



Tanwan Inc. 贪玩
(Formerly known as ZX Inc. 中旭未来)

Stock Code 9890

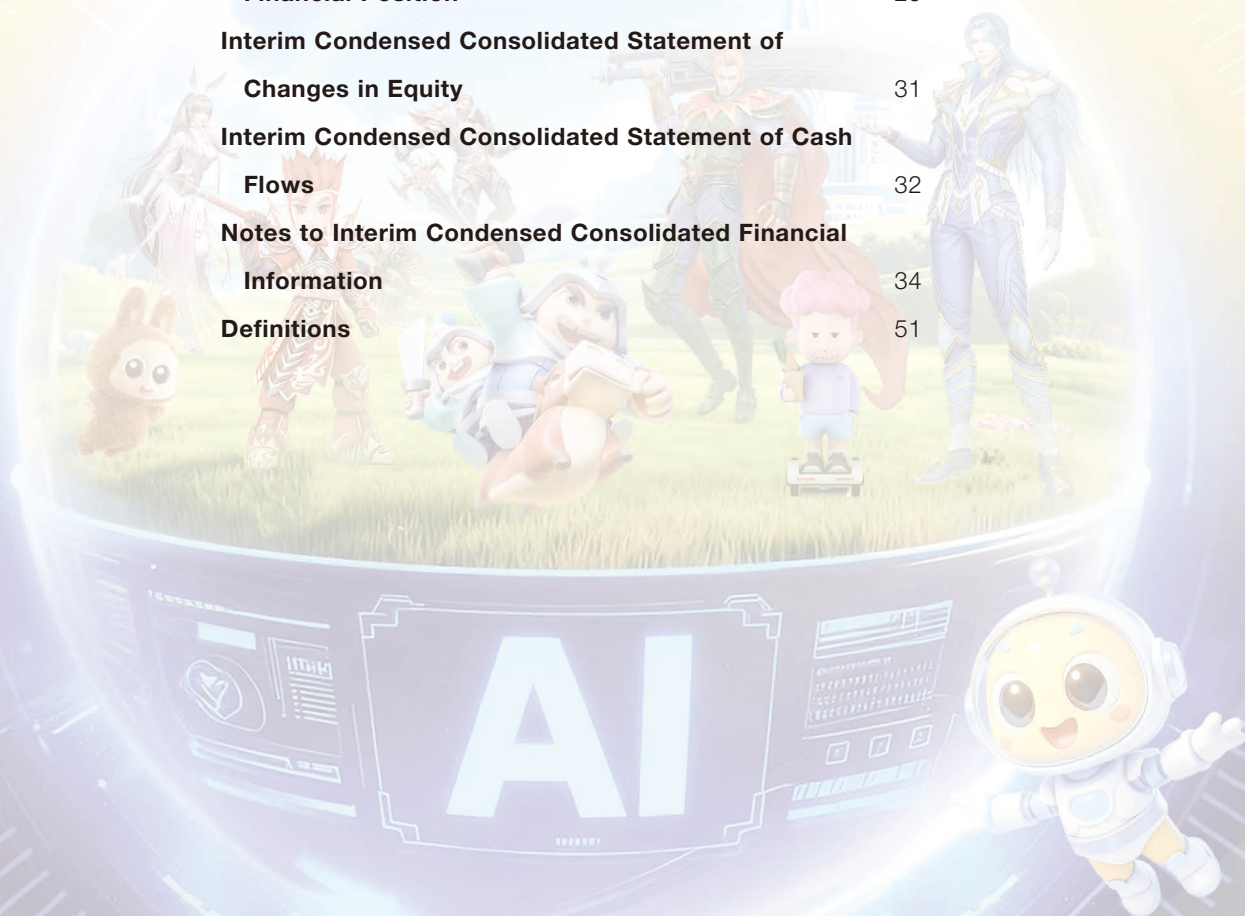
(Incorporated in the Cayman Islands with limited liability)

INTERIM REPORT 2025



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. WU Xubo (*Chairman, Chief Executive Officer*)

Ms. WU Xuan (*Chief Operating Officer*)

Independent Non-executive Directors

Ms. SONG Siyun

Mr. QIN Yongde

Ms. ZHENG Yi

AUDIT COMMITTEE

Ms. ZHENG Yi (*Chairlady*)

Ms. SONG Siyun

Mr. QIN Yongde

REMUNERATION COMMITTEE

Ms. SONG Siyun (*Chairlady*)

Mr. WU Xubo

Ms. ZHENG Yi

NOMINATION COMMITTEE

Mr. WU Xubo (*Chairman*)

Ms. SONG Siyun

Ms. ZHENG Yi

CHIEF EXECUTIVE OFFICER

Mr. WU Xubo (*since July 1, 2025*)*

Ms. LIANG Wenhong

(*from August 30, 2024 to July 1, 2025*)*

COMPANY SECRETARY

Ms. TSANG Wing Man

AUTHORIZED REPRESENTATIVES

Mr. WU Xubo

Ms. TSANG Wing Man

AUDITOR

Ernst & Young

Certified Public Accountant and

Registered Public Interest Entity Auditor

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

HONG KONG LEGAL ADVISER

Kirkland & Ellis

26/F, Gloucester Tower

The Landmark

15 Queen's Road Central

Hong Kong

REGISTERED OFFICE

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN THE PRC

Floors 41, 62-66,

Canton Financial Center

656 Huangpu Avenue

Tianhe District, Guangzhou

Guangdong

PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

40/F, Dah Sing Financial Centre

248 Queen's Road East

Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

INVESTOR RELATIONS

Email: IR@tanwan.com

COMPANY'S WEBSITE

<https://www.tanwan.cn/>

STOCK CODE

9890

Note: Ms. LIANG Wenhong resigned as the chief executive officer of the Company to focus on other business of the Group and Mr. WU Xubo was appointed as her successor, taking effect from July 1, 2025. Please refer to the Company's announcement dated June 30, 2025 for further details.



Letter to Shareholders

Dear Shareholders,

Everything flourishes in the beginning of mid-summer. On the occasion of the start of the mid year, we officially embark on a new journey under the name of “Tanwan Inc.” (“贪玩”). On behalf of the Board of Directors of Tanwan Inc., I would like to present this interim report to our Shareholders at this mid-year kick-off.

Looking back at our strategic deployment of “AI + game”, “internationalization of IP products” and “game + new consumption” in 2024, and reviewing the breakthrough growth in the first half of 2025, we are even more convinced that deep dedication and patience will ultimately be rewarded by time. In the future, Tanwan Inc. will continue to deepen the emotional connection with Shareholders, players and partners with a more unified image, and release stronger brand momentum.

