

Full Giant Network Group Fiscal Year 2022 Overview

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Goals and objectives of the research	2
Disclaimers	2
Document markup	2
Conclusions	3
General information	3
Members of the Board and Managers	4
Employees	5
Shareholders	5
Shareholders Structure	5
Mergers, acquisitions, and subsidiaries	7
Company strategy	7
Games	8
Genres of games	8
List of games	9
Financial Statements for 2022 Fiscal Year Revenue Retrospective	11
Revenue Retrospective	11
Sales per Business	12
Sales by Products	12
Sales per Region	13
Dividend Information	14
Balance Sheet	14
Income Statement	15
Cashflow Statement	15
Criticism	16
Analyst's opinion	17
Summary	17
Sources List	18
META	19

Goals and objectives of the research

Research Objective: To study Giant Network Group's publicly available financial information, determine the company's development strategy, and compile an overview of its Annual Financial Reports.

Research Tasks:

- Find the company's comprehensive financial and corporate information;
- Analyze the gathered information;
- Draw conclusions based on the analyzed data.

Disclaimers

The information collected in this report reflects data from the company's public reports and is not questioned or verified via other sources. In other words, information from the company's public reports is taken and used as is.

If additional information from other sources is used or if the data used is reflective of the researcher's personal opinion, this will be labeled accordingly.

Document markup

- FY - Financial Year;
- GNG - Giant Network Group;
- This report uses the American number format: a period is used as the decimal separator, while commas separate thousands;
- Year-over-year (YoY) calculations of relative values were not performed in cases where last year's profit changed to a loss in the current year and vice versa within the scope of the current report;
- Giant Network Group report period is from January 1 to December 31, 2022;
 - The specified financial year coincides with the calendar year.

Conclusions

General information

Parameter	Giant Network Group
Website	ga-me.com
Country (location)	China
Country (issuer)	China *
Year of foundation	2006
Chairman	Shi Yuzhu
Sector	Software and Information Technology Services
Type	Public
Year of IPO	2011
Stock market	SZSE
Ticker	002558
Previous Annual Report from Data40	-
Previous Quarterly Report from Data40	-

Members of the Board and Managers¹

Board of Directors		
Name	Title	Since
Yuzhu Shi	Chairman	2016
Wei Liu	Director	2016
Wei Meng	Director	2021
Fa Bing Qu	Director	2016
Wenxian Gu	Independent Director	2023
Dongsheng Zhou	Independent Director	2023
Hong Ling	Independent Director	2023
Yongming Zhu	Chairman of the Supervisory Board	2016
Min Tang	Supervisor	2021
Ming Wu	Employee Representative to the Supervisory Board	2016

Executive Team		
Name	Title	Since
Guanglu Ren	CFO	2016
Wei Meng	Corporate Secretary	2020

¹ [Cninfo, GNG Company Executives](#)

Employees

Parameter	Giant Network Group
Number of Employees as of Dec 31, 2020	1,681 ²
Number of Employees as of Dec 31, 2021	1,413 ³
Number of Employees as of Dec 31, 2022	1,389 ⁴

Shareholders

Shareholders Structure

Ownership Breakdown as of Sep 28, 2023 ⁵		
Owner Type	Number of Shares	Ownership Percentage, %
Employee Share Scheme	60,731,398	3.20
Private Companies	295,005,967	15.52
Institutions	309,878,328	16.30
VC/PE Firms	564,205,115	29.69
General Public	670,741,163	35.29
Total Shares	1,900,561,971	100.00

Total Shares Outstanding - 1,900,561,971⁶ (as of April, 2023).

Total Shares Outstanding - 1,973,542,406⁷ (as of December 20, 2023).

² [GNG Annual Report 2020, p.60](#)

³ [GNG Annual Report 2021, p.48](#)

⁴ [GNG Annual Report 2022, p.39](#)

⁵ [SimplyWall, GNG Ownership](#)

⁶ [GNG Annual Report 2022, p.40](#)

⁷ [SZSE, Giant Network](#)

