication method that resonates with diverse regional, national, and audience groups, promoting the global expression of Chinese stories. For example, the ancient-style simulation mobile game Trading Legend (叫我大掌柜) has demonstrated the Company's commitment to carrying forward traditional Chinese culture. During the Reporting Period, the Company initiated collaborations between the game with the classic costume drama The Legend of Zhen Huan and the Chinese comic book Fox Spirit Matchmaker. The goal is to bring distinctive gameplay to global players, giving them an immersive taste of Chinese culture. The casual incremental mobile game Xiao Yao Wen Dao (小妖问道) features meticulously customised promotions in localities and thematic packaging. Through collaboration with popular fantasy IPs such as Soul Land and A Record of a Mortal's Journey to Immortality, this game has contributed to cultural exchanges, achieved impressive market performance, and garnered positive feedback from international players. These have laid a solid foundation for the Company's expansion into overseas markets of casual incremental games.

3. Building a rich product pipeline with self-developed and agency games

The Company focuses on its core gaming business. On one hand, it continuously expands the boundaries of self-development capabilities, actively expands into various categories, and develops products with a global perspective. It carefully works out details regarding gameplay design, art quality, music effects, etc., continues to invest in product iteration, user experience and other aspects, and has formed professional layouts in MMORPGs, strategy games and light games. Remaining "Dedicated to Making Premium Games", it has a strong pipeline of refined self-developed mobile games. On the other hand, based on its self-developed brands, the Company consistently prioritises high-quality content as its strategic direction. Through multi-dimensional approaches such as investment empowerment and business support, the Company has carried out in-depth collaborations with reputable game developers such as EyuGame and Yanqu Network. This approach has allowed the Company to

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

accumulate abundant external R&D reserves, which is conducive to its diversified arrangements for product supply.

This year, the Company has published several new games, including Shi Guang Za Huo Dian (时光杂货店), Heroes of the Three Kingdoms: Hong Hu Ba Ye (三国群英传: 鸿鹄霸业), Mecha Domination, Primal Conquest: Dino Era, and Yes Your Highness. Currently, the Company has built a portfolio of games across genres such as MMORPGs, strategy games, gacha games, and business simulation games. These games cover diverse themes, including Western fantasy, Oriental fantasy, Three Kingdoms, modern themes, and ancient themes. Among these games, several mobile games have been officially licensed in China, including the Chinese comic oriental fantasy MMORPG The Soul Land: Lie Hun Shi Jie (斗罗大陆: 猎魂世界), the traditional Chinese ink painting-themed business simulation game Zhui Xu (赘婿), and the picture book-style business simulation game on a Chinese cultural theme Shi Guang Da Bao Zha (时光大爆炸). They are progressing towards launch. We hope to deliver diverse gaming experiences to players.

Certain key games in the pipeline are presented below:

Developer	Name of game	Game category, theme and style	Intended publishing area
Self-developed	The Soul Land: Lie Hun Shi Jie (斗罗大陆: 猎魂世界)	Chinese comic oriental fantasy MMORPG	Global
Self-developed	Code Battle Song M (代号战歌 M)	Western fantasy MMORPG	Global
Self-developed	Code MLK (代号 MLK)	Japanese Chibi-style MMORPG	Global
Self-developed	Code Zheng Qi SLG (代号正奇 SLG)	Realistic Three Kingdoms strategy game	Global
Self-developed	Code Xiu Xian SLG (代号休闲 SLG)	Chibi-style strategy game integrating war elements	Global
Self-developed	Code M1 (代号 M1)	Casual game with European and American cartoon elements	Global
Self-developed	Code MR (代号 MR)	Chibi-style RPG	Global
Self-developed	Code DLXD (代号 DLXD)	Chibi-style fantasy RPG	Global
Self-developed	Code DLL (代号 DLL)	Chibi-style fantasy tower defence game in the style of minimalist line art	Global
Agency	Zhu Shen Huang Hun: Zheng Fu (诸神黄昏: 征服)	Western fantasy MMORPG	Global
Agency	Di Guo Yu Mo Fa (帝国与魔法)	Western fantasy strategy game	Domestic
Agency	Shen Yu Ji Yuan (神域纪元)	Western fantasy stat-based RPG	Domestic
Agency	Shang Gu Hong Huang Jue (上古洪荒决)	Oriental fantasy warfare strategy game	Domestic
Agency	Code Dou Shou (代号斗兽)	Giant-themed strategy game	Domestic
Agency	Nv Wu Shen Zhan Ji (女武神战纪)	Western fantasy gacha game	Domestic
Agency	Code Xiao Tie Jiang (代号小铁匠)	Japanese-style RPG	Domestic
Agency	Battle of Chibi 2 (赤壁之战 2)	Three Kingdoms-themed strategy game	Domestic
Agency	Zhui Xu (赘婿)	Traditional Chinese ink painting-style business simulation game	Domestic
Agency	Shi Guang Da Bao Zha (时光大爆炸)	Era-advancing picture book-style business simulation game on a Chinese cultural theme	Domestic
Agency	Si Ji Cheng Yu Duo Mi Nuo (四季城与多米糯)	Chibi-style fantasy business simulation game	Domestic
Agency	Code Xiu Xian (代号休闲)	Modern resort leisure game	Overseas
Agency	Abyss Survivor	Fantasy cartoon-style strategy game	Overseas
Agency	Code Shang Tu (代号商途)	business simulation game focusing on temporal travel and business competition	Overseas
Agency	Bugtopia	Insect-themed strategy game	Overseas
Agency	Match Cozy 3D	Modern cartoon-style casual puzzle game	Overseas

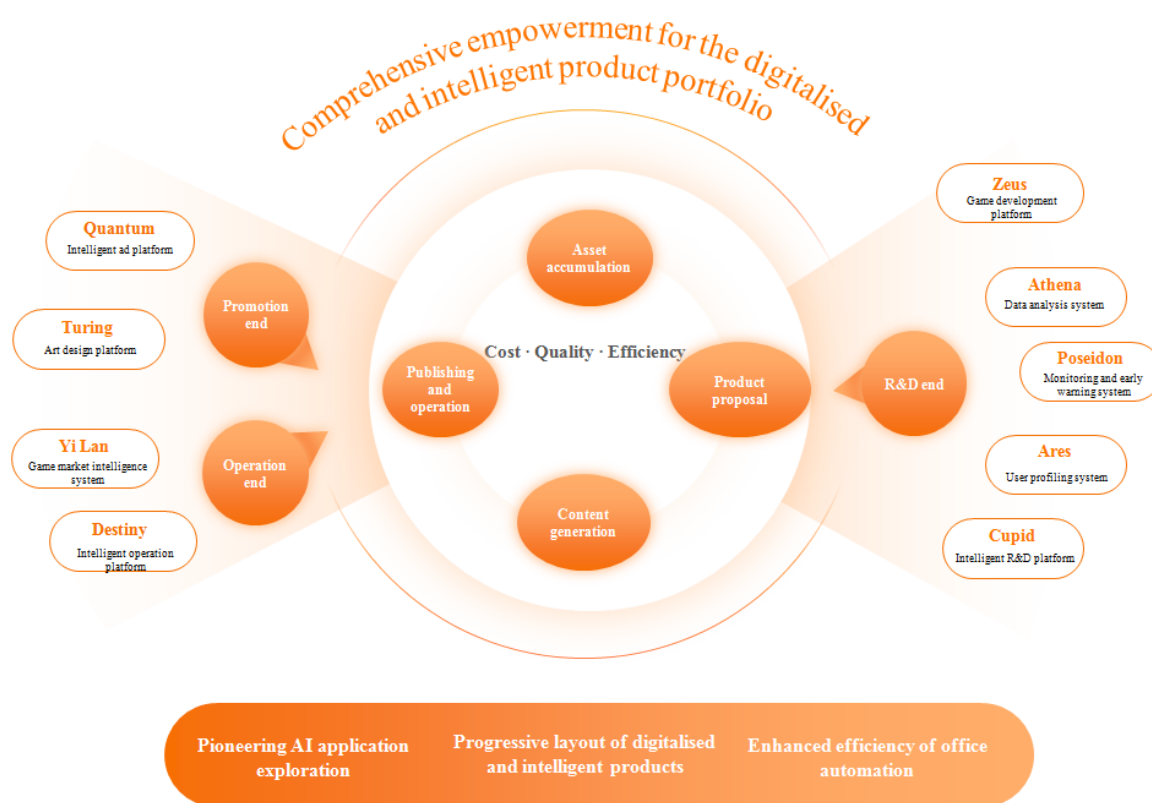
4. Bolstering R&D and operations and improving quality and efficiency using AI technology

With the rapid advancement of technology, AI has brought limitless possibilities and profound impacts to the game industry. Embracing the application of AI in the game industry, the Company has adopted a "Three-step AI" strategy.

First, pioneering arrangements for AI applications have been made to progressively incorporate AI into various business Should there be any discrepancy between the English version and the Chinese version of this Report, the Chinese version shall prevail.

processes. Second, leveraging accumulated experience, the Company has striven to achieve tool- and module-based development, thereby establishing a more automated and intelligent pipeline of game industrialisation. Third, the Company has explored more possibilities of enriching gameplay through AI.

In 2018, the Company made ongoing efforts to explore the application of industrialised AI in gaming. By deeply integrating cutting-edge technologies such as AI and big data into its business, the Company effectively empowered various processes, ranging from product proposal, content generation, publishing and operation to asset accumulation. This has allowed the Company to enhance efficiency and accumulate a wealth of data and technological advantages over the years. We have bolstered the tool-based and module-based development of our capabilities in alignment with our business procedures, integrating discriminant AI and generative AI into each process of our business. This has culminated in the development of a digitalised and intelligent product portfolio that runs through our entire R&D and operational procedures. This portfolio covers platforms including "Zeus", "Athena", "Poseidon", "Ares", and "Cupid" on the R&D end and "Turing", "Quantum", "Destiny", and "Yi Lan" on the ends of promotion and operations, significantly improving the industrialisation of the game R&D and operation network.



Take the "Turing" platform for example. By carrying out consistent training of its proprietary art assets garnered over the years, the Company has experienced substantial efficiency improvements in 2D art-related tasks through AI empowerment, with a combined monthly output of over 280,000 AI-generated 2D drawings across R&D and publishing business lines. In the concept design process for characters, the Company has implemented a new process of AI-generated 2D drawings, resulting in an average saving of 60% to 80% in working hours. And this platform can produce over 80 videos and 200 audios per week.

In terms of R&D, the Company has utilised its intelligent R&D platform "Cupid" to conduct a variety of technological studies and applications, including AI balance testing, the translation of art materials, AI imitation learning, game Q&A assistant, natural language processing (NLP) public opinion analysis, and data trend forecasting. Moreover, AI algorithms have been employed to capture high-precision and high-performance motions, and the capture function for facial expressions has been introduced, addressing the pain points such as high costs and overly long periods typically identified with specialised traditional motion

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

capture equipment. This has enhanced both R&D efficiency and quality. Many of our self-developed products such as The Soul Land: Hun Shi Dui Jue (斗罗大陆: 魂师对决), Ba Ye (霸业), and The Soul Land: Lie Hun Shi Jie (斗罗大陆: 猎魂世界) have benefited from the AI-assisted stat balance testing function, resulting in improved player experiences and prolonged game life cycles.