Breaking through the situation and riding the momentum, we have strategically laid out the business landscape of the game industry, focusing on the three major business cores of “classic IP development + mini program game ecosystem + diversified product matrix”. The Company has built a premium IP matrix covering classic game IPs and top literary IPs, and its IPs include “Legend” (傳奇), “MU” (奇蹟), “Yulgang” (熱血江湖), “Soul Land” (《鬥羅大陸》), “The Smiling Proud Wanderer” (笑傲江湖), and “Condor Trilogy” (射雕三部曲). Through systematic IP operations, we have successfully transformed high-quality IP resources into sustainable content assets.

With meticulous craftsmanship and long-term dedication, we adhere to the business philosophy of “Timeless classics, everlasting innovation”, continuously cultivating classic IP games. Based on our understanding of the core needs of users and the empowerment of game technology, we have carried out refined operation and innovative revitalization of classic IPs such as “Legend” (傳奇), “MU” (奇蹟), “Yulgang” (熱血江湖), so that the classic works such as “Legend of Origin” (《原始傳奇》), “City of Dragontrail” (《龍蹟之城》), “All People’s Jianghu” (《全民江湖》), and “MU: Dragon Harvoc” (《神兵奇蹟》), which carry the memories of countless players, will be revitalized with a brand-new vitality beyond the times by consistently delivering content iteration and technological upgrades and achieve sustainable growth in game value.

Leveraging our core strengths in the IP game field, combined with our refined marketing strategy and mature operation system that we have accumulated over the years, we have conducted adaptive innovation for multiple classic IPs. We have successfully launched a number of mini program game versions such as “Legend of Origin” (《原始傳奇》), “All People’s Jianghu” (《全民江湖》), “Tiny Troopers” (《小兵大作戰》), and have constructed a three-dimensional mini program distribution network covering WeChat, Douyin, Alipay, Huawei and other mainstream platforms, which not only realized the efficient integration of cross platform user ecosystem, but also injected powerful momentum into the Group’s business growth.

Through the dual-track strategy of “cultural adaptation + content rejuvenation”, we have promoted a number of classic games to overseas markets, giving lasting vitality to our IPs and continuing to create high-quality games with both market influence and cultural value. Notably, our globalization deployment has achieved remarkable results, with a number of products performing well in overseas markets and the revenue of overseas games is increasing year by year, and overseas games are building up a new growth curve for us.

Letter to Shareholders

Amid the digital wave of the deep integration between artificial intelligence (AI) technology and the game industry, we have built an AI-empowered full-domain digital and intelligent strategic system. Through the transformation of automated operational decision-making and personalized user experience, we are reshaping the ecological pattern of the industry. We adopt multimodal AIGC (Artificial Intelligence Generated Content) technology to realize the real-time generation and iteration of dynamic marketing materials, as well as the optimization of AI marketing algorithms, which has brought significant benefits to the cost reduction and efficiency improvement of the Group's business. The Company's self-developed "X intelligent platform" (X智慧平台), "Hetu" (河圖) intelligence analytics engine and "Luoshu" (洛書) operation management platform have significantly enhanced the effectiveness of game promotions, the accuracy of user acquisition and the level of operation through AI algorithms and precise marketing technologies, fully empowering enterprises to transform and upgrade their digitalization. We have strategically invested in Hangzhou Jiyi Artificial Intelligence Technology (杭州極逸人工智能科技), deeply integrated the generative AI capabilities of the "SOON" multimodal large model, and focused on advancing the innovative application of large models and AI engines in the gaming field. This layout has not only built a full-link AI solution covering game R&D, distribution, and operation, but also laid a technical foundation for building a metaverse-level game ecosystem.

In terms of diversified business expansion, we are centering our strategy on the user ecosystem and are actively advancing into the "gaming + new consumption" track, encompassing both the pop toy business and the fast-food business. Leveraging the precise digital marketing capabilities, in-depth operation experience, and brand incubation capabilities accumulated by "Tan Wan" brand in the Internet field, we have experimentally launched vinyl plush pop toy dolls, marking a key step forward for us in the "digital IP materialization" track.

In terms of fast-food business, our brand "ZAZA GRAY" (渣渣灰) has successfully created a unique path of industrial integration. Leveraging the IP power of the game, we continue to strengthen the product positioning of "regional flavors + youth". Through the innovative mode of digital empowerment, we have not only achieved rapid growth and brand upgrading, but also directly driven local farmers to increase their income, fulfilling our social responsibility of supporting agriculture through the industry. We always believe that the integration of commercial value and social value is the key to long-term sustainable development.

2025 marks the 10th anniversary of the founding of Tanwan group. In the era where industry transformation is measured in months, we have consistently maintained our strategic strength and innovative vigor. Those explorations that were once regarded as adventurous have now precipitated into valuable strategic assets, and those attempts filled with uncertainty are now being transformed into certainty of growth momentum. Looking ahead, we will stand in the new era of AI economy, building a vibrant digital entertainment ecosystem with the game business as the strategic cornerstone, artificial intelligence as the core driver, and the new consumer industry as the pivot of innovation.

Last but not least, I would like to extend our gratitude to all Shareholders, players, customers and partners for their continuous support and trust, and all colleagues for their hard work. In this era of uncertainty, the only certainty is our unwavering belief in the pursuit of excellence. Tanwan Inc. is moving forward with a steady pace, and let us continue to work together to write a more brilliant chapter in the innovative industry of digital economy.

WU Xubo

Chairman of the Board of Tanwan Inc.



FINANCIAL SUMMARY

Condensed Consolidated Statement of Profit or Loss

	For the six months ended June 30	
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	2,004,579	3,225,776
Gross profit	1,213,646	2,364,169
Profit/(loss) before tax	784,867	(416,350)
Profit/(loss) for the period	649,596	(384,953)

Condensed Consolidated Statement of Financial Position

	June 30,	December 31,
	2025	2024
	RMB'000	RMB'000
	(unaudited)	(audited)
Non-current assets	1,717,789	1,599,422
Current assets	3,982,292	3,964,252
Non-current liabilities	42,779	39,466
Current liabilities	2,391,998	3,101,143
Total Equity	3,265,304	2,423,065

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

1. Industry Overview

According to the China Gaming Industry Report from January to June 2025 (《2025年1-6月中國遊戲產業報告》) jointly released by the Game Publishing Committee of China Audio-video and Digital Publishing Association (中國音數協遊戲工委) and the Expert Committee on Game Industry Research (遊戲產業研究專家委員會), from January to June 2025, the actual sales revenue of Chinese domestic gaming market reached a new height of RMB168 billion as compared to the corresponding period ever recorded, representing a year-on-year (“YOY”) increase of 14.08%, the number of game users in China reached approximately 679 million, representing a YOY increase of 0.72% and also setting a new historical peak.