Top 10 Shareholders as of Dec 20, 2023 ⁸				
Name	Number of Shares	Current Value, ⁹ mill CNY	Last Reported Holding Date	Ownership Percentage, %
Shanghai Giant Investment Management Co., Ltd.	564,205,115	7,800.00	Sep 30, 2023	29.69
Shanghai Tengpeng Investment Partnership (Limited Partnership)	195,574,676	2,700.00	Sep 30, 2023	10.29
Giant Network Group Co., Ltd., ESOP	60,731,398	837.50	Sep 30, 2023	3.20
Shanghai Dinghui Baifu Investment Management Co., Ltd.	59,617,056	822.10	Sep 30, 2023	3.14
Shanghai Pengteng Investment Partnership	40,000,000	551.60	Sep 30, 2023	2.10
Shanghai Zhongjin Yiyuan Investment Consultation Center	36,911,394	509.00	Sep 30, 2023	1.94
E Fund Management Co., Ltd.	31,298,138	431.60	Jun 30, 2023	1.65
Shanghai Orient Securities Asset Management Co., Ltd.	23,309,233	321.40	Mar 31, 2023	1.23
Shanghai Laibu Investment Consulting Center	22,490,097	310.10	Sep 30, 2023	1.18
China Asset Management Co., Ltd.	21,968,270	302.90	Sep 30, 2023	1.16
Total Top 10	1,056,105,377	14,586.20	-	55.57

⁸ [SimplyWall, GNG Top Shareholders](#)

⁹ As of December 20, 2023

Mergers, acquisitions, and subsidiaries¹⁰

Name	Date	Price, mill CNY
LXgames	Mar 27, 2018	650

Subsidiaries list: [GNG Annual Report 2022, p.160-165](#).

Note: This section may not fully represent all the company's transactions, but within the scope of this current report, it presents the maximum amount of information available via open sources.

Company strategy^{11 12}

Giant Network Group Co., Ltd. researches, develops, and sells online games in China and internationally. It offers client and mobile games, as well as mobile Internet products.

Business Scope:

- Computer game software development and sales;
- online game publishing operations;
- the use of the Internet to sell game products;
- animation design and production;
- computer software and hardware design, system integration services, and data processing;
- design, production, publishing, domestic sales, and advertising;
- organization of cultural and artistic exchange activities without shows;
- hosting of exhibition activities;
- performance brokerage;
- radio and television program production;
- health counseling;
- goods and technology import and export business.

¹⁰ [Crunchbase, GNG Acquisitions](#)

¹¹ [GNG web, About Giant](#)

¹² [Cninfo, GNG Company Description](#)

Games

Genres of games

Main game genres:¹³

- Sandbox;
- Real-time strategy (RTS);
- Shooter:
 - FPS;
 - TPS;
- Multiplayer online battle arena (MOBA);
- Role-playing:
 - RPG;
 - ARPG;
 - CRPG;
 - MMORPG;
 - TRPG;
 - Roguelike;
 - Roguelite;
- Simulation and sports;
- Puzzler and party game;
- Action-adventure;
- Survival and horror;
- Platformer.

Note: This gaming genre structure, in our view, is the most comprehensive and flexible when specifying the genre of a particular game.

¹³ [Hp, Video Game Genres](#)

List of games^{14 15}

Giant Network Group		
Name	Genre	Platform
Dragon Ball: Legend of Space and Time	MMORPG	PC/Mobile
Ring the City	Action-Adventure	PC
Night of the Full Moon	Action-Adventure	Mobile/PC
Before Thirty	Simulation and sports	PC
The Encounter of Stars	Simulation and sports	Mobile
Project Dunk	Simulation and sports	PC
Twelve Weapons of God	Simulation and sports	Mobile
Fight Lass	TPS	Mobile
Pascal's Wager	ARPG	PC/Mobile
Battle of Balls	Fighting	Mobile
ZT Online	MMORPG	PC/Mobile
ZT Online 2	MMORPG	PC/Mobile
World of Xianxia	MMORPG	PC/Mobile
World of Xianxia 2	MMORPG	PC/Mobile
Elsword	MMORPG	PC
Street Basketball	Simulation and sports	Mobile
Street Basketball 2	Simulation and sports	Mobile
Space Action	Action-Adventure	Mobile

¹⁴ [GNG web, Client game](#)

¹⁵ [GNG web, Mobile game](#)