AI technology has been deeply integrated into each business type of the Company, notably enhancing the operational efficiency of each process. During the Reporting Period, the Company upgraded its self-developed internal AI office tool “Xiao Qi” into a smart office assistant capable of handling complex tasks. The upgraded tool has enhanced the automatic decision-making features of the Company’s digitalised and intelligent products, covering features such as search queries, graphic design, document creation, translation, customer service, data analysis, and team analysis. Used by over 90% of employees, with each employee using it 15 times per week on average, the tool has improved the Company’s office collaboration and overall operational efficiency substantially.

Furthermore, as to the exploration of AI’s potential for enriching gameplay, the Company is wholeheartedly embracing the AI trend, continually delving into novel gameplay mechanics and experiences internally. For example, ongoing efforts are made by the Company to research the development of an intelligent NPC system that integrates large language models, AI voice, and AI motion capture technologies. The system aims to enhance character-player interaction. Meanwhile, based on the multimodal artificial intelligence generated content (AIGC) algorithm, the Company is working to develop a platform for generating game community content (such as game fight reports, music, and videos), thereby improving the quality and efficiency of content creation within the game community. During the Reporting Period, the Company developed a casual tile-matching game of which the game plot, materials, voice-overs, music and other elements were completed by AI, and continued to explore the possibility of producing a game completely by AI. Meanwhile, the Company is also optimising AI applications on the user experience side. This move aims to offer users a more immersive and personalised experience by integrating discriminant and generative AI technologies with game content.

5. Empowering business innovation and sustainable development through investment

Benefiting from our pioneering strides in the exploration of AI applications, we have remained open-minded about transformations in industry technologies and ecosystems. Marching forwards steadily and surely, we have insisted on a progressive layout of AI applications and continuously iterated and optimised innovative tools in better alignment with the Company’s business development requirements. Furthermore, taking into consideration the requirements of each business process, we have been exploring the in-depth integration of advanced technologies and business.

In recent years, the global AI technology sector has entered a new stage of development. Riding the technological transformation trend, the Company advances both independent exploration and internal development. Meanwhile, the Company focuses its investment arrangements in such areas as foundational large models, AIGC, “AI + computility”, and interactive sensors. This approach helps the Company capture innovation opportunities for cutting-edge technologies and promote collaboration and connection between its investment activities and principal business.

The Company invests in large language models and application layers and continually explores the applicability of these models to the Company’s R&D line. Specifically, the Company has, directly or indirectly, invested in leading companies such as Zhipu AI, Baichuan AI, Moonshot AI, aiXcoder, DeepLang AI, Yahaha, Studio 51, and DeepMirror Technology. Supported by foundational large models, the Company strives to unlock the potential of AIGC to empower diverse vertical scenarios. Furthermore, the Company is actively expanding into the “AI + computility” sector. To this end, it has invested in firms such as CIX, Tingyu Tech, Huixi, HYQ, and Eeasy Tech. These investments aim to build an integrated industrial chain, linking computility infrastructure, large language model algorithms, and AI applications.

The Company continuously monitors hardware and technological advancements, with a strong focus on hard & core technology, and emphasises business synergy. It has invested in cultural, entertainment, and high-tech sectors, such as

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

computility, optical displays, extended reality (“XR”) devices, cultural and entertainment content, semiconductors and materials, spatial computing engines, AI, new sensing technology, and AIGC-based social platforms for games. The Company’s goal is to empower innovative and sustainable business growth through investments, thereby forging new competitive edges in the industry.

(III) The Company’s principal operations and business models

The Company is principally engaged in the development, publishing, and operation of online games (mostly mobile and browser games). The business models of the Company’s online games mainly include independent operation and third-party joint operation.

Under the independent operation mode, the Company obtains the licenses of games through independent R&D or being an operator of other games, and publishes and operates these products through its own or third-party channels. The Company is fully responsible for the operation, promotion and maintenance of the games; providing unified management services for online promotion, online customer service and top-up payment; and updating games along with game developers based on the real-time feedback of users and games.

Under the third-party joint operation mode, the Company cooperates with one or more game operators or game application platforms to jointly operate games. And the aforesaid parties are responsible for the management of their own channels, including operation, promotion, the recharge and charge system, while the Company provides technical support services along with game developers.

(IV) The Company’s presence on the market and primary growth drivers

Focusing on cultural and creative businesses based on the development, publishing, and operation of online games, the Company is an excellent comprehensive entertainment provider in China’s A-stock market. It is a Key Cultural Export Company of China, Demonstration Base for China’s Cultural Industry, Civilized Institution in Guangdong Province, and Top 30 Cultural Enterprise of Guangzhou, and MSCI ESG AA-rated company, among others. With “bringing joy to the world” as its mission, the Company is dedicated to becoming an excellent and sustainable entertainment provider.

During the Reporting Period, the Company steadily advanced with the development strategy of “boutiqueization, diversification and globalization”, adhered to the strategy of “dual engines at home and abroad”, as well as continuously promoted high-quality and sustainable development.

II Core Competitiveness Analysis

The Company’s core competitiveness remained largely the same during the Reporting Period.

1. Forging ahead with determination, the team has seized market opportunities swiftly

The Company has been deeply engaged in the cultural and creative industry for many years. Its core management team is deeply involved in the front line of business, working hard together with all the employees. Always upholding the spirit of marathon-like perseverance, the Company has been forging ahead with breakthroughs, as well as pursuing better financial results and faster growth while maintaining sound operation. Over the years, the Company has demonstrated keen market insight, seizing emerging opportunities in the industry through a robust team of skilled professionals and scientific management mechanisms. Anticipating the “shift from web games to mobile games” in its early stages, the Company spearheaded overseas market penetration over a decade ago. Presently, we remain aligned with the trend towards mini-games. Navigating numerous industry transitions, we have achieved sustained growth. Throughout the development, the Company has consistently

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

emphasised talent cultivation and team building. The Company has built a high-calibre talent pool. Through a scientific talent promotion mechanism, remuneration management system, and performance incentive scheme, the Company inspires employee motivation and creativity. With "bringing joy to the world" as its mission, the Company is advancing towards the vision of "becoming an excellent and sustainable entertainment provider".

2. Strengths in the integration of R&D and operation have been consolidated, enriching the product portfolio

The Company has continuously advanced its strategy of "integration of R&D and operation", deepened its diversified product portfolio, and established a robust and efficient multidimensional product supply system. First, the Company has consistently pushed back the boundaries of its self-development capabilities, delved into core product categories, and adopted a global perspective to create a central supply layer with self-developed products at the core. Second, through investment empowerment and business support, the Company has fostered deeper partnerships with numerous high-quality developers both domestically and internationally, continuously accumulating deeply customised premium products. Third, by collaborating with long-term and stable developers, the Company has further refined its product offerings. Under this supply system, the Company has built a robust product supply chain, continuously enriched the portfolio of high-quality products and drove steady business growth.

With the "integration of R&D and operation" model, the Company can fully combine its strengths in product R&D and operation. This, on the one hand, facilitates a deeper understanding of the market and user demands by the R&D team, thereby increasing the success rate of products under development. On the other, through close collaboration between R&D and operations teams, the Company can optimise the updates and promotions of already launched products, thus effectively achieving long-term operation and prolonging product life cycles.

3. Publishing capabilities have been continuously iterated to facilitate long-term operation from a global perspective

Over the years, the Company's publishing team has successfully launched numerous quality games across diverse genres and themes in global markets. During this journey, we have kept abreast of the latest market trends, and accordingly, innovated our marketing strategies. By employing various creative marketing strategies, such as collaboration with renowned IP, celebrity endorsements, and immersive storytelling, we have established a long-term ecosystem revolving around user interactions, thus fortifying robust publishing barriers and facilitating the long-term operation of multiple products. Moreover, the Company has placed significant emphasis on the impact of AI technology and automated production tools on the Company's business. Leveraging a wealth of data accumulated over the years, the Company has continually iterated our self-developed intelligent ad and operational platforms to boost promotional efficiency and effectiveness. The Company has made comprehensive arrangements for digitalised and intelligent products on the publishing end. This has bolstered the Company's capabilities of intelligent and sophisticated operations, allowing the Company to effectively manage marketing expenses, amplify publishing effectiveness, and prolong product life cycles.

III Analysis of Principal Operations

Overview

See contents under the heading "I Principal Operations of the Company in the Reporting Period".

Year-over-year changes in key financial data:

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

Unit: RMB

	H1 2024	H1 2023	Change (%)	Main reason for change
Operating revenue	9,231,969,089.44	7,760,573,887.29	18.96%	The Company's mobile games, such as Xun Dao Da Qian (寻道大千), Ba Ye (霸业), and Ling Hun Xu Zhang (灵魂序章), performed well and brought about a revenue boost.
Cost of sales	1,880,723,779.43	1,664,617,407.90	12.98%	Increased cost of royalties as a result of increased revenue from agency games during the Reporting Period
Distribution and selling expenses	5,360,351,377.24	4,279,408,761.57	25.26%	The Company continued to increase traffic placement for games such as Xun Dao Da Qian (寻道大千), Ba Ye (霸业), Wu Ming Zhi Bei (无名之辈), and Ling Hun Xu Zhang (灵魂序章), which led to an increase in Internet traffic charges during the Reporting Period.
General and administrative expenses	295,724,089.56	257,073,397.84	15.03%	Increased remunerations for the management
Financial expenses	-75,004,717.79	-111,641,061.71	32.82%	Decreased interest income from deposits and increased exchange losses during the Reporting Period compared with the same period last year
Income tax expenses	202,945,190.16	205,127,044.68	-1.06%	
Research and development investments	350,778,127.57	388,284,125.67	-9.66%	During the Reporting Period, the Company adjusted its staffing structure according to strategic game categories, increased investment in strategic categories such as strategy games, and reduced investment in the research and development of certain non-strategic categories.
Net cash flows from operating activities	2,129,183,514.99	2,319,957,176.41	-8.22%	
Net cash flows used in/from investing activities	-2,253,026,693.16	-1,303,177,463.32	-72.89%	Increased net cash flows used in the purchase and recovery of wealth management products and term deposits during the Reporting Period compared with the same period last year
Net cash flows used in/from financing activities	-692,657,291.32	-340,841,192.32	-103.22%	Increased dividend payout during the Reporting Period
Net increase in cash and cash equivalents	-840,354,079.38	681,497,084.43	-223.31%	Decreased net cash flows from investing and financing activities during the Reporting Period compared with the same period last year

Significant changes to the profit structure or sources of the Company in the Reporting Period:

Applicable Not applicable

No such changes in the Reporting Period.