On April 18, 2025, the National Press and Publication Administration (“國家新聞出版署”) and other authorities issued the Notice on the Science and Technology Innovation Leadership Plan for Online Publishing (《網絡出版科技創新引領計劃》) (the “**Plan**”) (Guo Xin Chu Fa [2025] No. 6). The Plan states that online publishing is an emerging publishing business format characterized by the deep integration of culture and technology. The Plan supports online publishing enterprises to establish R&D institutions such as corporate laboratories and technology centers focused on technologies related to online publishing, including artificial intelligence, big data, cloud computing and blockchain; promote the research and application of blockchain technology in areas such as copyright registration, rights protection, transactions and settlement; provide support for the joint R&D and adaptation of games and graphics processing units (GPUs) and other basic products.

On April 21, 2025, the State Council Information Office (“國務院新聞辦公室”) held a press conference to introduce the Comprehensive Pilot Work Project for Accelerating the Opening-up of the Service Industry (《加快推進服務業擴大開放綜合試點工作方案》) (the “**Project**”). The Project mentions supporting the open development of the digital industry, supporting the expansion of overseas gaming operations, broadening application scenarios, and establishing an entire industrial chain layout spanning IP creation, game production, distribution, and overseas operations.

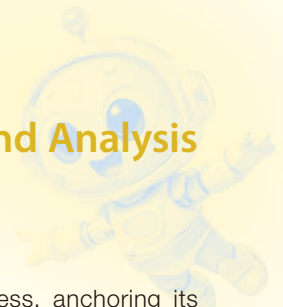
2. Main Strategies and Business Overview of the Company

With “Get back your playful youth time” as its founding aspiration and “Create joy to end-users and empower our business partners in the digital era” as its corporate mission, the Group is dedicated to becoming an AI-driven enterprise that brings delight to users and delivers premium services to game developers in the new era of “AI + Game”. Centering its business around the “global distribution and operation of IP products”, Tanwan leverages its capabilities in precision marketing and long-cycle operation to maximize the value of its game products.

For the six months ended June 30, 2025, the Group achieved a revenue of RMB2,004.6 million (same period in 2024: RMB3,225.8 million). The profit of the Group for the period was RMB649.6 million (same period in 2024: loss for the period was RMB385.0 million), achieving a turnaround from loss to profit.

The revenue from our overseas game business was RMB313.5 million, representing a YOY increase of 9.2% compared to RMB287.0 million in the same period of 2024, accounting for 15.6% of total revenue for the Reporting Period, representing an increase by 6.7 percentage points from 8.9% in the same period of 2024.

During the Reporting Period, the Group focused on the core business of global distribution and operation of IP products, continuously iterated and revitalized its classic game IPs, and actively introduced new high-quality IP game products to bring about a dual round of business development. With the powerful empowerment from the increased efficiency of game distribution material generation and optimization of placement model algorithms driven by our investment in AI technology R&D, the Group’s core advantages of precision marketing and long-term operation have been further enhanced, leading to an increase in the Group’s profit margin.



2.1 Game Segment

The Group adopts a “self-operation + co-operation” model to carry out game distribution business, anchoring its game product system in “refinement, diversification, globalization, and long-term operation”. With the deep empowerment of AI technology in game publishing business, the Group maximizes game value through precision marketing and long-term operation.

The Group continues to explore and innovate, and steadily advance its core strategy of “web games, mobile games, mini-programs, overseas markets, and globalization” (the “**Five-Step Distribution Strategy**”), on the basis of the successful distribution of web games and mobile games in history, it will further break through the huge potential of game distribution markets such as mini-programs, overseas markets, and global publishing operations. Today, the Group has established a multi-dimensional game distribution network with interconnected platforms, multi-regional coverage and comprehensive user reach.

In terms of product deployment, the Group distributes through a multi terminal layout mainly consisting of “App + mini-programs”, thereby reaching a wider user base and expanding the audience for its games. In terms of market coverage, the Group takes the domestic market as its foundation while proactively expanding overseas markets, continuously enhancing the global recognition and influence of game IPs.

2.1.1 Classic IPs: Revitalized Through Iteration to Transcend Generations

The Group continuously reshapes the value of classic IPs through ongoing iteration, upgrades and content innovation, refining quality games through these classic IPs. During the Reporting Period, the Group operated and promoted top-tier classic IPs including “Legend” (傳奇), “Yulgang” (熱血江湖) and “MU” (奇蹟MU).

“Legend” (傳奇)

“Legend” is one of the most influential super IPs in the history of China’s online game development. As a leading publisher of “Legend” IP games, the Group maintains close collaboration and investment ties with Zhejiang Century Huatong Group Co., Ltd. (浙江世紀華通集團股份有限公司) (SZSE: 002602) (“**Century Huatong**”), the authorized IP licensor in the PRC, and jointly established a game industry chain covering the entire process of “Legend” IP “R&D, distribution and operation” with Kingnet Network Co., Ltd. (愷英網絡股份有限公司) (SZSE: 002517) (“**Kingnet Network**”) and its wholly-owned subsidiary Zhejiang Shenghe Network Technology Co., Ltd. (浙江盛和網絡科技有限公司) (“**Shenghe Game**”).

Through technological innovation, the Group successfully achieved the transition of “Legend” IP games from PC to mobile internet. The related game products span multiple platforms, including mini-programs, mobile game apps, web-based games and client-based games, with distribution targeting global markets. In the field of mini program distribution for “Legend” games, the Group has achieved remarkable results, with the main products including “Legend of Origin” (《原始傳奇》), “City of Dragontrail” (《龍蹟之城》), “Swallowing Blade” (《吞食之刃》), “Blooded Attack” (《熱血合擊》) and “Tiger Guardian God of War” (《虎衛戰神》).

Management Discussion and Analysis

“Yulgang” (熱血江湖)

“Yulgang Online” (《熱血江湖Online》) was launched in 2005 by a South Korea company Mgame Co., Ltd. With its lighthearted and humorous martial arts style, distinctive character settings, and rich gameplay, the game attracted a large number of players, becoming a phenomenal martial arts IP game during the golden age of Chinese online games. The Group, in collaboration with Kingnet Network, has innovatively interpreted the “Yulgang” IP, making the spirit of chivalry continue to radiate vitality in the mobile era. The Group has also released multiple “Yulgang” IP mobile products, including “All People’s Jianghu” (《全民江湖》), with new products such as “Yulgang: Awakening” (《熱血江湖：覺醒》) planned for upcoming release.

“MU” (奇蹟MU)

“MU” (《奇蹟MU》) was a MMORPG online game developed by a South Korea company Webzen Inc. (網禪公司) in 2002. Since its global popularity, “MU” has transcended the boundaries of a single game, becoming a super IP that evokes strong player loyalty and holds huge commercial potential. The Group has delved deeply into this classic IP, conducting in-depth R&D collaboration with Shenghe Game to launch game products such as “MU: Dragon Harvoc” (《神兵奇蹟》), “War of Angels” (《天使之戰》) domestically, and “MU: Dragon Harvoc” (《奇蹟MU：無限金蛋》) and “MU: Classic Battle” (《奇蹟MU：經典之戰》) overseas, with distribution covering Chinese Hong Kong-Macau-Taiwan, Southeast Asia, Europe and America.