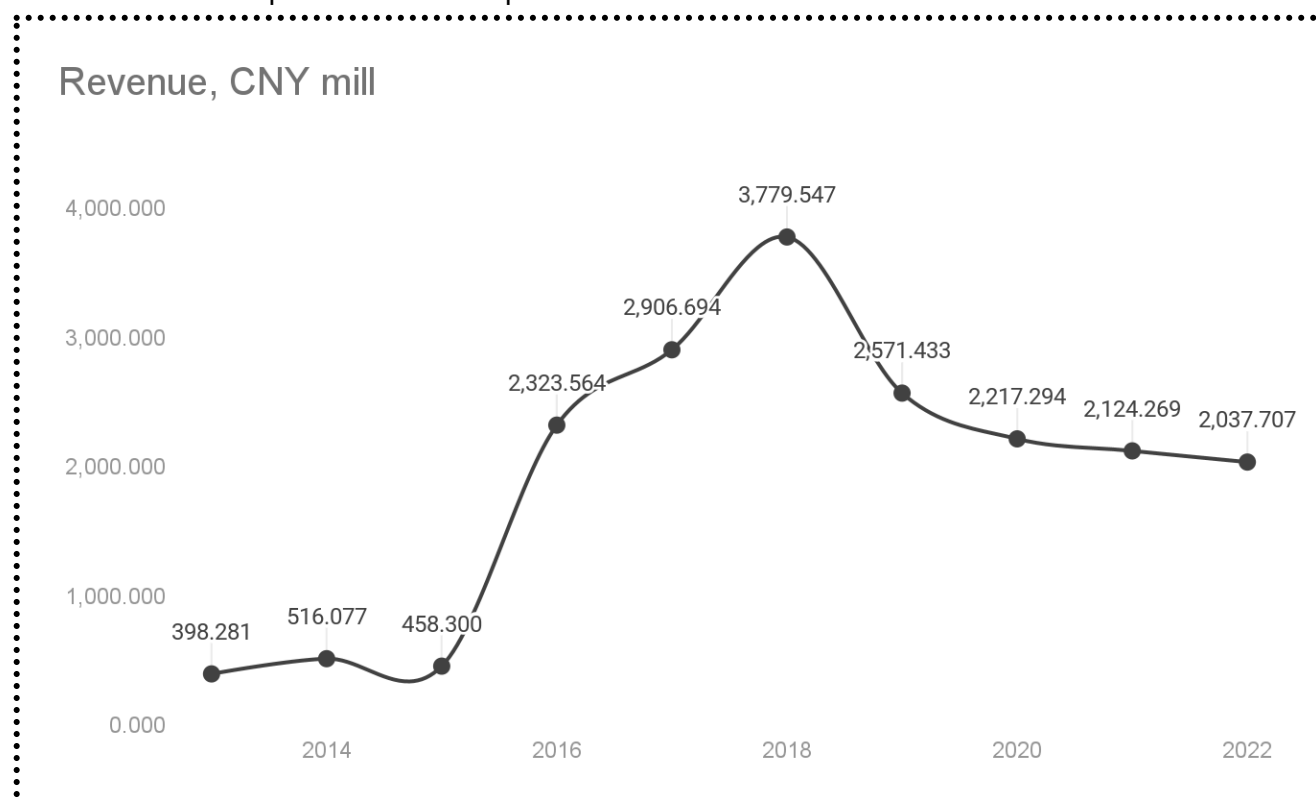
Genres percentages

Name	Amount	Percentage, %
MMORPG	6	33.33
Simulation and sports	6	33.33
Action-adventure	3	16.67
TPS	1	5.56
ARPG	1	5.56
Fighting	1	5.56
Total	18	100.00

Financial Statements for 2022 Fiscal Year Revenue Retrospective

Revenue Retrospective

Giant Network Group Revenue Retrospective for 2013-2022^{16 17 18}



Note: The company conducted an asset reorganization in April 2016. This asset reorganization involved a reverse acquisition, where the legal parent company, Chongqing New Century Cruise Line Co., Ltd., became a shell company, and the legal subsidiary, Shanghai Giant Network Technology Co., Ltd., became the accounting acquirer. Therefore, the consolidated financial statements were prepared on a reverse acquisition basis, and revenue figures are based on the consolidated financial statements of Giant Network, the accounting acquirer. Revenue figures for 2014 and 2015 in the reports: [GNG Annual Report 2017, p.7](#), and [GNG Annual Report 2016, p.8](#), differ from the revenue values in [GNG Annual Report 2015, p.7](#). Revenue figures for 2015, 2014, and 2013 from [GNG Annual Report 2015, p.7](#) were used in compiling the revenue retrospective.

¹⁶ [GNG, Financial Statements](#)

¹⁷ [GNG Annual Report 2017, p.7](#)

¹⁸ [GNG Annual Report 2015, p.7](#)

Sales per Business^{19 20}

Net Revenue Structure

(In million, except Percentages)

Parameter	2022, CNY	YoY, %	2021, CNY	YoY, %	2020, CNY
Game-related business income	2,025.000	-4.10	2,111.475	-4.17	2,203.350
Other operating income	12.708	-0.67	12.794	-8.25	13.944
Total Consolidated Revenue	2,037.707	-4.07	2,124.269	-4.20	2,217.294

Net Revenue Structure Percentages 2022

Parameter	Percentage, %
Game-related business income	99.38
Other operating income	0.62

Sales by Products^{21 22}

Sales Volume by Products

(In million, except Percentages)