Breakdown of operating revenue:

Unit: RMB

	H1 2024		H1 2023		Change (%)
	Amount	As % of operating revenue (%)	Amount	As % of operating revenue (%)	
Total operating revenue	9,231,969,089.44	100%	7,760,573,887.29	100%	18.96%
By operating division					
Online games	9,231,969,089.44	100.00%	7,760,573,887.29	100.00%	18.96%

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

By product category					
Mobile games	8,958,803,229.22	97.04%	7,476,618,498.58	96.34%	19.82%
Browser games	213,942,038.14	2.32%	253,306,881.77	3.26%	-15.54%
Others	59,223,822.08	0.64%	30,648,506.94	0.40%	93.24%
By operating segment					
Domestic	6,333,847,795.59	68.61%	4,733,223,812.70	60.99%	33.82%
Overseas	2,898,121,293.85	31.39%	3,027,350,074.59	39.01%	-4.27%

Operating division, product category or operating segment contributing over 10% of operating revenue or operating profit:

Applicable Not applicable

Unit: RMB

	Operating revenue	Cost of sales	Gross profit margin	YoY change in operating revenue (%)	YoY change in cost of sales (%)	YoY change in gross profit margin (%)
By operating division						
Online games	9,231,969,089.44	1,880,723,779.43	79.63%	18.96%	12.98%	1.08%
By product category						
Mobile games	8,958,803,229.22	1,703,854,828.37	80.98%	19.82%	7.65%	2.15%
Browser games	213,942,038.14	163,352,386.25	23.65%	-15.54%	126.56%	-47.89%
Others	59,223,822.08	13,516,564.81	77.18%	93.24%	38.84%	8.94%
By operating segment						
Domestic	6,333,847,795.59	1,188,851,293.95	81.23%	33.82%	41.30%	-0.99%
Overseas	2,898,121,293.85	691,872,485.48	76.13%	-4.27%	-15.96%	3.32%

Core business data restated according to the changed methods of measurement that occurred in the Reporting Period:

Applicable Not applicable

Breakdown of the cost of sales for principal operations:

Unit: RMB

Breakdown of cost	H1 2024		H1 2023		Change (%)
	Amount	As % of cost of sales	Amount	As % of cost of sales	
Royalties	1,712,060,939.88	91.04%	1,495,733,421.12	89.86%	14.46%
Cost of servers	130,404,806.42	6.93%	97,763,750.37	5.87%	33.39%
Amortization of copyright money	24,478,393.74	1.30%	45,617,203.76	2.74%	-46.34%
Other costs	13,779,639.39	0.73%	25,503,032.65	1.53%	-45.97%
Total	1,880,723,779.43	100.00%	1,664,617,407.90	100.00%	12.98%

Any over 30% YoY movements in the data above and why:

Applicable Not applicable

1. Cost of sales of browser games increased by 126.56% YoY, primarily driven by the increased game licensing fees.
2. Cost of servers increased by 33.39% YoY, primarily driven by the increased number of active players for games such as Xun Dao Da Qian (寻道大千), Wu Ming Zhi Bei (无名之辈), and Ling Hun Xu Zhang (灵魂序章) during the Reporting Period, resulting in increased server access, which in turn increased bandwidth resource consumption.
3. The amortized cost of copyright money decreased by 46.34% YoY, primarily driven by the decreased games with copyright cost during the Reporting Period compared with the same period last year.
4. Other costs, mainly labour cost and technical service cost, decreased by 45.97% YoY, primarily driven by the decreased cost of service charges.

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

IV Analysis of Non-principal Operations

Applicable Not applicable

Unit: RMB

	Amount	As % of profit before income tax expenses	Reason/source	Recurrent or not
Investment income	62,436,738.05	4.25%	Mainly due to gains and losses on long-term equity investments accounted for using the equity method, dividends during the period of holding equity investments, and income from investments in wealth management products	No
Gain/loss on changes in fair value	-34,768,367.03	-2.37%	Mainly due to changes in fair value of equity investments and wealth management products	No
Impairment loss on assets	2,073,562.27	0.14%	Mainly due to impairment loss on credit	Yes
Non-operating income	1,426,343.47	0.10%	Mainly due to compensation income	No
Non-operating expenses	4,615,650.36	0.31%	Mainly due to expenditure on donations and litigation damages	No
Other income	41,785,392.54	2.85%	Mainly due to government grants that are related to normal business operations	No

V Analysis of Assets and Liabilities

1. Significant Changes in Asset Composition

Unit: RMB

	30 June 2024		31 December 2023		Change in percentage (%)	Reason for any significant change
	Amount	As % of total assets	Amount	As % of total assets		
Monetary funds	3,909,071,141.06	20.22%	6,176,992,875.55	32.28%	-12.06%	The ending balance was lower than the beginning balance mainly due to net cash outflows from investing and financing activities. For further information, see "II 5. Consolidated Cash Flow Statement", "53. Cash flow statement items" and "54. Supplementary information for the cash flow statement" under Note VII, in "Part X Financial Statements".
Accounts receivable	1,289,722,221.77	6.67%	1,479,267,695.67	7.73%	-1.06%	No significant change
Long-term equity investments	503,824,014.75	2.61%	520,735,613.55	2.72%	-0.11%	No significant change
Fixed assets	808,382,323.78	4.18%	823,508,284.60	4.30%	-0.12%	No significant change
Construction in progress	775,702,455.39	4.01%	534,491,192.20	2.79%	1.22%	No significant change occurred to this item as a percentage of total assets, while the ending balance

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

						was higher than the beginning balance mainly due to the investments in the Guangzhou Headquarters Building construction project during the Reporting Period.
Right-of-use assets	12,749,140.01	0.07%	16,622,471.20	0.09%	-0.02%	No significant change
Short-term loans	1,763,133,888.90	9.12%	1,554,577,083.34	8.12%	1.00%	No significant change
Contract liabilities	290,102,426.56	1.50%	280,023,602.87	1.46%	0.04%	No significant change
Long-term loans	80,750,000.00	0.42%	306,000,000.00	1.60%	-1.18%	Mainly due to the repayment for bank loans that were over one year during the Reporting Period
Lease liabilities	4,920,678.00	0.03%	3,944,589.05	0.02%	0.01%	No significant change
Trading financial assets	2,804,612,941.44	14.51%	2,024,681,502.03	10.58%	3.93%	Mainly due to the increased balance of low-risk bank's wealth management products and structured deposits that were purchased by the Company for higher return on capital
Prepayments	1,040,456,754.16	5.38%	1,143,237,497.90	5.97%	-0.59%	No significant change
Intangible assets	1,967,049,751.39	10.18%	1,040,204,870.96	5.44%	4.74%	Mainly due to the land lot purchased by the Company in 2023 being recognized as land use rights for reason of the receipt of the immovable property certificate
Goodwill	1,578,065,048.53	8.16%	1,578,065,048.53	8.25%	-0.09%	No significant change
Other non-current assets	2,260,434,678.96	11.69%	2,280,577,680.43	11.92%	-0.23%	No significant change
Accounts payable	2,017,452,437.79	10.44%	1,825,714,480.74	9.54%	0.90%	No significant change
Notes payable	1,539,000,000.00	7.96%	1,087,000,000.00	5.68%	2.28%	Mainly due to the increased bank acceptance bills paid to suppliers during the Reporting Period

2. Major Assets Overseas

Applicable Not applicable

Asset	Source	Asset value (RMB)	Location	Management model	Control measures to protect asset safety	Return generated (RMB)	As % of the Company's equity	Material impairment risk or not
Other equity assets	Investments in overseas companies	440,320,629.57	Hong Kong in China, Canada, etc.		A sound business supervision mechanism and a sound risk control mechanism have been put in place	- 24,384,910.96	3.48%	No
Monetary funds	Income from investments and operations	1,592,672,035.56	Hong Kong in China, the US, etc.		A sound business supervision mechanism and a sound risk control mechanism have been put in place		12.59%	No

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

3. Assets and Liabilities at Fair Value

Applicable Not applicable

Unit: RMB

Item	Beginning amount	Gain/loss on fair-value changes in the Reporting Period	Cumulative fair-value changes through equity	Impairment allowance made in the Reporting Period	Purchased in the Reporting Period	Sold in the Reporting Period	Other changes	Ending amount
Financial assets								
1. Trading financial assets (exclusive of derivative financial assets)	2,024,681,502.03	-34,685,522.39			5,791,956,371.09	4,978,318,076.96	978,667.67	2,804,612,941.44
4. Other equity investments	247,132,794.34		-240,478,042.75				264,936.50	247,397,730.84
5. Other non-current financial assets	825,660,687.40	594,215.10			123,731,800.00	32,999,370.52	931,900.32	917,919,232.30
Subtotal of financial assets	3,097,474,983.77	-34,091,307.29	-240,478,042.75		5,915,688,171.09	5,011,317,447.48	2,175,504.49	3,969,929,904.58
Total of the above	3,097,474,983.77	-34,091,307.29	-240,478,042.75		5,915,688,171.09	5,011,317,447.48	2,175,504.49	3,969,929,904.58
Financial liabilities	74,311.41	-677,059.74				295,426.44	641.38	456,586.09

Contents of other changes:

Other changes were incurred by exchange rate fluctuations, etc.

Significant changes to the measurement attributes of the major assets in the Reporting Period:

Yes No

4. Restricted Asset Rights as at the End of the Reporting Period

Item	Ending carrying amount (RMB)	Reason for restriction
Monetary funds	1,129,038,633.80	Principals and interest of term deposits with a maturity within one year as pledges
Fixed assets	648,512,436.26	As collateral for bank loan to the Company

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

Non-current assets due within one year	717,568,020.90	Principals and interest of term deposits with a maturity of over one year (due before June 2025) as pledges
Other non-current assets	363,392,404.76	Principals and interest of term deposits with a maturity of over one year as pledges
Total	2,858,511,495.72	

VI Principal Subsidiaries and Joint Stock Companies

Applicable Not applicable

Principal subsidiaries and joint stock companies with an over 10% effect on the Company's net profit:

Unit: RMB

Name	Relationship with the Company	Principal activity	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
Anhui 37 Jiyu Network Technology Co., Ltd.	Subsidiary	Development of mobile and browser games	6,250,000.00	2,640,392,806.45	2,062,594,778.14	881,727,939.49	437,748,356.28	438,283,212.43
37 Interactive Entertainment (Shanghai) Technology Co., Ltd.	Subsidiary	Publishing and operation of mobile games	10,000,000.00	14,724,581,652.51	5,900,189,099.94	9,236,166,416.53	1,038,651,625.15	832,967,267.66

Subsidiaries obtained or disposed of in the Reporting Period:

Applicable Not applicable

Name of subsidiary	How it was obtained or disposed of	Effects on the overall operations and performance
Guangzhou Ban Tang Jia Bing Network Co., Ltd.	Transfer	No material effects on the overall operations and performance of the Company
Shanghai Tingxiong Network Technology Co., Ltd.	Acquisition in cash	In line with the Company's strategic planning and helpful for its business development
Guangdong Qianxing Zhiqing Venture Capital Partnership (L.P.)	Entering into partnership	In line with the Company's strategic planning and helpful for its business development

Other information on principal subsidiaries and joint stock companies:

N/A

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

VII Risks Facing the Company and Countermeasures

1. Changes in industry policies, risks of violation and countermeasures

In recent years, the authority in charge has attached great importance to the development of game industry, made a series of major decisions and arrangements and issued a series of policies and regulations to guide the industry to develop in a standardized and healthy way. For example, clear new standards and requirements have been put forward for protection of minors and anti-addiction of online games. Further strict management measures have been taken to promote standardized management of game industry. At the same time, information security and protection of users' privacy have drawn much attention from the society. In the long term, the regulation of the online game industry is becoming more and more standardized, which is conducive to the healthy development of the industry. The enterprises with standardized operation will benefit from it. However, in the future, if the Company fails to make corresponding adjustments timely in accordance with changes in industry policies or has a deviation in understanding management regulations in its operation, there may be a risk that the Company will be punished by relevant departments or the works will not go online as planned, which will have a significant negative impact on the Company's business development and brand image. In this regard, the Company will strictly abide by various industry policies, rules and regulations, actively implement relevant requirements for industry development, establish an internal sound quality management and control mechanism, strengthen industry policy risk management capability, and fully reduce and avoid the business risks caused by changes in industry policies.

2. Market competition risks and countermeasures

The online game industry is facing increasingly fierce competition as it gradually matures. At the same time, online game users are maturing with higher quality demand for game products. The industry is characteristic of fast product transition, limited product life cycle and volatile player preferences, among others. Intense market competition will challenge the Company's development in terms of products and market channels.