2.1.2 Premium IPs: Unlocking Value, Creating Diversified Premium Products

To implement the diversification strategy, the Group actively introduces premium IPs and maximizing IP value through creative reconstruction and digital enablement, forming a diversified IP matrix that crosses themes, categories and demographics, thereby expanding its diversified business ecosystem landscape. In IP chain deployment, the Group establishes deep collaborations with IP licensors and game developers through capital linkage, ecosystem co-construction, and technology empowerment, jointly exploring multidimensional development paths for IP content and unlocking IP value to create diversified premium games. In terms of thematic domains, premium IPs span diverse categories and themes, including open-world, Chinese-style martial arts, simulation management and casual competition. During the Reporting Period, premium IPs operated, promoted and reserved by the Group include “Soul Land”, as well as “Jin Yong Martial Arts” (《金庸武俠》) IP series encompassing “The Smiling Proud Wanderer” (《笑傲江湖》) and the “Condor Trilogy” (《射鵰三部曲》). Among these, the open-world large-scale 3D game “Soul Land: Legend of Evil Slayer” (《鬥羅大陸：誅邪傳說》), developed based on the “Soul Land” IP, is currently in active preparation.

2.1.3 Diversified Innovation Tracks: Continuously Expanding User Boundaries

While cultivating classic IPs and actively introducing premium IPs, the Group also proactively explores innovative breakthroughs in diverse and creative game tracks. Since 2024, the Group has successively launched new games in diverse and creative fields such as casual game, simulation games (SLG), MAG (Manga, Anime and Games) game and tower defense game, including the multi-player fast-paced casual competitive game, “Tiny Troopers” (《小兵大作戰》), and the first exploration SLG game featured with real animals themes in Chinese Mainland, “Beast Lord: The New Land” (《野獸領主：新世界》). Through differentiated content innovation, the Group continues to break through user layers and build a diversified game ecosystem with enduring vitality. The Group continuously expands its user boundaries to form a sustainable and diversified game business ecosystem.

2.1.4 Mini-Program Games: Pioneering New Growth Trajectories

The deployment in the mini-program games sector is becoming a critical component of the Group's game publishing business. Leveraging mature game distribution and operational experience, the Group combines the strengths of IP games with the lightweight nature of mini-program games. By fully utilizing the distribution and promotional experience and operational advantages in web games, client games and mobile games, the Group has adapted and innovated classic IPs such as "Legend", "Yulgang" and "MU", launching mini-program editions including "Legend of Origin", "City of Dragontrail", "MU: Dragon Harvoc" and "All People's Jianghu". This has successfully achieved cross-platform user migration and pioneered new growth trajectories. Concurrently, the Company actively deploys emerging categories of mini-program games such as leisure, martial arts RPG, tower defense. By leveraging the social fission features of mini-program platforms like WeChat, Douyin, Alipay and Huawei for rapid user acquisition, the Company has developed multiple mini-program games, among which the representative games include "Tiny Troopers" (《小兵大作戰》).

In terms of operational strategy, the Company maintains user activity through the "short-cycle iterations + social incentives" model to promote the iteration of game functions suitable for the characteristics of mini-programs and leverages the inherent social dissemination advantages of mini-programs to achieve low-cost user acquisition.

2.1.5 "Global Cross-Expansion" Market Development Strategy

The Group implements the business strategy of "global distribution + local cultural adaptation", coupled with comprehensive coordination through overseas KOL cultivation and deep community collaborations. As of June 30, 2025, the Group had successfully released and operated over 30 multilingual games in 11 different language versions in multiple international markets including Southeast Asia, Chinese Hong Kong-Macau-Taiwan, Japan, South Korea, Europe, the United States and the Middle East. Several game products have achieved outstanding rankings on top list, such as "Legend of Origin" (South Korea), "Blooded Attack" (South Korea), "All People's Jianghu" (Chinese Hong Kong-Macau-Taiwan, South Korea, Thailand, Vietnam) and "MU: Dragon Harvoc" (Europe, America, Brazil, Thailand, Vietnam), which topped Best-Selling List on iOS and Google Play in global markets. Additionally, the Group has more than ten overseas game reserves, including "Merge Kingdoms" (《小兵大作戰》Southeast Asia, Chinese Hong Kong-Macau-Taiwan, South Korea), "Stickman GO" (《超元气火柴人》) (Southeast Asia), "던전: 이세계 용사" (《榮耀全明星》South Korea), "Soul Land: Time Reversed" (《鬥羅大陸：逆轉時空》Southeast Asia) and "Anh Hùng Bất Diệt" (《英雄沒有閃》Vietnam).

In 2025, the Group officially integrated and upgraded its overseas game business distribution brand to "Game Lovin", marking a new phase in its globalization journey. Game Lovin represents the founding intention of the "Tan Wan Game" "Get back your playful youth time" and the unchanging love for games. By integrating core resources and professional capabilities of several overseas teams to build a more competitive international operation framework, the Group will further enhance its "global cross-expansion" market development strategy. Driven by dual wheels of innovation and localized operations, the Group will continuously expand into key markets including Southeast Asia, Japan, South Korea, Europe, the United States and the Middle East, committed to building a globally influential gaming ecosystem platform.

Management Discussion and Analysis

2.2 “AI+ Games” Empowering the Game Business

The Group attaches great importance to the application and innovation of AI technology in the gaming field, recognizing AI as a core driving force for enhancing the gaming experience and an important engine for promoting enterprise transformation.

With data-driven as the core and AI technology application as the essence, we have built an AI technology foundation for the full life cycle of the game business covering game publishing, game operation, and game development. Meanwhile, we are systematically building diverse artificial intelligent agents (AI Agent), leveraging autonomous AI task planning and intelligent execution engines to continuously optimize end-to-end business processes and achieve an intelligent leap in the productivity dimension.

2.2.1 AI-powered Upgrades for Self-developed Systems

During the Reporting Period, the Group fully integrated the large model DeepSeek, and upgraded its existing self-developed systems with AI through the integration and application of DeepSeek, Doubao (豆包) and other large models and AI algorithms. The Group also developed and built multiple comprehensive intelligent agents.

Intelligence Analytics System — the “Hetu” (河圖) System: The Group’s proprietary business intelligence analytics system, which is capable of efficiently monitoring core data metrics and intelligently analyzing marketing effectiveness. During the Reporting Period, we deeply integrated AI capabilities into the “Hetu” system, building an intelligent data analysis expert intelligent agent.

Intelligent Placement System — the “Luoshu” (洛書) System: It realizes the centralized management of various media platforms, matches customers’ needs with the traffic supply bidding systems of major channels, provides AI-driven omnichannel placement recommendations. During the Reporting Period, we have built the art intelligent agent and placement intelligent agent on the foundation of the “Luoshu” system. For the former, we utilized the accumulation of a vast amount of historical advertising material resources to figure out the core tags of the materials, optimize the material generation model and provide full-chain advertising material generation capabilities. For the latter, we employed AI algorithms to analyze historical data, monitor real-time fluctuations in traffic data, thereby achieving intelligent monitoring and adjustment of the advertising hierarchy.