Parameter	2022, CNY	YoY, %	2021, CNY	YoY, %	2020, CNY
Mobile online game revenue	1,140.735	4.92	1,087.200	-5.30	1,148.064
Computer-side online game revenue	827.743	-5.77	878.384	-7.77	952.413
Internet community tool revenue	20.261	62.91	12.437	-71.48	43.607
Other game-related business income	36.260	-72.83	133.454	125.18	59.266
Other business income	12.708	-0.67	12.794	-8.25	13.944
Total Consolidated Revenues	2,037.707	-4.07	2,124.269	-4.20	2,217.294

¹⁹ [GNG Annual Report 2022, p.16](#)

²⁰ [GNG Annual Report 2021, p.14](#)

²¹ [GNG Annual Report 2022, p.16](#)

²² [GNG Annual Report 2021, p.15](#)

Sales Volume by Products 2022 Percentages

Parameter	Percentage, %
Mobile online game revenue	55.98
Computer-side online game revenue	40.62
Internet community tool revenue	0.99
Other game-related business income	1.78
Other business income	0.63

Sales per Region^{23 24}

Sales per Region

(In million, except Percentages)

Parameter	2022, CNY	YoY, %	2021, CNY	YoY, %	2020, CNY
Within the territory	2,025.630	4.27	2,115.888	-4.17	2,207.848
Overseas	12.078	44.11	8.381	-11.28	9.447
Total Consolidated Revenues	2,037.707	-4.07	2,124.269	-4.20	2,217.294

Sales per Region 2022 Percentages

Parameter	Percentage, %
Within the territory	99.41
Overseas	0.59

²³ [GNG Annual Report 2022, p.16](#)

²⁴ [GNG Annual Report 2021, p.15](#)

Dividend Information²⁵

Parameter	2022, CNY	YoY, %	2021, CNY	YoY, %	2020, CNY
Per share	0.16	0.00	0.16	23.08	0.13

The company has been paying dividends since 2007.²⁶

Balance Sheet²⁷

(In million, except Percentages)

Parameter	at Dec 31, 2022, CNY	YoY, %	at Dec 31, 2021, CNY	YoY, %	at Dec 31, 2020, CNY
Assets					
Total Current Assets	2,307.411	-31.73	3,379.943	-16.63	4,053.993
Total Long-Term Assets	10,901.657	27.58	8,545.178	26.02	6,780.802
Total Assets	13,209.069	10.77	11,925.122	10.06	10,834.795
Liabilities					
Total Current Liabilities	1,216.448	78.95	679.760	-7.91	738.127
Total Long-Term Liabilities	91.085	-85.99	650.357	13.61	572.460
Total Liabilities	1,307.534	-1.70	1,330.117	1.49	1,310.586
Total Equity	11,901.535	12.33	10,595.005	11.24	9,524.209

²⁵ [Cninfo, GNG Dividend Data](#)

²⁶ [GNG Annual Report 2010, p.38](#)

²⁷ [Cninfo, GNG Financial Statements](#)

Income Statement^{28 29 30}

(In million, except EPS data and Percentages)

Parameter	2022, CNY	YoY, %	2021, CNY	YoY, %	2020, CNY
Revenue	2,037.707	-4.07	2,124.269	-4.20	2,217.294
Operating profit	831.252	-20.81	1,049.689	-4.58	1,100.088
Total Operating Income	831.252	-20.81	1,049.690	-4.58	1,100.088
Net Income	850.953	-14.43	994.510	-3.35	1,029.008
EPS Basic	0.46 CNY	-13.21	0.53 CNY	-1.85	0.54 CNY
EPS Diluted	0.46 CNY	-13.21	0.53 CNY	-1.85	0.54 CNY

Cashflow Statement³¹

(In million, except Percentages)

Parameter	2022, CNY	YoY, %	2021, CNY	YoY, %	2020, CNY
Cash flows from operating activities	736.854	15.51	637.939	-33.78	963.316
Cash flows from investing activities	(918.018)	89.86	(483.512)	-52.36	(1,014.985)
Cash flows from financing activities	(551.025)	-29.16	(777.893)	-18.31	(952.279)

²⁸ [Cninfo, GNG Financial Statements](#)

²⁹ [GNG Annual Report 2022, p.73-74](#)

³⁰ [GNG Annual Report 2021, p.78-80](#)

³¹ [Cninfo, GNG Financial Statements](#)

Criticism

In 2007, the American law firm Coughlin Stoia Geller Rudman & Robbins filed a class-action lawsuit against Giant Network, accusing the company of failing to timely disclose operational data and violating U.S. Securities Law.³²