In response, the Company will continue to implement the strategy of "boutiqueization, diversification and globalization". On the one hand, it will strengthen its core competitiveness of its own business, pay continuous attention to self-research investment, carry out R&D and innovation in product creativity, gameplay, theme, art and technology, and keep up with industry technology development trend; at the same time, it will maintain close cooperation with excellent developers to guarantee the supply of quality products, and continue to expand game categories through independently-developed and agency games to deepen the competitive edge of "integration of R&D and operation". Meanwhile, the Company will speed up the pace of exporting, give full play to the edges of it in overseas markets, face diversified operations of overseas markets, deepen the cultivation of key markets, and broaden the categories of games and increase market share. In addition, the Company will dig deeper into operational data, and timely adjust operational and R&D strategies, to meet the core demands of users, further play the role of new ideas of digital marketing operation, deepen the business strategy of multi-channel marketing and long-term service, and continuously enhance core competitiveness in the market.

Facing the current industrial competition pattern, the top-performing enterprise has obvious edges in technology R&D ability, channel operation ability, product promotion ability, user scale and market share. The Company will continue to consolidate and cement its competitive edges, actively respond to changes in the industry, reduce market competition risks and seize market opportunities.

3. Risks of core personnel turnover and countermeasures

A stable and high-quality talent team is an important guarantee for the Company to maintain its core competitive advantage. If the Company fails to effectively build a core talent team, give reasonable incentives and manages the core

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

personnel, the employees' enthusiasm and creativity will be affected, which will have an adverse impact on the Company's core competitiveness.

In response, much attention has been attached to cultivation and acquisition of professional talents. The Company creatively builds a platform-based talent management mechanism, according to which excellent game producers are rewarded with project bonus, and given discretion of research and project concept creation. In order to attract and retain outstanding management talents and business elites, the Company has vigorously reformed the project mechanism, shortened the review cycle and established diversified objectives, so as to stimulate the innovative vitality of employees. In terms of employee performance management, the Company has set up diversified KPIs based on employees' contribution and ability, as well as reasonable team objectives and innovative incentive activities to encourage employees' creativity, so as to increase the attractiveness to core staffs and R&D personnel.

In addition, the Company cares about the long-term development of employees. The Company has established "37 Interactive Entertainment Learning and Development Center" to provide sufficient training and learning opportunities for employees and help them grow rapidly. The Company actively carried out training for newcomers and professional abilities such as "Marathon Leadership Training Camp", "Huangpu New Army", "X+ Plan" and "37TALK", promoted talent upgrading to meet the needs of business upgrading, paid attention to internal sharing, established a team of internal professional lecturers among employees, spread culture of sharing, built a talent echelon and upgraded talent development system.

Centering on the cultural concept of "health, happiness and sustainability", the Company upgraded colourful welfare system, strengthened humanistic care and promoted retention of talents. The colourful welfare system encompasses interest-free loan, love fund, commercial insurance and employee health management. During the Reporting Period, the Company launched the "New Generation Programme" as part of its ongoing efforts to enhance talent care and incentives. Through the programme, full-time employees with at least two years of service at the Company are offered a childbirth fund of RMB20,000 per child. In addition, seasonal activities on holidays, annual physical examination, singles' fellowship, "Family Day", "Boss Face-to-Face", "37 Battle Talk", "Carnival", "Healthy 37ers" and other thematic activities were regularly held. Inter-departments' team building promoted the connection between employees and their friends, relatives and colleagues. In addition, the Company has established recreational clubs for employees, covering "Super Runners", e-sports, table games, dancing, badminton, football and yoga, created cultural atmosphere that meets the characteristics of the younger generation, strengthened employees' sense of belonging, balanced employees' work and life, and took care of employees' physical and mental health in various forms.

4. Technology iteration and innovation risk and countermeasures

The game industry has seen rapid technology iteration and faster changes in cutting-edge technologies, and demand for new types of products has emerged among young users. Against this backdrop, if a game company fails to grasp the industry development trend in a forward-looking manner and promptly innovate its technology and products, its R&D and application of key technologies will be outdated, resulting in the risk of products falling behind the market.

In response, the Company continued to focus on changes in the industry's cutting-edge technologies. First, it closely followed industry changes and probed into cutting-edge technologies through investment layout to maintain sensitive to leading technologies. Second, it intensified the incubation of internal technologies, valued investment in self-developed games, improved self-development system, established an effective R&D system framework, and introduced diversified incentives to encourage employees to explore new technologies. By taking these actions, the Company has reserved technologies and products for the industry development trend.

5. Risk associated with being investigated by the China Securities Regulatory Commission with no clear conclusion yet

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

On 27 June 2023, the Company, Mr. Li Weiwei (the actual controller and Chairman of the Board of the Company), and Mr. Zeng Kaitian (the Vice Chairman of the Board of the Company) received the "Notification of the China Securities Regulatory Commission on Case Filing" (CSRC Case No. 03720230061, No. 03720230062, No. 03720230063) from the said commission (hereinafter referred to as the "CSRC") respectively. For suspected information disclosure violations, according to the Securities Law of the People's Republic of China, the Law of the People's Republic of China on Administrative Penalties and other applicable laws and regulations, the CSRC decided to file a case against the Company, Li Weiwei and Zeng Kaitian.

During the period of investigation, the Company will actively cooperate with the CSRC's investigation and fulfil its information disclosure obligations in strict accordance with applicable laws, regulations and regulatory requirements.

Part IV Corporate Governance

I Annual and Extraordinary General Meetings of Shareholders Convened during the Reporting Period

1. General Meetings of Shareholders Convened during the Reporting Period

Meeting	Type	Investor participation ratio	Date of the meeting	Date of disclosure	Resolutions of the meeting
The First Extraordinary General Meeting of Shareholders of 2024	Extraordinary General Meeting of Shareholders	46.61%	12 January 2024	13 January 2024	<ol style="list-style-type: none"> 1. The Proposal on the Plan for the Repurchase of Shares by Means of Centralized Bidding was approved. (1) Objective of the share repurchase (2) Share repurchase method and price range of shares to be repurchased (3) Type, purpose, total amount, number and percentage to the total capital of shares to be repurchased (4) Source of the funds to be used for the repurchase (5) Time limit of the share repurchase (6) Authorization for the share repurchase
The 2023 Annual General Meeting of Shareholders	Annual General Meeting of Shareholders	46.32%	10 May 2024	11 May 2024	<ol style="list-style-type: none"> 1. The 2023 Work Report of the Board of Directors was approved; 2. The 2023 Work Report of the Supervisory Committee was approved; 3. The full 2023 Annual Report and its Summary in Chinese and the Summary in English were approved; 4. The 2023 Final Account Report was approved; 5. The 2023 Final Dividend Plan was approved; 6. The Proposal on Reappointment of Audit Firm was approved; 7. The Proposal on the Expected Guarantee Line for Subsidiaries in 2024 was approved; 8. The Proposal on Application for Bank Credit Line was approved; 9. The Proposal on Adjustment of Allowance for Independent Directors was approved; 10. The Proposal on Amendments to and Formulation of the Company's Some Systems was approved item by item; <ol style="list-style-type: none"> (1) The Company's Articles of Association (2) The Company's Rules of Procedure Governing General Meetings of Shareholders (3) The Company's Rules of Procedure Governing the Board Meetings (4) System for Independent Directors (5) Raised funds Management Measures 11. The Proposal on Amendments to the Company's Rules of Procedure Governing the Supervisory Committee Meetings was approved; and 12. The Proposal on Authorization to the Board to Decide on 2024 Interim Dividend Plan was approved.

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

2. Extraordinary General Meetings of Shareholders Convened at the Request of Preferred Shareholders with Resumed Voting Rights

Applicable Not applicable

II Changes of Directors, Supervisors and Senior Management

Applicable Not applicable

No change occurred to the Company's directors, supervisors or senior management during the Reporting Period. See the 2023 Annual Report for their information.

III Interim Dividend Plan

Applicable Not applicable

Bonus issue from profit (share/10 shares)	0
Cash dividend/10 shares (RMB) (tax inclusive)	2.10
Share base (share)	2,217,864,281
Cash dividends (RMB) (tax inclusive)	465,751,499.01
Cash dividends in other forms (such as share repurchase) (RMB)	100,704,439.97
Total cash dividends (including those in other forms) (RMB)	566,455,938.98
Distributable profit (RMB)	3,579,382,199.85
Total cash dividends (including those in other forms) as % of total profit to be distributed	100%
Applicable cash dividend policy	
If it is difficult to identify the development stage of the Company but it has a significant capital expenditure arrangement, when making profit distribution, cash dividends shall account for no less than 20% in the profit distribution.	
Details of the cash and/or stock dividend plan	
Upon approval by the Board of Directors, the Company's 2024 interim dividend plan is as follows: With a fixed dividend payout ratio, based on the total issued share capital (exclusive of shares in the Company's account for repurchased shares) on the date of record, a cash dividend of RMB 2.10 (tax inclusive) per 10 shares is planned to be distributed to all the shareholders of the Company; and there will be no bonus issue from either profit or capital reserves. The above interim dividend plan is consistent with the Company's performance growth, and also in line with relevant provisions of the Company Law, the Securities Law, the Articles of Association and the Company's shareholder return plan. Therefore, it is legal, valid and reasonable.	

IV Equity Incentive Plans, Employee Stock Ownership Plans or Other Incentive Measures for Employees

Applicable Not applicable

1. Equity Incentives

N/A

2. Implementation of Employee Stock Ownership Plans

Applicable Not applicable

Outstanding employee stock ownership plans during the Reporting Period:

Awardee coverage	Number of awardees	Total number of shares held	Change	As % of the total share capital	Funding source
The Third Employee Stock Ownership Plan: the leadership team of the Company (directors, supervisors and senior management); chief	No more than 400	1,161,886	N/A	0.05%	Shares under the employee stock ownership plan were transferred from

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

officers and deputy chief officers; key management and technological staff (mid-level employees); and other employees approved by the Company					repurchased shares for no compensation.
The Fourth Employee Stock Ownership Plan: the directors (exclusive of independent directors), supervisors, senior management, key management and staff who have direct and substantial impact on and contribution to the Company's future operations and growth	No more than 650	16,301,534	N/A	0.74%	Shares under the employee stock ownership plan were transferred from repurchased shares for no compensation.

Shares held by directors, supervisors and senior management under employee stock ownership plans during the Reporting Period:

Name	Office title	Number of shares held at the period-begin	Number of shares held at the period-end	As % of the total share capital
Xu Zhigao, Yang Jun, Liu Jun, He Yang, Cheng Lin, Liu Fengyong, Ye Wei, and Zhu Huaimin	Directors, supervisors, and senior management	1,585,000	1,585,000	0.07%

Change of the asset management institution during the Reporting Period:

Applicable Not applicable

Share ownership changes due to share disposal by holders and other reasons during the Reporting Period:

Applicable Not applicable

As at the end of the Reporting Period, 1,161,886 shares were held under the Third Employee Stock Ownership Plan, accounting for 0.05% of the total share capital.

Exercise of shareholder rights during the Reporting Period:

N/A

Other information about employee stock ownership plans during the Reporting Period:

Applicable Not applicable

The second lock-up period of the Fourth Employee Stock Ownership Plan ended on 29 June 2024. As the 2023 annual operating results failed to reach the target, the unlockable shares of all the awardees in the second lock-up period of the Employee Stock Ownership Plan should not be unlocked.