“X intelligent platform” (X智慧平台): An AI model for the gaming industry independently developed by the Group, which is composed of the Hetu System and the Luoshu System as the underlying technology. It utilizes AI algorithms for big data analysis and provides AI-driven omnichannel placement recommendations.

Under the strategic guidance of “AI + Games”, the Group has made significant progress in game distribution material generation, optimization of advertising model algorithms and AI intelligent operations, leading to further improvement in the profit margin of the Group’s core gaming business.

2.2.2 Investment in the AI Industry

Investment in AI technology company: In May 2025, Hong Kong Yuanda Future Limited (香港遠達未來有限公司) (a wholly-owned subsidiary of the Group dedicated to AI applications and investments), entered into an investment agreement with entities including Hangzhou Kaixing Internet Technology Company Limited (杭州愷興網絡科技有限公司) (a wholly-owned subsidiary of Kingnet Network), to jointly invest in Hangzhou Jiye Artificial Intelligence Technology Company Limited (杭州極逸人工智能科技有限公司) and to promote the application of the “SOON” AI large model and AI engine in the gaming field.

Management Discussion and Analysis

By utilizing the technical support of the large model of “SOON”, the Group has achieved cost reduction and efficiency improvement in the release and operation of game products, and promoted the efficiency of the Group’s connection with game developers as well as the efficiency of new game launch testing.

2.3 New Consumption Segment

Our accumulated end-user insights enable us to identify additional needs of end-users. The Group’s new consumption segment encompasses sales of fast food and pop culture-related merchandise empowered by the content we created or marketed. In 2020, the Group launched the fast food brand “ZAZA GRAY” (渣渣灰), pioneering a tripartite business model integrating “gaming + agricultural assistance + new consumption”. Jiangxi mixed flour, Xinjiang fried rice noodles and other products under “ZAZA GRAY” brand have achieved leading sales performance in this category of products. We believe that the brand recognition gained from marketing and operating game products among end-users will facilitate business progress in the fast food sector. Through online live streaming and offline supermarket sales, we achieved deep integration between the digital economy and the real economy. Concurrently, by establishing direct procurement supply chains in collaboration with rural revitalization production zones, we explored sustainable rural revitalization models.

Since the Company started to enter the pop toy field in 2021 and launched original IP pop toys under the brand BroKooli, the Group has established a new pop toy business team in 2025 and has launched experimental vinyl plush toys. The Group will continue to focus on the pop toy business opportunity and cultivate related businesses through creative “Game + Pop Toy” strategies.

3. Outlook

The Group consistently adheres to the philosophy of high-quality development, deeply delving into the gaming ecosystem and building a diversified IP matrix. Under the global strategic deployment, the Group will continue to enhance the global distribution system of Five-Step Distribution Strategy, achieving stable business growth through refined placement, cultural profound adaptation and long-term operational strategies. We will also integrate AI technology to enhance operational efficiency and user retention, comprehensively empowering core aspects including game R&D, content production and player services. This will drive intelligent upgrades to the gaming experience, creating richer and more personalized experiences for players.

Regarding game reserves, the Group possesses a diverse pipeline. “Jin Yong Martial Arts” themed game “The Smiling Proud Wanderer: The Legend of Heroes” (《笑傲江湖：群俠傳》) has obtained publication numbers, while the game products, including “Soul Land” open-world games like “Soul Land: Legend of Evil Slayer” (《鬥羅大陸：誅邪傳說》), “Yulgang” IP games like “Yulgang: Awakening” (《熱血江湖：覺醒》), “Legend” large-scale MMORPG game like “Legend of King 2” (《王者傳奇2》), “MU” “New Moon Continent” (《新月大陸》), “Code Name: HD” (《代號：高清》), “Jin Yong Martial Arts” (《金庸武俠》) series encompassing “The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens” (《天龍八部2：飛龍戰天》) and the “Condor Trilogy” (《射鵰三部曲》), as well as anime-inspired role playing game like “Fantasy Dream Traveler” (《奇幻夢旅人》), are poised for imminent release and will be launched sequentially in the future, further enriching the Group’s product matrix.

Pursuant to a special resolution passed by the Company’s Shareholders at the extraordinary general meeting held on August 8, 2025, the English name of the Company has been changed from “ZX Inc.” to “Tanwan Inc.”, and the Chinese name “貪玩” has been adopted and registered as the dual foreign name of the Company, replacing its original Chinese name “中旭未來”. The Group was founded with the original intention of “Get back your playful youth time”. “Tanwan” has always been the core brand of our game distribution and operation business, deeply rooted in the hearts of the gamers. Following the name change, the Group’s “Tanwan” brand will collaborate with the overseas game publishing sub brand “Game Lovin” to jointly establish a dual-drive strategic framework, working together to unleash stronger brand momentum.

Management Discussion and Analysis

REVENUE

Our revenue is generated primarily from (i) marketing and operating online games developed by game developers; and (ii) emerging consumer product business, primarily including sales of our private-label fast foods under the brand “ZAZA GRAY”.

The following table sets forth a breakdown of our revenue both in absolute amount and as a percentage of our total revenue for the period indicated:

	For the Six Months Ended June 30			
	2025		2024	
	(RMB'000)	%	(RMB'000)	%
	(Unaudited)		(Unaudited)	
Online Game Publishing Business and Other Marketing Business				
Game products operated under the self-run model	1,386,744	69.2%	2,481,575	77.0%
Game products operated under the joint-run model	565,093	28.2%	668,542	20.7%
Others	427	0.0%	19,254	0.6%
Subtotal	1,952,264	97.4%	3,169,371	98.3%
Consumer Product Business	52,315	2.6%	56,405	1.7%
Total	2,004,579	100.0%	3,225,776	100.0%

For the six months ended June 30, 2025, the Group recorded revenue of RMB2,004.6 million (same period in 2024: RMB3,225.8 million), representing a decrease of 37.9% compared to the same period of 2024. This was primarily due to: (i) the Group’s optimization of game publishing and marketing efficiency and strategic shift towards the mini-program publishing market during the six months ended June 30, 2025, resulting in reduced overall promotional scale and lower gross billings for certain game titles; (ii) the revenue decline from game titles in the later stages of their life cycles during the Reporting Period; (iii) the decrease in gross billings during the Reporting Period from games launched in the first half of 2024, such as “Soul Land: Shrek Academy” (《鬥羅大陸：史萊克學院》), as compared to their strong performance in the same period of 2024; and (iv) the postponement of scheduled game launches in the Reporting Period due to extended development and testing phases.