In 2014, the American securities law firm Brower Piven and common shareholders of Giant Network filed a class-action lawsuit in the United States District Court for the Southern District of New York, alleging that the company's board members breached their duties when they agreed to acquire Giant Investments and Giant Merger. Under the terms of the agreement, shareholders of Giant Network will receive 12 USD per share as a result of the transaction. Upon completion of the deal, Giant Network will become a wholly-owned subsidiary, equivalent to transitioning from a publicly traded company to a private one.³³

After the release of the game "[Ring the City](#)" on the Steam platform, the gaming community expressed its dissatisfaction through negative reviews. Users noted the slow pace of gameplay and the lack of updates.³⁴

The game "[World of Xianxia 2](#)" has faced criticism from players on the Steam platform. In reviews, users criticized the optimization and gameplay, as well as viruses and background processes left by the game after uninstallation.³⁵

In 2019, a minor deposited 22,500 CNY into his account, and his parents sued the Shanghai Giant Network Company. The defendant, Shanghai Giant Network Technology Co., Ltd., objected to the jurisdiction, arguing that the contract in question was for network services. According to Article 23 of the Civil Procedure Law, the case should be heard by the Suihua District Court in Shanghai, where the defendant resides. The objection to jurisdiction by Shanghai Giant Network Technology Co., Ltd. was upheld, and the case was transferred to the People's Court of Suihua District in Shanghai.³⁶

In 2021, a user filed a lawsuit against the company. The case involved a dispute over a contract for network services. The court ruled that the company must lift the ban on plaintiff Zhang's gaming account in the game Battle of Balls.³⁷

In 2023, Giant Network faced legal proceedings over the game Street Basketball 2. Joy City, a subsidiary of the South Korean company JCE Co., Ltd., sued it for trademark infringement.³⁸

³² [Dzwww, "Giant Network" was caught in the "data scandal" and was subject to collective prosecution](#)

³³ [Sina, U.S. law firm launches class action lawsuit against Giant Network privatization](#)

³⁴ [Steam, Ring the City](#)

³⁵ [Steam, World of Xianxia](#)

³⁶ [Sina, A minor recharged 22,500 yuan, and Shanghai Giant Network Company was sued to court by his parents](#)

³⁷ [Ailegal.baidu, First instance civil judgment on the network service contract dispute between Zhang Moumou and Shanghai Giant Network Technology Co., Ltd.—\(2021\) Shanghai 0117 Minchu No. 2799](#)

³⁸ [Caifuhao, This sports category mobile game published by Giant Network is facing a trademark infringement lawsuit](#)

Analyst's opinion

Summary

Giant Network Group (GNG) is a Chinese company founded in 2006, engaged in the production and publishing of computer and mobile games. 99.41% of the company's sales in 2022 came from the domestic market.

The company's list of games consists of 18 titles, with the following distribution by genre: MMORPG - 6, Simulation and sports - 6, Action-adventure - 3, TPS (Third-Person Shooter) - 1, ARPG (Action Role-Playing Game) - 1, Fighting - 1.

Since 2011, the company's shares have been traded on the Shenzhen Stock Exchange under the code [002558](#). The Total Shares Outstanding were 1,973,542,406 as of December 20, 2023. The company has been paying dividends since 2007. In 2022, the dividend per share was 0.16 CNY. From 2007 to 2014, the company's shares were traded on the NYSE under the Ticker GA; privatization and delisting were completed on July 18, 2014.³⁹

In 2022, the revenue amounted to 2,037.707 million CNY, which is 4.07% less compared to 2021's 2,124.269 million CNY. Sales by Products in 2022: 55.98% - Mobile online game at 1,140.735 million CNY, 40.62% - Computer-side online game at 827.743 million CNY.

Net Income in 2022 amounted to 850.953 million CNY, which is 14.43% less than the net income in 2021, which was 994.510 million CNY.

Total Equity as of December 31, 2022, amounted to 11,901.535 million CNY, which is higher than the Total Equity as of December 31, 2021, at 10,595.005 million CNY by 12.33%. Total Current Assets as of December 31, 2022, amounted to 2,307.411 million CNY, exceeding Total Current Liabilities, which amounted to 1,216.448 million CNY, by 1,090.963 million CNY.

Throughout its existence, the company has faced negative user reviews about its products, lawsuits from shareholders regarding untimely disclosure of information, and breaches of duties by members of the board of directors, as well as lawsuits from users regarding disputes over network service contracts and services provided to minors. To maintain its reputation, the company is working to settle legal disputes.

³⁹ [Sina, Giant Network NYSE:GA](#)

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META



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