Changes in the members of the employee stock ownership plan management committee:

Applicable Not applicable

Impact of employee stock ownership plans on the finance of the Company during the Reporting Period and the relevant accounting treatments:

Applicable Not applicable

As per the Accounting Standard No. 11 for Business Enterprises—Share-based Payments, the amortized share-based payments were approximately RMB 40,965,800 for H1 2024.

Termination of employee stock ownership plans during the Reporting Period:

Applicable Not applicable

Other information:

N/A

3. Other Incentive Measures for Employees

Applicable Not applicable

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

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

Part V Environmental and Social Responsibility

I Material Environmental Issues

Indicate whether the Company or any of its subsidiaries falls into major pollutant-discharge entities published by environmental protection authorities.

Yes No

Administrative punishments received during the Reporting Period due to environmental issues:

Name of the Company or subsidiary	Reason for punishment	Regulation violated	Punishment	Impact on the Company	Rectification
N/A	N/A	N/A	N/A	N/A	N/A

Other environmental information in relation to major pollutant-discharge entities:

N/A

Actions taken during the Reporting Period to reduce carbon emissions and the results:

Applicable Not applicable

Incorporating “sustainable development” into its corporate vision, 37 Interactive Entertainment has established its objective of achieving carbon neutrality within its scope of business operations by 2025. For that purpose, the Company has continuously optimised its carbon neutrality path. By conducting carbon footprint verification, promoting green building design for its headquarters in Guangzhou, participating in green electricity certificate and carbon-sink trading, and co-developing emission reduction initiatives across the value chain, the Company has steadily progressed towards a zero-carbon transition.

In advocating green and low-carbon practices, the Company continues to organise internal environmental protection month activities, including environmental knowledge quizzes and wetland biodiversity conservation experiences. These activities aim to encourage employees to adopt eco-friendly lifestyles. Additionally, leveraging its technological expertise, the Company has partnered with Guangzhou Haizhu National Wetland Park, the SEE Pearl River Project Center, the Guangdong Nature Conservation Foundation, and the Guangzhou Charity Federation to develop a public educational platform for wetland conservation. This platform aims to educate primary and secondary school students using interactive and engaging methods on wetland conservation in the context of climate change.

During the Reporting Period, 37 Interactive Entertainment’s near-term greenhouse gas reduction targets were officially validated by the Science Based Targets initiative (SBTi), a globally recognised climate action organisation. Pursuing the ambitious goal of limiting global temperature increase to less than 1.5°C outlined in the Paris Agreement, the Company will collaborate with stakeholders to tackle the challenges of climate change.

Reasons for the non-disclosure of other environmental information:

The Company is not a major pollutant-discharge entity published by environmental protection authorities. During the Reporting Period, the Company received no punishments due to violation of environmental protection laws and regulations.

II Corporate Social Responsibility (CSR)

1. Focusing on diversified empowerment for rural talent

In 2014, 37 Interactive Entertainment initiated the establishment of the Guangdong Youxin Charity Foundation. The foundation aims to promote the high-quality and balanced development of high school education in counties and young talent cultivation. For that purpose, the foundation collaborates with teachers, schools, educational authorities, charitable

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

organisations, and corporate volunteers to empower promising rural talent with a focus on innovative thinking, cultural knowledge, and financial support.

Through the Guangdong Youxin Charity Foundation, the Company has carried out various programmes, such as the “Youxin Peers” high school education assistance program, the high school enrolment guarantee programme for ethnic minority girls, the county high school free reading programme, and the “Vocational Wisdom Calling” career planning programme. Additionally, the Company engages secondary school students in creative activities via its aerospace science promotion platform—Fei Tian Meng Xiang Qi Hang (飞天梦想启航)—to encourage them to explore science with imagination and creativity.

During the Reporting Period, 37 Interactive Entertainment supported 2,628 outstanding high school students across seven provinces, including Anhui, Sichuan, and Gansu, through the Guangdong Youxin Charity Foundation.

2. Supporting quality and efficiency improvement of industry assistance

37 Interactive Entertainment actively supports the “10,000 Enterprises Revitalise 10,000 Villages” initiative. The Company leverages its strengths and connects resources to promote the growth of rural industries through collaboration. In 2024, the Company established industry assistance cooperation with Zhecheng Village in Wuwei City, Anhui Province. The cooperation focused on the local speciality—Zhecheng lotus seed. Through cultural creative plans, multi-channel product promotions, and partnerships across the industrial chain, the Company helped sell 2,000 jin (approximately 1,000 kilograms) of lotus seeds, boosting local farmers’ income.

During the Reporting Period, the Company invested over RMB250,000 to support the development of local industries such as lotus seeds and tea in Anhui, Yunnan, and Guangdong provinces.

3. Innovating talent nurturing through industry-university cooperation

The Company has been deepening cooperation with renowned domestic universities such as Sun Yat-sen University, Sichuan University, and Lanzhou University. The cooperation focuses on resource sharing and complementation in such fields as the application of cutting-edge technologies in the industry, innovation competitions, scholarships and grants, specialised research projects, and themed campus-sharing sessions. By offering forward-looking and tailored education, the Company aims to nurture innovative talent that meets the demands of both the industry and society.

During the Reporting Period, the Company successfully wrapped up its third “Sustainable Development Innovation Challenge for College and University Students”. This competition saw the participation of 766 students from over 90 universities across China. These participants created digital works focusing on cultural preservation and promotion, rural revitalisation, and digital literacy education. The competition showcased the younger generation’s thoughts and responses regarding sustainable social development. Ultimately, three works from South China Normal University, the Guangzhou Academy of Fine Arts, and the University of Science and Technology of China stood out for their innovation, applicability, and keen insights.

4. Contributing to society and building a better life together

During the Reporting Period, 37 Interactive Entertainment’s employees, under the leadership of the Company’s Party Committee, participated in 25 social volunteer service events. These events aimed to provide care for children with special needs and for the underprivileged, promote digital literacy education among youth, and support rural greening initiatives, demonstrating the Company’s concerns and care for the public.

To support nurturing high-calibre talent, including clinical medical professionals, and promote the high-quality development of China’s healthcare sector, 37 Interactive Entertainment intends to donate RMB 5,000,000 to the First Affiliated Hospital of Sun Yat-sen University. The third-phase donation of RMB1,000,000 was completed during the Reporting Period.

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

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

Part VI Share Changes and Shareholder Information

I Share Changes

1. Share Changes

Unit: share

	Before		Increase/decrease in the Reporting Period (+/-)					After	
	Number	Percentage (%)	New issues	Shares as dividend converted from profit	Shares as dividend converted from capital reserves	Other	Subtotal	Number	Percentage (%)
1. Restricted shares	610,515,810	27.53%				2,754,578	2,754,578	613,270,388	27.65%
1.1 Shares held by the government									
1.2 Shares held by state-owned corporations									
1.3 Shares held by other domestic investors	610,515,810	27.53%				2,754,578	2,754,578	613,270,388	27.65%
Including: Shares held by domestic corporations									
Shares held by domestic natural persons	610,515,810	27.53%				2,754,578	2,754,578	613,270,388	27.65%
1.4 Shares held by overseas investors									
Including: Shares held by overseas corporations									
Shares held by overseas natural persons									
2. Un-restricted shares	1,607,348,471	72.47%				-2,754,578	-2,754,578	1,604,593,893	72.35%
2.1 RMB-denominated common shares	1,607,348,471	72.47%				-2,754,578	-2,754,578	1,604,593,893	72.35%
2.2 Domestically listed foreign shares									
2.3 Overseas listed foreign shares									
2.4 Others									
3. Total shares	2,217,864,281	100.00%				0	0	2,217,864,281	100.00%

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

Reasons for share changes:

Applicable Not applicable

During the Reporting Period, the shareholding increases by the Company's directors and senior management were locked up according to applicable laws, regulations and regulatory documents.

Approval of share changes:

Applicable Not applicable

Transfer of share ownership:

Applicable Not applicable

Progress on share repurchases:

Applicable Not applicable

As of 31 July 2024, the Company had cumulatively repurchased 5,626,600 shares (or 0.25% of the total share capital) with its securities account for repurchased shares by the way of centralized bidding. With the highest trading price being RMB 18.13/share and the lowest being RMB 17.66/share, the total amount paid was RMB 100,691,594 (exclusive of transaction costs).

Progress on reducing the repurchased shares by way of centralized bidding:

Applicable Not applicable

Effects of share changes on the basic earnings per share, diluted earnings per share, equity per share attributable to the Company's common shareholders and other financial indicators of the prior year and the prior accounting period, respectively:

Applicable Not applicable

During the Reporting Period, the Company implemented share repurchases with its securities account for repurchased shares by the way of centralized bidding. For details of the repurchases, see the announcements on repurchase progress. As per the Accounting Standards for Business Enterprises, the aforesaid repurchased shares were excluded in the calculation of basic earnings per share.

Other information that the Company considers necessary or is required by the securities regulator to be disclosed:

Applicable Not applicable

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

2. Changes in Restricted Shares

Applicable Not applicable

Unit: share

Name of shareholder	Beginning restricted shares	Shares with restriction lifted in the Reporting Period	Increase in restricted shares in the Reporting Period	Ending restricted shares	Reason for restriction	Lifting date
Li Weiwei	242,421,239	0	0	242,421,239	Locked-up shares of senior management	Subject to regulations in respect of changes in shareholdings of directors, supervisors and senior management in the Company Law, etc.
Zeng Kaitian	184,008,280	0	847,275	184,855,555	Locked-up shares of senior management	Subject to regulations in respect of changes in shareholdings of directors, supervisors and senior management in the Company Law, etc.
Hu Yuhang	151,198,263	0	0	151,198,263	Locked-up shares of senior management	Subject to regulations in respect of changes in shareholdings of directors, supervisors and senior management in the Company Law, etc.
Xu Zhigao	27,340,427	0	1,907,303	29,247,730	Locked-up shares of senior management	Subject to regulations in respect of changes in shareholdings of directors, supervisors and senior management in the Company Law, etc.
Yang Jun	1,575,000	0	0	1,575,000	Locked-up shares of senior management	Subject to regulations in respect of changes in shareholdings of directors, supervisors and senior management in the Company Law, etc.
Liu Jun	3,972,601	0	0	3,972,601	Locked-up shares of senior management	Subject to regulations in respect of changes in shareholdings of directors, supervisors and senior management in the Company Law, etc.
Total	610,515,810	0	2,754,578	613,270,388	--	--