For the six months ended June 30, 2025, our revenue generated from the game products we operate under the self-run model was RMB1,386.7 million, representing a decrease of 44.1% compared to RMB2,481.6 million in the same period of 2024, which was mainly due to the fact that several blockbuster games operated under the self-run model launched by the Group in the same period last year were well-received by players, thus contributing substantially to our revenue. However, the products that the Group plans to focus on launching under the self-run model are still in the reserve stages. For the six months ended June 30, 2025, our revenue generated from the game products we operate under the joint-run model was RMB565.1 million, representing a decrease of 15.5% compared to RMB668.5 million in the same period of 2024, mainly because certain existing game products under the joint-run model entered a later stage of their lifecycle.



COST OF SALES

For the six months ended June 30, 2025, the Group's cost of sales was RMB790.9 million (same period in 2024: RMB861.6 million), representing a slight decrease of 8.2% compared to the same period of 2024. The change was mainly due to a reduction in costs of services charged by the collaborating distribution platforms under the joint-run model, which is consistent with the decrease of our revenue generated from game products operated under the joint-run model.

GROSS PROFIT AND GROSS PROFIT MARGIN

For the six months ended June 30, 2025, the Group's total gross profit was RMB1,213.6 million (same period in 2024: RMB2,364.2 million), representing a decrease of 48.7% compared to the same period in 2024, which was primarily attributable to the high base effect resulting from the launch of several blockbuster games by the Group in the same period last year, which generated significant revenue and higher gross profits; whereas, the Group's pipeline products scheduled for launch this year are still in the reserve product stages of R&D and testing.

Consequently, the Group's gross profit margin for the six months ended June 30, 2025 was 60.5% (same period in 2024: 73.3%), representing a decrease of 12.8 percentage points compared to the same period of 2024.

OTHER INCOME AND GAINS

For the six months ended June 30, 2025, the Group's other income and gains amounted to RMB533.9 million (same period in 2024: RMB78.7 million), representing a significant increase compared to the same period of 2024, mainly due to an increase in fair value gains on financial assets at fair value through profit or loss ("FVTPL") resulting from the increase in the fair value of shares of other listed company held by the Group.

SELLING AND DISTRIBUTION EXPENSES

For the six months ended June 30, 2025, the Group's selling and distribution expenses were RMB843.7 million (same period in 2024: RMB2,288.8 million), representing a decrease of 63.1% compared to the same period of 2024. This was primarily due to (i) the decrease in user acquisition costs driven by the brand effect as certain game product portfolios distributed and operated by the Group during the Reporting Period entered a mature phase; (ii) the decrease in marketing expense ratios, primarily attributable to the application of AI technology for the automated generation of game distribution and promotion materials and optimization of placement model algorithms; and (iii) a decrease in overall compensation related to sales personnel, including share-based compensation.

ADMINISTRATIVE EXPENSES

For the six months ended June 30, 2025, the Group's administrative expenses were RMB71.0 million (same period in 2024: RMB112.5 million), representing a decrease of 36.9% compared to the same period of 2024, mainly due to a decrease in overall compensation related to administrative personnel, including share-based compensation, recorded during the Reporting Period.

R&D COSTS

For the six months ended June 30, 2025, the Group's R&D costs were RMB46.3 million (same period in 2024: RMB74.5 million), representing a decrease of 37.9% compared to the same period of 2024, mainly due to a decrease in overall compensation relevant to R&D personnel, including share-based compensation, recorded during the Reporting Period.

Management Discussion and Analysis

OTHER EXPENSES

For the six months ended June 30, 2025, the Group's other expenses were RMB5.1 million (same period in 2024: RMB367.1 million), representing a year-on-year decrease of 98.6%. The significant decrease in other expenses compared to the same period of 2024, primarily due to (i) the decrease of the recognized impairment losses on assets, including prepayments, fixed asset impairments, and goodwill in the same period of 2024 to nil as recognized for the Reporting Period; and (ii) the fair value losses on financial assets at fair value through profit or loss in relation to the shares of other listed company held by the Group recognized for the same period of 2024 turned into fair value gains during the Reporting Period, resulting in a significant decrease in other expenses during the Reporting Period.

FINANCE COSTS

For the six months ended June 30, 2025, the Group's finance costs were RMB7.7 million (same period in 2024: RMB28.2 million), representing a decrease of 72.7% compared to the same period of 2024. This was mainly due to (i) the decrease of finance cost of the Group's bills payable, which was in line with the decrease of the Group's bills payable; and (ii) the decline in interest rates leading to a decrease in finance costs.

SHARE OF PROFITS AND LOSSES OF JOINT VENTURES

For the six months ended June 30, 2025, the Group's share of profits and losses of joint ventures recorded a profit of RMB5.9 million (same period in 2024: RMB0.7 million), representing a significant increase compared to the same period of 2024. This change was mainly due to the increase in profits recorded by our joint venture, Zhejiang Xuwan Technology Co., Ltd. (浙江旭玩科技有限公司).

SHARE OF PROFITS AND LOSSES OF ASSOCIATES

For the six months ended June 30, 2025, the Group recorded a profit of RMB5.8 million (same period in 2024: RMB16.9 million), representing a decrease of 65.7% compared to the same period of 2024. This change was mainly due to the decrease in profits recorded by our associate Shanghai Dehan Technology Co., Ltd. (上海德寒科技有限公司).

PROFIT/(LOSS) BEFORE TAX

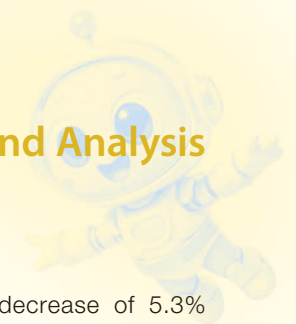
For the six months ended June 30, 2025, the Group recorded a profit before tax of RMB784.9 million (same period in 2024: a loss of RMB416.4 million).

INCOME TAX (EXPENSE)/CREDIT

For the six months ended June 30, 2025, the Group recorded income tax expense of RMB135.3 million (same period in 2024: credit of RMB31.4 million). The change was mainly due to the absence of the main factors that resulted in income tax credit in the same period of 2024 (asset impairment and changes in the fair value of shares of other listed company held by the Group) during the Reporting Period.

PROFIT/(LOSS) FOR THE PERIOD

For the six months ended June 30, 2025, the Group recorded a profit of RMB649.6 million. For the same period of 2024, the Group recorded a net loss of RMB385.0 million. The change was mainly due to (i) the turnaround from fair value losses to the fair value gains on financial assets at FVTPL related to shares of other listed company held by the Group; (ii) the decrease in user acquisition costs driven by the brand effect as certain game product portfolios distributed and operated by the Group during the Reporting Period entered a mature phase; (iii) the decrease in marketing expense ratios, primarily attributable to the application of AI technology for the automated generation of game distribution and promotion materials and optimization of placement model algorithms; and (iv) an increase in revenue from overseas game distribution business with higher operating profit margins.