II Issuance and Listing of Securities

Applicable Not applicable

III Shareholders and Their Holdings as at the Period-End

Unit: share

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

Number of common shareholders		184,159		Number of preferred shareholders with resumed voting rights (if any) (see note 8)			0	
5% or greater common shareholders or the top 10 common shareholders (exclusive of shares lent in refinancing)								
Name of shareholder	Nature of shareholder	Shareholding percentage	Common shares held	Increase/decrease in the Reporting Period	Restricted common shares held	Un-restricted common shares held	Pledged, marked or frozen status	
							Status	Shares
Li Weiwei	Domestic natural person	14.57%	323,228,319	0	242,421,239	80,807,080		
Zeng Kaitian	Domestic natural person	11.11%	246,474,074	1,129,700	184,855,555	61,618,519		
Hu Yuhang	Domestic natural person	9.09%	201,597,684	0	151,198,263	50,399,421	Pledged	24,550,000
Hong Kong Securities Clearing Company Ltd.	Overseas corporation	6.26%	138,931,229	-104,678,975	0	138,931,229		
China Minsheng Banking Corp., Ltd. — China Securities Cartoon Games Trading Open-ended Index Securities Investment Fund	Other	1.94%	42,994,538	18,124,535	0	42,994,538		
Xu Zhigao	Domestic natural person	1.76%	38,996,974	2,543,071	29,247,730	9,749,244		
Wu Weihong	Domestic natural person	1.59%	35,253,178	0	0	35,253,178		
Wu Weidong	Domestic natural person	1.00%	22,091,357	0	0	22,091,357		
Shanghai Dongyonghong Business Management Partnership (Limited Partnership)	Domestic non-state-owned corporation	0.90%	20,000,000	0	0	20,000,000		
Industrial and Commercial Bank of China Limited — Huatai-PineBridge CSI 300 Trading Open-ended Index Securities Investment Fund	Other	0.83%	18,473,429	6,855,600	0	18,473,429		
Strategic investor or general corporation becoming a top-10 common shareholder in a rights issue (if any) (see note 3)	N/A							
Related or acting-in-concert parties among the shareholders above	1. Among the top 10 shareholders of the Company, Wu Weihong, Wu Weidong and Shanghai Dongyonghong Business Management Partnership (Limited Partnership) are shareholders acting in concert. 2. The Company is not aware of whether there is, among the other top 10 shareholders, any related parties or acting-in-concert parties as defined in the Measures on the Administration of Acquisition of Listed Companies.							
Explain if any of the shareholders above was involved in	N/A							

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

entrusting/being entrusted with voting rights or waiving voting rights			
Special account for share repurchases (if any) among the top 10 shareholders (see note 11)	The Company had cumulatively repurchased 18,166,147 shares (or 0.82% of the total share capital as at 30 June 2024) with its securities account for repurchased shares by the way of centralized bidding. The said account of repurchased shares is not listed as a top 10 un-restricted common shareholder as required.		
Top 10 un-restricted common shareholders (exclusive of shares lent in refinancing and senior management's locked-up shares)			
Name of shareholder	Un-restricted common shares held	Shares by class	
		Class	Shares
Hong Kong Securities Clearing Company Ltd.	138,931,229	RMB-denominated common shares	138,931,229
Li Weiwei	80,807,080	RMB-denominated common shares	80,807,080
Zeng Kaitian	61,618,519	RMB-denominated common shares	61,618,519
Hu Yuhang	50,399,421	RMB-denominated common shares	50,399,421
China Minsheng Banking Corp., Ltd. — China Securities Cartoon Games Trading Open-ended Index Securities Investment Fund	42,994,538	RMB-denominated common shares	42,994,538
Wu Weihong	35,253,178	RMB-denominated common shares	35,253,178
Wu Weidong	22,091,357	RMB-denominated common shares	22,091,357
Shanghai Dongyonghong Business Management Partnership (Limited Partnership)	20,000,000	RMB-denominated common shares	20,000,000
Industrial and Commercial Bank of China Limited — Huatai-PineBridge CSI 300 Trading Open-ended Index Securities Investment Fund	18,473,429	RMB-denominated common shares	18,473,429
37 Interactive Entertainment Network Technology Group Co., Ltd.-The Fourth Employee Stock Ownership Plan	16,301,534	RMB-denominated common shares	16,301,534
Related or acting-in-concert parties among the top 10 un-restricted common shareholders, as well as between the top 10 un-restricted common shareholders and the top 10 common shareholders	<p>1. Among the top 10 shareholders of the Company, Wu Weihong, Wu Weidong and Shanghai Dongyonghong Business Management Partnership (Limited Partnership) are shareholders acting in concert.</p> <p>2. The Company is not aware of whether there is, among the other top 10 shareholders, any related parties or acting-in-concert parties as defined in the Measures on the Administration of Acquisition of Listed Companies.</p>		
Top 10 common shareholders engaged in securities margin trading (if any) (see note 4)	As of the end of the Reporting Period, shareholder China Minsheng Banking Corp., Ltd. — China Securities Cartoon Games Trading Open-ended Index Securities Investment Fund held 305,400 shares that were lent in refinancing.		

5% or greater shareholders, top 10 shareholders and top 10 un-restricted public shareholders involved in refinancing shares lending:

Applicable Not applicable

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

Unit: Share

5% or greater shareholders, top 10 shareholders and top 10 un-restricted public shareholders involved in refinancing shares lending								
Full name of shareholder	Shares in the common account and credit account at the period-begin		Shares lent in refinancing and not yet returned at the period-begin		Shares in the common account and credit account at the period-end		Shares lent in refinancing and not yet returned at the period-end	
	Total shares	As % of total share capital	Total shares	As % of total share capital	Total shares	As % of total share capital	Total shares	As % of total share capital
China Minsheng Banking Corp., Ltd.— China Securities Cartoon Games Trading Open-ended Index Securities Investment Fund	24,870,003	1.12%	5,167,400	0.23%	42,994,538	1.94%	305,400	0.01%
Industrial and Commercial Bank of China Limited—Huatai-PineBridge CSI 300 Trading Open-ended Index Securities Investment Fund	11,617,829	0.52%	34,800	0.00%	18,473,429	0.83%	0.00	0.00%

Indicate whether there was any change to the top 10 shareholders or top 10 un-restricted public shareholders due to refinancing shares lending/returning during the Reporting Period compared to the same period of last year.

Applicable Not applicable

Indicate whether any of the top 10 common shareholders or the top 10 un-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

Yes No

No such cases in the Reporting Period.

IV Changes in the Shareholdings of Directors, Supervisors and Senior Management

Applicable Not applicable

Name	Office title	Incumbent/ Former	Beginning shareholding (share)	Increase in the period (share)	Decrease in the period (share)	Ending shareholding (share)	Beginning restricted shares granted (share)	Restricted shares granted in the period (share)	Ending restricted shares granted (share)
Zeng Kaitian	Vice Chairman of the Board	Incumbent	245,344,374	1,129,700	0	246,474,074	0	0	0
Xu Zhigao	General Manager	Incumbent	36,453,903	2,543,071	0	38,996,974	0	0	0
Total	--	--	281,798,277	3,672,771	0	285,471,048	0	0	0

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

V Change of the Controlling Shareholder or Actual Controller

Change of the controlling shareholder in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Change of the actual controller in the Reporting Period:

Applicable Not applicable

No such cases in the Reporting Period.

Part VII Financial Statements

I Independent Auditor's Report

Are these interim financial statements audited by an independent auditor?

Yes No

They are unaudited by such an auditor.

II Financial Statements

Currency unit for the financial statements and the notes thereto: RMB

1. Consolidated Balance Sheet

Prepared by 37 Interactive Entertainment Network Technology Group Co., Ltd.

30 June 2024

Unit: RMB

Item	30 June 2024	1 January 2024
Current assets:		
Monetary funds	3,909,071,141.06	6,176,992,875.55
Transaction settlement funds		
Loans to other banks		
Trading financial assets	2,804,612,941.44	2,024,681,502.03
Derivative financial assets		
Notes receivable		
Accounts receivable	1,289,722,221.77	1,479,267,695.67
Accounts receivable financing		
Prepayments	1,040,456,754.16	1,143,237,497.90
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	35,787,493.10	46,247,241.46
Including: Interest receivable		
Dividends receivable	3,363,297.36	10,000,000.00
Redemptory monetary capital for sale		
Inventories		
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year	916,503,605.34	164,307,298.27
Other current assets	90,703,934.11	88,085,256.86
Total current assets	10,086,858,090.98	11,122,819,367.74
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	503,824,014.75	520,735,613.55

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

Other equity investments	247,397,730.84	247,132,794.34
Other non-current financial assets	917,919,232.30	825,660,687.40
Investment properties		
Fixed assets	808,382,323.78	823,508,284.60
Construction in progress	775,702,455.39	534,491,192.20
Productive living assets		
Oil and gas assets		
Right-of-use assets	12,749,140.01	16,622,471.20
Intangible assets	1,967,049,751.39	1,040,204,870.96
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill	1,578,065,048.53	1,578,065,048.53
Long-term deferred expenses	93,399,383.85	90,785,937.93
Deferred income tax assets	79,811,706.04	53,947,130.48
Other non-current assets	2,260,434,678.96	2,280,577,680.43
Total non-current assets	9,244,735,465.84	8,011,731,711.62
Total assets	19,331,593,556.82	19,134,551,079.36
Current liabilities:		
Short-term loans	1,763,133,888.90	1,554,577,083.34
Loans from the central bank		
Loans from other banks		
Trading financial liabilities	456,586.09	74,311.41
Derivative financial liabilities		
Notes payable	1,539,000,000.00	1,087,000,000.00
Accounts payable	2,017,452,437.79	1,825,714,480.74
Advances from customers		
Contract liabilities	290,102,426.56	280,023,602.87
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	257,164,937.24	408,786,174.15
Taxes payable	173,170,504.02	280,471,436.39
Other payables	199,468,090.24	201,521,074.52
Including: Interest payable		
Dividends payable		
Handling charges and commissions payable		
Reinsurance payables		
Liabilities held for sale		
Non-current liabilities due within one year	83,628,350.02	212,167,632.34
Other current liabilities	60,229,306.00	55,277,993.63
Total current liabilities	6,383,806,526.86	5,905,613,789.39
Non-current liabilities:		
Insurance contract reserve		
Long-term loans	80,750,000.00	306,000,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	4,920,678.00	3,944,589.05
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities	106,834,520.94	106,630,292.58

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

Other non-current liabilities		
Total non-current liabilities	192,505,198.94	416,574,881.63
Total liabilities	6,576,311,725.80	6,322,188,671.02
Shareholders' equity:		
Share capital	2,217,864,281.00	2,217,864,281.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	2,863,916,788.42	2,823,040,832.04
Less: Treasury shares	401,229,096.75	300,524,656.78
Other comprehensive income	-120,147,454.57	-129,511,563.25
Special reserves		
Surplus reserves	666,869,940.33	666,869,940.33
General risk reserves		
Retained earnings	7,418,014,496.76	7,429,206,642.53
Total equity attributable to shareholders of the Company	12,645,288,955.19	12,706,945,475.87
Non-controlling interests	109,992,875.83	105,416,932.47
Total shareholders' equity	12,755,281,831.02	12,812,362,408.34
Total liabilities and shareholders' equity	19,331,593,556.82	19,134,551,079.36

Legal representative: Xu Zhigao

Chief Financial Officer: Ye Wei

Board Secretary: Ye Wei

2. Balance Sheet of the Company

Unit: RMB

Item	30 June 2024	1 January 2024
Current assets:		
Monetary funds	165,117,598.57	802,609,416.49
Trading financial assets	1,402,777,753.42	800,986,301.37
Derivative financial assets		
Notes receivable		
Accounts receivable		
Accounts receivable financing		
Prepayments	493,394.04	66,418.86
Other receivables	1,998,389,579.53	3,679,202,452.33
Including: Interest receivable		
Dividends receivable	146,713.60	
Inventories		
Including: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	7,207,139.11	7,068,190.52
Total current assets	3,573,985,464.67	5,289,932,779.57
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	9,699,640,055.87	9,659,679,501.59
Other equity investments		
Other non-current financial assets	80,738,178.41	76,589,599.00
Investment properties		
Fixed assets		

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

Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets	3,542,376.48	4,605,089.46
Intangible assets		
Including: Data resources		
Development expenditure		
Including: Data resources		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	693,817.41	
Other non-current assets		
Total non-current assets	9,784,614,428.17	9,740,874,190.05
Total assets	13,358,599,892.84	15,030,806,969.62
Current liabilities:		
Short-term loans	200,133,888.90	200,155,833.34
Trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	27,895.92	
Advances from customers		
Contract liabilities		
Employee benefits payable	64,060.00	30,200.00
Taxes payable	12,158,027.82	11,281,109.24
Other payables	33,047,264.81	28,901,705.53
Including: Interest payable		
Dividends payable		
Liabilities held for sale		
Non-current liabilities due within one year	75,331,885.91	200,318,482.28
Other current liabilities		
Total current liabilities	320,763,023.36	440,687,330.39
Non-current liabilities:		
Long-term loans	80,750,000.00	306,000,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities	2,583,633.12	2,552,367.43
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities		142,444.51
Other non-current liabilities		
Total non-current liabilities	83,333,633.12	308,694,811.94
Total liabilities	404,096,656.48	749,382,142.33
Shareholders' equity:		
Share capital	2,217,864,281.00	2,217,864,281.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	6,509,553,711.76	6,468,587,957.50
Less: Treasury shares	401,229,096.75	300,524,656.78
Other comprehensive income	-60,000,000.00	-60,000,000.00
Special reserves		
Surplus reserves	1,108,932,140.50	1,108,932,140.50
Retained earnings	3,579,382,199.85	4,846,565,105.07

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

Total shareholders' equity	12,954,503,236.36	14,281,424,827.29
Total liabilities and shareholders' equity	13,358,599,892.84	15,030,806,969.62

3. Consolidated Income Statement

Unit: RMB

Item	H1 2024	H1 2023
1. Total operating revenue	9,231,969,089.44	7,760,573,887.29
Including: Operating revenue	9,231,969,089.44	7,760,573,887.29
Interest income		
Premium income		
Handling charge and commission income		
2. Total operating costs and expenses	7,832,939,934.89	6,492,830,653.62
Including: Cost of sales	1,880,723,779.43	1,664,617,407.90
Interest expense		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		
Expenditure on policy dividends		
Reinsurance premium expenses		
Taxes and surcharges	20,367,278.88	15,088,022.35
Distribution and selling expenses	5,360,351,377.24	4,279,408,761.57
General and administrative expenses	295,724,089.56	257,073,397.84
Research and development expenses	350,778,127.57	388,284,125.67
Financial expenses	-75,004,717.79	-111,641,061.71
Including: Interest expense	40,576,529.74	33,953,476.02
Interest income	128,780,026.36	147,092,025.34
Add: Other income	41,785,392.54	67,310,526.91
Investment income ("-" for loss)	62,436,738.05	-3,937,725.83
Including: Share of profits and losses of joint ventures and associates	-12,407,533.87	-12,257,097.35
Gain on derecognition of financial assets measured at amortised cost ("-" for loss)		
Gain on exchange ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	-34,768,367.03	66,445,566.71
Impairment loss on credit ("-" for loss)	2,073,562.27	350,866.28
Impairment loss on assets ("-" for loss)		
Gain on disposal of assets ("-" for loss)	180,389.09	128,077.35
3. Operating profit ("-" for loss)	1,470,736,869.47	1,398,040,545.09
Add: Non-operating income	1,426,343.47	17,988,142.97
Less: Non-operating expenses	4,615,650.36	3,648,696.49
4. Profit before income tax expenses ("-" for loss)	1,467,547,562.58	1,412,379,991.57
Less: Income tax expenses	202,945,190.16	205,127,044.68
5. Net profit ("-" for net loss)	1,264,602,372.42	1,207,252,946.89
5.1 Classified by continuity of operations		
5.1.1 Net profit from continuing operations ("-" for net loss)	1,264,602,372.42	1,207,252,946.89
5.1.2 Net profit from discontinued operations ("-" for net loss)		
5.2 Classified by ownership of the equity		
5.2.1 Net profit attributable to shareholders of the Company ("-" for net loss)	1,264,633,578.95	1,226,061,335.07
5.2.2 Net profit attributable to non-controlling	-31,206.53	-18,808,388.18

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

interests ("-" for net loss)		
6. Other comprehensive income, net of tax	9,364,108.68	53,929,297.40
Other comprehensive income attributable to shareholders of the Company, net of tax	9,364,108.68	53,929,297.40
6.1 Other comprehensive income that will not be reclassified subsequently to profit or loss	807.00	
6.1.1 Changes caused by remeasurement of defined benefit pension schemes		
6.1.2 Share of the other comprehensive income of the investee accounted for using equity method that will not be reclassified subsequently to profit or loss		
6.1.3 Changes in fair value of other equity investments	807.00	
6.1.4 Changes in the fair value of the company's own credit risk		
6.1.5 Others		
6.2 Other comprehensive income that will be reclassified subsequently to profit or loss	9,363,301.68	53,929,297.40
6.2.1 Share of the other comprehensive income of the investee accounted for using equity method that will be reclassified subsequently to profit or loss		-524,693.70
6.2.2 Changes in fair value of other equity investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Allowance for credit impairments in other debt investments		
6.2.5 Cash flow hedge reserve		
6.2.6 Exchange differences on translation of foreign currency financial statements	9,363,301.68	54,453,991.10
6.2.7 Others		
Other comprehensive income attributable to non-controlling interests, net of tax		
7. Total comprehensive income	1,273,966,481.10	1,261,182,244.29
Total comprehensive income attributable to shareholders of the Company	1,273,997,687.63	1,279,990,632.47
Total comprehensive income attributable to non-controlling interests	-31,206.53	-18,808,388.18
8. Earnings per share:		
8.1 Basic earnings per share	0.57	0.55
8.2 Diluted earnings per share	0.57	0.55

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB 0.00 with the amount for the same period of last year being RMB 0.00.

Legal representative: Xu Zhigao

Chief Financial Officer: Ye Wei

Board Secretary: Ye Wei

4. Income Statement of the Company

Unit: RMB

Item	H1 2024	H1 2023
1. Operating revenue	0.00	9,433.96
Less: Cost of sales	0.00	0.00
Taxes and surcharges	23,538.06	40,349.85
Distribution and selling expenses		
General and administrative expenses	3,549,968.63	7,355,482.54

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

Research and development expenses		
Financial expenses	5,367,745.74	-1,188,161.14
Including: Interest expense	12,328,004.75	11,116,569.01
Interest income	7,710,432.20	12,897,500.79
Add: Other income	2,294,998.75	4,454,284.28
Investments income ("-" for loss)	2,448,220.44	1,212,602.75
Including: Share of profits and losses of joint ventures and associates		
Gain on derecognition of financial assets measured at amortised cost ("-" for loss)		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)	13,939,894.49	9,087,945.21
Impairment loss on credit ("-" for loss)		
Impairment loss on assets ("-" for loss)		
Gain on disposal of assets ("-" for loss)		
2. Operating profit ("-" for loss)	9,741,861.25	8,556,594.95
Add: Non-operating income	98,521.32	1,478.73
Less: Non-operating expenses	1.80	
3. Profit before income tax expenses ("-" for loss)	9,840,380.77	8,558,073.68
Less: Income tax expenses	1,198,368.27	2,454,842.97
4. Net profit ("-" for net loss)	8,642,012.50	6,103,230.71
4.1 Net profit from continuing operations ("-" for net loss)	8,642,012.50	6,103,230.71
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax		
5.1 Other comprehensive income that will not be reclassified subsequently to profit or loss		
5.1.1 Changes caused by remeasurement of defined benefit pension schemes		
5.1.2 Share of the other comprehensive income of the investee accounted for using equity method that will not be reclassified subsequently to profit or loss		
5.1.3 Changes in fair value of other equity investments		
5.1.4 Changes in the fair value of the company's own credit risk		
5.1.5 Others		
5.2 Other comprehensive income that will be reclassified subsequently to profit or loss		
5.2.1 Share of the other comprehensive income of the investee accounted for using equity method that will be reclassified subsequently to profit or loss		
5.2.2 Changes in fair value of other equity investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Allowance for credit impairments in other debt investments		
5.2.5 Cash flow hedge reserve		
5.2.6 Exchange differences on translation of foreign currency financial statements		
5.2.7 Others		
6. Total comprehensive income	8,642,012.50	6,103,230.71
7. Earnings per share:		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

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

5. Consolidated Cash Flow Statement

Unit: RMB

Item	H1 2024	H1 2023
1. Cash flows from operating activities:		
Cash received from the sales of goods or rendering services	9,620,114,536.93	8,013,861,147.65
Net increase in customer deposits and interbank deposits		
Net increase in loans from the central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in loans from other banks		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Refunds of taxes and levies	719,485.79	1,719,882.70
Cash received relating to other operating activities	139,944,356.80	148,031,300.57
Sub-total of cash inflows from operating activities	9,760,778,379.52	8,163,612,330.92
Cash paid for purchases of goods and services	1,702,546,188.13	1,473,884,579.03
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		
Payments for claims on original insurance contracts		
Net increase in loans to other banks		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and on behalf of employees	927,266,621.10	887,376,046.67
Payments of taxes and levies	398,069,513.84	379,073,806.45
Cash paid relating to other operating activities	4,603,712,541.46	3,103,320,722.36
Sub-total of cash outflows used in operating activities	7,631,594,864.53	5,843,655,154.51
Net cash flows from operating activities	2,129,183,514.99	2,319,957,176.41
2. Cash flows from investing activities:		
Cash received from disposal of investments	43,752,606.12	127,010,330.31
Cash received from investment income	210,370,371.13	78,491,745.68
Cash received from disposal of fixed assets, intangible assets and other long-term assets	469,762.92	1,499,959.98
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	9,639,667,817.18	7,872,668,719.59
Sub-total of cash inflows from investing activities	9,894,260,557.35	8,079,670,755.56
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	342,930,122.81	139,259,591.32
Cash paid to acquire investments	327,682,116.26	117,602,305.30
Net increase in pledged loans granted		
Net cash paid for the acquisition of subsidiaries	49,991.06	26,589.40

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

and other business units		
Cash paid relating to other investing activities	11,476,625,020.38	9,125,959,732.86
Sub-total of cash outflows used in investing activities	12,147,287,250.51	9,382,848,218.88
Net cash flows from/used in investing activities	-2,253,026,693.16	-1,303,177,463.32
3. Cash flows from financing activities:		
Cash received from capital contributions		320,000.00
Including: Cash received from capital contributions by non-controlling interests of subsidiaries		320,000.00
Cash received from borrowings	1,753,000,000.00	1,426,000,000.00
Cash received relating to other financing activities	873,000,000.00	65,000,000.00
Sub-total of cash inflows from financing activities	2,626,000,000.00	1,491,320,000.00
Cash repayments of borrowings	1,894,380,000.00	222,250,000.00
Cash paid for interest and dividends	1,316,399,138.66	1,028,631,589.17
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash paid relating to other financing activities	107,878,152.66	581,279,603.15
Sub-total of cash outflows used in financing activities	3,318,657,291.32	1,832,161,192.32
Net cash flows from/used in financing activities	-692,657,291.32	-340,841,192.32
4. Effect of foreign exchange rate changes on cash and cash equivalents	-23,853,609.89	5,558,563.66
5. Net increase/decrease in cash and cash equivalents	-840,354,079.38	681,497,084.43
Add: Cash and cash equivalents at beginning of the period	2,745,481,726.82	3,320,472,098.94
6. Cash and cash equivalents at end of the period	1,905,127,647.44	4,001,969,183.37

6. Cash Flow Statement of the Company

Unit: RMB

Item	H1 2024	H1 2023
1. Cash flows from operating activities:		
Cash received from the sales of goods or rendering services		10,000.00
Refunds of taxes and levies		
Cash received relating to other operating activities	2,098,673,269.47	1,117,210,020.74
Sub-total of cash inflows from operating activities	2,098,673,269.47	1,117,220,020.74
Cash paid for purchases of goods and services		
Cash paid to and on behalf of employees	189,244.00	1,501,203.60
Payments of taxes and levies	2,616,846.16	3,912,982.44
Cash paid relating to other operating activities	406,244,582.28	627,828,879.40
Sub-total of cash outflows used in operating activities	409,050,672.44	633,243,065.44
Net cash flows from/used in operating activities	1,689,622,597.03	483,976,955.30
2. Cash flows from investing activities:		
Cash received from disposal of investments		
Cash received from investment income	14,947,619.87	17,239,041.11
Cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	2,400,000,000.00	2,400,000,000.00
Sub-total of cash inflows from investing activities	2,414,947,619.87	2,417,239,041.11

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

Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid to acquire investments		
Net cash paid for the acquisition of subsidiaries and other business units		
Cash paid relating to other investing activities	2,700,000,000.00	2,380,000,000.00
Sub-total of cash outflows used in investing activities	2,700,000,000.00	2,380,000,000.00
Net cash flows from/used in investing activities	-285,052,380.13	37,239,041.11
3. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	300,000,000.00	490,000,000.00
Cash received relating to other financing activities		
Sub-total of cash inflows from financing activities	300,000,000.00	490,000,000.00
Cash repayments of borrowings	650,000,000.00	14,250,000.00
Cash paid for interest and dividends	1,288,380,197.59	1,006,413,029.76
Cash paid relating to other financing activities	100,704,439.97	0.00
Sub-total of cash outflows used in financing activities	2,039,084,637.56	1,020,663,029.76
Net cash flows from/used in financing activities	-1,739,084,637.56	-530,663,029.76
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase/decrease in cash and cash equivalents	-334,514,420.66	-9,447,033.35
Add: Cash and cash equivalents at beginning of the period	499,632,019.23	205,561,434.10
6. Cash and cash equivalents at end of the period	165,117,598.57	196,114,400.75

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

7. Consolidated Statement of Changes in Shareholders' Equity

H1 2024

Unit: RMB

Item	H1 2024														
	Equity attributable to shareholders of the Company												Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others			Sub-total
	Preferr ed shares	Perpet ual bonds	Othe rs												
1. Balance as at the end of prior year	2,217,864,281.00				2,823,040,832.04	300,524,656.78	-129,511,563.25		666,869,940.33		7,429,206,642.53		12,706,945,475.87	105,416,932.47	12,812,362,408.34
Add: Adjustments for changed accounting policies															
Adjustments for corrections of previous errors															
Others															
2. Balance as at beginning of year	2,217,864,281.00				2,823,040,832.04	300,524,656.78	-129,511,563.25		666,869,940.33		7,429,206,642.53		12,706,945,475.87	105,416,932.47	12,812,362,408.34
3. Increase/ decrease in the period ("-" for decrease)					40,875,956.38	100,704,439.97	9,364,108.68				-11,192,145.77		-61,656,520.68	4,575,943.36	-57,080,577.32
3.1 Total comprehensive income							9,363,301.68				1,264,633,578.95		1,273,996,880.63	-31,206.53	1,273,965,674.10
3.2 Capital contribution and withdrawal by shareholders					40,875,956.38	100,704,439.97							-59,828,483.59	4,607,149.89	-55,221,333.70

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

capital (or share capital)															
3.4.2 Surplus reserves transferred into capital (or share capital)															
3.4.3 Surplus reserves for making up losses															
3.4.4 Changes in defined benefit pension schemes transferred into retained earnings															
3.4.5 Other comprehensive income transferred into retained earnings							807.00				-807.00				
3.4.6 Others															
3.5 Special reserves															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Others															
4. Balance as at the end of the period	2,217,864,281.00				2,863,916,788.42	401,229,096.75	-120,147,454.57		666,869,940.33		7,418,014,496.76	12,645,288,955.19	109,992,875.83	12,755,281,831.02	

H1 2023

Unit: RMB

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

Item	H1 2023														
	Equity attributable to shareholders of the Company												Non-controlling interests	Total shareholders' equity	
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Retained earnings	Others			Sub-total
Preferred shares		Perpetual bonds	Others												
1. Balance as at the end of prior year	2,217,864,281.00				2,776,585,669.95	83,105,950.55	-153,044,746.45		666,869,940.33		6,758,838,410.54		12,184,007,604.82	128,597,499.21	12,312,605,104.03
Add: Adjustments for changed accounting policies															
Adjustments for corrections of previous errors															
Others															
2. Balance as at beginning of year	2,217,864,281.00				2,776,585,669.95	83,105,950.55	-153,044,746.45		666,869,940.33		6,758,838,410.54		12,184,007,604.82	128,597,499.21	12,312,605,104.03
3. Increase/decrease in the period ("-" for decrease)					75,583,606.35		53,929,297.40				230,255,503.92		359,768,407.67	-17,167,381.31	342,601,026.36
3.1 Total comprehensive income							53,929,297.40				1,226,061,335.07		1,279,990,632.47	-18,808,388.18	1,261,182,244.29
3.2 Capital contribution and withdrawal by shareholders					75,857,731.35								75,857,731.35	1,641,006.87	77,498,738.22
3.2.1 Common shares contribution and withdrawal by shareholders														1,419,479.94	1,419,479.94

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

3.2.2 Capital contribution and withdrawal by holders of other equity instruments															
3.2.3 Share-based payments included in shareholders' equity					75,857,731.35								75,857,731.35	221,526.93	76,079,258.28
3.2.4 Others															
3.3 Profit distribution											995,805,831.15		995,805,831.15		995,805,831.15
3.3.1 Appropriation to surplus reserves											0.00				
3.3.2 Appropriation to general risk reserves															
3.3.3 Distribution to shareholders											995,805,831.15		995,805,831.15		995,805,831.15
3.3.4 Others															
3.4 Internal transfers within shareholders' equity															
3.4.1 Capital reserves transferred into capital (or share capital)															
3.4.2 Surplus reserves transferred into capital (or															

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

share capital)															
3.4.3 Surplus reserves for making up losses															
3.4.4 Changes in defined benefit pension schemes transferred into retained earnings															
3.4.5 Other comprehensive income transferred into retained earnings															
3.4.6 Others															
3.5 Special reserves															
3.5.1 Increase in the period															
3.5.2 Used in the period															
3.6 Others					-274,125.00								-274,125.00		-274,125.00
4. Balance as at the end of the period	2,217,864,281.00				2,852,169,276.30	83,105,950.55	-99,115,449.05		666,869,940.33		6,989,093,914.46		12,543,776,012.49	111,430,117.90	12,655,206,130.39

8. Statement of Changes in Shareholders' Equity of the Company

H1 2024

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

Unit: RMB

Item	H1 2024											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Perpetual bonds	Others								
1. Balance as at the end of prior year	2,217,864,281.00				6,468,587,957.50	300,524,656.78	-60,000,000.00		1,108,932,140.50	4,846,565,105.07		14,281,424,827.29
Add:												
Adjustments for changed accounting policies												
Adjustments for corrections of previous errors												
Others												
2. Balance as at beginning of year	2,217,864,281.00				6,468,587,957.50	300,524,656.78	-60,000,000.00		1,108,932,140.50	4,846,565,105.07		14,281,424,827.29
3. Increase/ decrease in the period ("-" for decrease)					40,965,754.26	100,704,439.97				-1,267,182,905.22		-1,326,921,590.93
3.1 Total comprehensive income										8,642,012.50		8,642,012.50
3.2 Capital contribution and withdrawal by shareholders					40,965,754.26	100,704,439.97						-59,738,685.71
3.2.1 Common shares contribution and withdrawal by shareholders												
3.2.2 Capital contribution and withdrawal by holders of other equity instruments												
3.2.3 Share-based payments included in shareholders' equity					40,965,754.26							40,965,754.26

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

3.2.4 Others						100,704,439.97						-100,704,439.97	
3.3 Profit distribution												-1,275,824,917.72	-1,275,824,917.72
3.3.1 Appropriation to surplus reserves													
3.3.2 Distribution to shareholders												-1,275,824,917.72	-1,275,824,917.72
3.3.3 Others													
3.4 Internal transfers within shareholders' equity													
3.4.1 Capital reserves transferred into capital (or share capital)													
3.4.2 Surplus reserves transferred into capital (or share capital)													
3.4.3 Surplus reserves for making up losses													
3.4.4 Changes in defined benefit pension schemes transferred into retained earnings													
3.4.5 Other comprehensive income transferred into retained earnings													
3.4.6 Others													
3.5 Special reserves													
3.5.1 Increase in the period													
3.5.2 Used in the period													
3.6 Others													
4. Balance as at the end of the period	2,217,864,281.00					6,509,553,711.76	401,229,096.75	-60,000,000.00		1,108,932,140.50	3,579,382,199.85		12,954,503,236.36

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

Item	H1 2023											
	Share capital	Other equity instruments			Capital reserves	Less: Treasury shares	Other comprehensive income	Special reserves	Surplus reserves	Retained earnings	Others	Total shareholders' equity
		Preferred shares	Perpetual bonds	Others								
1. Balance as at the end of prior year	2,217,864,281.00				6,421,769,953.60	83,105,950.55	-60,000,000.00		1,108,932,140.50	5,128,476,475.91		14,733,936,900.46
Add: Adjustments for changed accounting policies												
Adjustments for corrections of previous errors												
Others												
2. Balance as at beginning of year	2,217,864,281.00				6,421,769,953.60	83,105,950.55	-60,000,000.00		1,108,932,140.50	5,128,476,475.91		14,733,936,900.46
3. Increase/ decrease in the period ("-" for decrease)					76,079,258.28					-989,702,600.44		-913,623,342.16
3.1 Total comprehensive income										6,103,230.71		6,103,230.71
3.2 Capital contribution and withdrawal by shareholders					76,079,258.28							76,079,258.28
3.2.1 Common shares contribution and withdrawal by shareholders												
3.2.2 Capital contribution and withdrawal by holders of other equity instruments												
3.2.3 Share-based payments included in shareholders' equity					76,079,258.28							76,079,258.28
3.2.4 Others												

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

3.3 Profit distribution										-995,805,831.15		-995,805,831.15
3.3.1 Appropriation to surplus reserves												
3.3.2 Distribution to shareholders										-995,805,831.15		-995,805,831.15
3.3.3 Others												
3.4 Internal transfers within shareholders' equity												
3.4.1 Capital reserves transferred into capital (or share capital)												
3.4.2 Surplus reserves transferred into capital (or share capital)												
3.4.3 Surplus reserves for making up losses												
3.4.4 Changes in defined benefit pension schemes transferred into retained earnings												
3.4.5 Other comprehensive income transferred into retained earnings												
3.4.6 Others												
3.5 Special reserves												
3.5.1 Increase in the period												
3.5.2 Used in the period												
3.6 Others												
4. Balance as at the end of the period	2,217,864,281.00				6,497,849,211.88	83,105,950.55	-60,000,000.00		1,108,932,140.50	4,138,773,875.47		13,820,313,558.30

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