TRADE RECEIVABLES

As of June 30, 2025, the Group's net trade receivables were RMB224.6 million, representing a decrease of 5.3% compared to RMB237.2 million as of December 31, 2024, which remained stable overall.

TRADE PAYABLES

As of June 30, 2025 and December 31, 2024, the Group's trade payables remained relatively stable at RMB483.7 million and RMB475.5 million, respectively.

BILLS PAYABLE

As of June 30, 2025, the Group's bills payable were RMB1,052.8 million, representing a decrease of 31.2% compared to RMB1,530.1 million as of December 31, 2024, mainly due to a decrease in payments to suppliers settled using bank acceptance bills during the Reporting Period.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2025, the Group had cash and cash equivalents of RMB501.6 million (December 31, 2024: RMB515.0 million), representing cash and bank balance, net of restricted cash. Cash and cash equivalents were held in RMB, Singapore Dollars, HK dollars, US dollars, Japanese yen and Euros. Going forward, the Group believes that its liquidity requirements will be satisfied by using a combination of cash generated from operating activities, funds raised from the capital markets from time to time and the net proceeds received from the Global Offering. The Group currently does not have any other plans for material additional external financing.

BANK BORROWINGS

As of June 30, 2025, the Group had interest-bearing bank and other borrowings of RMB37.7 million (December 31, 2024: RMB199.6 million). The Group's interest-bearing bank and other borrowings were discounted bills and bank loans provided by commercial banks to the Group, both of which were fully secured by pledges during the ordinary course of business. The interest-bearing bank and other borrowings were denominated in RMB and bore interests at rates ranging from 1.05% to 1.45% per annum.

GEARING RATIO

The Group monitored its capital sufficiency using gearing ratio. As of June 30, 2025, the Group's gearing ratio (total debt, including interest-bearing bank borrowings and lease liabilities, as a percentage of total equity as of the end of the relevant reporting period) was 0.03 (December 31, 2024: 0.10).

CURRENT RATIO

As of June 30, 2025, the Group's current ratio (total current assets divided by total current liabilities as of the end of the relevant reporting period) was 1.66 (December 31, 2024: 1.28).

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

As of June 30, 2025, the Group held no significant investments (including any investments in target companies with a value equal to or exceeding 5% of the Group's total assets).

For the six months ended June 30, 2025, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

For the six months ended June 30, 2025, the Group had no specific plan for material investments and acquisition or disposal of capital assets.

CAPITAL EXPENDITURE

For the six months ended June 30, 2025, total capital expenditure amounted to approximately RMB4.8 million (same period in 2024: RMB23.2 million), which was used for the purchase of properties and equipment and other intangible assets.

CONTINGENT LIABILITIES

As of June 30, 2025, the Group did not have any material contingent liabilities, guarantees of any litigations or claims of material importance, pending or threatened against any member of the Company.

FOREIGN EXCHANGE RISK AND HEDGING

The Group's financial statements were expressed in RMB, but the Group undertook certain transactions in foreign currencies, which exposed the Group to foreign currency risk. The Group currently does not hold any financial instruments for hedging purposes. The Group manages its currency risks by closely monitoring the movement of the foreign currency rates and considers hedging significant foreign currency exposure should the need arise.

EMPLOYEE, REMUNERATION AND OPTION SCHEME

As of June 30, 2025, the Group had 958 employees (December 31, 2024: 912), all of whom were based in China (including Chinese Hong Kong-Macau-Taiwan). The number of employees employed by the Group varies from time to time depending on need, and the remuneration of employees is determined in accordance with industry practice. The total remuneration cost incurred by the Group for the six months ended June 30, 2025 was RMB131.0 million (same period in 2024: RMB218.9 million), representing a decrease of 40.2% compared to the same period of 2024.

The Group compensates its employees with salaries, allowances and benefits in kind, equity-settled share payment expenses and pension scheme contributions. The Company determines employees' compensation packages on the basis of work performance and the market standard of remuneration. The Company also makes sufficient provisions for its employees regarding the social insurance and housing provident fund contributions as required by the PRC laws and regulations.

The Group operates a mandatory provident fund scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees.

The Group has also adopted a pre-IPO share option plan to provide incentives for eligible participants who contribute to the success of the Group's operations, including among others, employees of the Group. Please refer to the section headed “Statutory and General Information — D. Pre-IPO Share Option Plans” in Appendix IV to the Prospectus for further details.

The Group regularly reviews the remuneration policy and overall remuneration of its employees. For the six months ended June 30, 2025, the Group did not experience any material labor disputes or strikes that may have a material and adverse effect on its business, financial condition or results of operations, or any difficulty in recruiting employees.

CHARGE ON ASSETS

As of June 30, 2025, the Group had pledged (i) time deposits of RMB1,572.0 million (December 31, 2024: RMB2,176.3 million); and (ii) fixed assets and investment properties with an aggregate carrying amount of RMB55.9 million (December 31, 2024: RMB56.6 million), which had been acting as a security for the discounted bills, bills payable and bank loans made available to the Group.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the Company's Shareholders at the extraordinary general meeting held on August 8, 2025 and the Certificate of Incorporation on Change of Name issued by the Registrar of Companies in Cayman Islands, the English name of the Company has been changed from "ZX Inc." to "Tanwan Inc.", and the Chinese name "贪玩" has been adopted and registered as the dual foreign name of the Company, replacing its original Chinese name "中旭未来" ("**Change of Company Name**"), both with effect from August 8, 2025. The Hong Kong Registrar of Companies has issued the Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company on August 25, 2025, confirming that the Company has changed its name and is now registered in Hong Kong under the name of "Tanwan Inc. 贪玩" in accordance with Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Details of the Change of Company Name are set out in the circular of the Company dated July 21, 2025, the poll results announcement of the extraordinary general meeting dated August 8, 2025, and the announcement of the Company dated August 28, 2025.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As of June 30, 2025, the interests and short positions of the Directors or chief executives of the Company and their associates in any of the Shares, underlying Shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

Interest in Shares and underlying Shares

Name of Director/chief executive	Nature of interest	Number of ordinary shares	Approximate percentage of shareholding in the associated corporation
Mr. WU Xubo ⁽¹⁾⁽²⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in controlled corporation ⁽¹⁾	266,449,400 (L)	49.85% (L)
	Beneficial interest ⁽²⁾	4,255,157 (L)	0.80% (L)
Ms. WU Xuan ⁽³⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in controlled corporation ⁽³⁾	38,487,000 (L)	7.20% (L)
Ms. LIANG Wenhong ⁽⁴⁾	Interest in controlled corporation ⁽⁴⁾	7,500,000 (L)	1.40% (L)

(L) denotes a long position

Notes:

- (1) Mr. WU Xubo is interested in 266,449,400 Shares through WXB BVI 2, which is owned by WXB BVI 1 and WXB Holdco as to 50.0% and 50.0%, respectively. WxLand Trust was established by Mr. WU Xubo as the settlor and TMF (Cayman) Ltd. as the trustee. WxLand Trust is a discretionary trust and its beneficiaries are Mr. WU Xubo and WXB BVI 1. Mr. WU Xubo is also a director of each of WXB BVI 1 and WXB BVI 2. WXB BVI 2 holds 264,263,000 Shares directly. In addition, 2,186,400 Shares were repurchased by the Company and held as treasury Shares as of June 30, 2025. Since Mr. WU Xubo indirectly controls one-third or more of the voting power at the Company's general meetings, he is also taken to have an interest in such 2,186,400 treasury Shares of the Company under SFO.
- (2) Mr. WU Xubo was granted options under the Pre-IPO Share Option Plan on November 16, 2022, March 16, 2023, March 31, 2023, June 30, 2023, July 31, 2023 and September 7, 2023 to subscribe for 3,819,592 Shares, 61,855 Shares, 10,309 Shares, 167,525 Shares, 41,237 Shares and 154,639 Shares, respectively.
- (3) Ms. WU Xuan held her Shares through WxZela International Ltd, which is wholly-owned by Zela Holding Limited, and is in turn wholly-owned by WxZela Trust. WxZela Trust is a discretionary trust established by Ms. WU Xuan (as settlor) for the benefit of WxZela Holding Limited, a BVI company wholly-owned by Ms. WU Xuan, and is managed by Hanssen Trust Limited ("**Hanssen Trust**"). Ms. WU Xuan is also a director of each of WxZela International Ltd and Zela Holding Limited.
- (4) Ms. LIANG Wenhong holds her Shares through WxFire Holding Limited, a company wholly controlled by her.



Interest in Associated Corporation

Name of Director/chief executive	Nature of interest	Associated Corporation	Number of ordinary shares (registered share capital (RMB))	Approximate percentage of shareholding in the associated corporation
Mr. WU Xubo	Interest in controlled corporation ⁽¹⁾	Jiangxi Tanwan	4,550,000 (L)	45.50% (L)
	Beneficial Owner ⁽¹⁾		635,260 (L)	6.35% (L)
Ms. WU Xuan	Interest in controlled corporation ⁽²⁾	Jiangxi Tanwan	1,164,740 (L)	11.65% (L)
	Beneficial Owner ⁽²⁾		300,000 (L)	3.00% (L)

(L) denotes a long position

Notes:

- (1) Mr. WU Xubo held approximately 6.35% equity interests in Jiangxi Tanwan directly. Shangrao Hongbang Enterprise Management Center (Limited Partnership) (上饒縣宏邦企業管理中心(有限合夥)), the general partner of which is Mr. WU Xubo, held 45.50% equity interests in Jiangxi Tanwan.
- (2) Ms. WU Xuan held 3.00% equity interests in Jiangxi Tanwan directly. Shangrao Qichuang Enterprise Management Center (Limited Partnership) (上饒市齊創企業管理中心(有限合夥)), the general partner of which is Ms. WU Xuan, held approximately 11.65% equity interests in Jiangxi Tanwan.

As of June 30, 2025, save as disclosed above, so far as is known to any Director or the chief executive of the Company, none of the Directors nor the chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As of June 30, 2025, so far as the Directors are aware, the persons who held interests and/or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, are set out below:

Name of Shareholder	Nature of interest	Number of Ordinary Shares	Approximate percentage of shareholding in the total issued share capital
Mr. WU Xubo ⁽¹⁾⁽²⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in a controlled corporation ⁽¹⁾	266,449,400 (L)	49.85% (L)
	Beneficial interest ⁽²⁾	4,255,157 (L)	0.80% (L)
WXB BVI 2 ⁽¹⁾	Beneficial interest	266,449,400 (L)	49.85% (L)
WXB BVI 1 ⁽¹⁾	Interest in a controlled corporation	266,449,400 (L)	49.85% (L)
WXB Holdco ⁽¹⁾	Interest in a controlled corporation	266,449,400 (L)	49.85% (L)
TMF (Cayman) Ltd. ⁽¹⁾	Trustee of a trust	266,449,400 (L)	49.85% (L)
Ms. WU Xuan ⁽³⁾	Settlor of a discretionary trust; beneficiary of a trust; interest in controlled corporation ⁽³⁾	38,487,000 (L)	7.20% (L)
WxZela International Ltd ⁽³⁾	Beneficial interest	38,487,000 (L)	7.20% (L)
Zela Holding Limited ⁽³⁾	Interest in a controlled corporation	38,487,000 (L)	7.20% (L)
Hanssen Trust ⁽⁴⁾	Trustee of a trust	63,487,000 (L)	11.88% (L)

(L) denotes a long position

Notes:

- (1) Mr. WU Xubo is interested in 266,449,400 Shares through WXB BVI 2, which is owned by WXB BVI 1 and WXB Holdco as to 50.0% and 50.0%, respectively. WxLand Trust was established by Mr. WU Xubo as the settlor and TMF (Cayman) Ltd. as the trustee. WxLand Trust is a discretionary trust and its beneficiaries are Mr. WU Xubo and WXB BVI 1. WXB BVI 2 holds 264,263,000 Shares directly. In addition, 2,186,400 Shares were repurchased by the Company and held as treasury Shares as of June 30, 2025. Since the Controlling Shareholders controlled one-third or more of the voting power at the Company's general meetings, each of the Controlling Shareholders and TMF (Cayman) Ltd. is also taken to have an interest in such 2,186,400 treasury Shares of the Company under SFO.
- (2) Mr. WU Xubo was granted options under the Pre-IPO Share Option Plan on November 16, 2022, March 16, 2023, March 31, 2023, June 30, 2023, July 31, 2023 and September 7, 2023 to subscribe for 3,819,592 Shares, 61,855 Shares, 10,309 Shares, 167,525 Shares, 41,237 Shares and 154,639 Shares, respectively.
- (3) Ms. WU Xuan held her Shares through WxZela International Ltd, which is wholly-owned by Zela Holding Limited, and is in turn wholly owned by WxZela Trust. WxZela Trust is a discretionary trust established by Ms. WU Xuan (as settlor) for the benefit of WxZela Holding Limited, a BVI company wholly-owned by Ms. WU Xuan, and is managed by Hanssen Trust.
- (4) Hanssen Trust serves as the trustee of the relevant trust. Among them, 38,487,000 shares are held by WxZela International Ltd, which is ultimately held by Ms. Wu Xuan as the relevant trust grantor. 25,000,000 shares are held by W.xh International Ltd, which controlled by an employee of the Company as the relevant trust grantor.

As of June 30, 2025, save as disclosed above, the Directors and the chief executives of the Company are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares of the Company which would be required to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO; or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CONTRACTUAL ARRANGEMENTS

The Board has reviewed the overall performance of the Contractual Arrangements and believes that the Group complied with the Contractual Arrangements in all material respects during the Reporting Period and up to the date of this interim report. Please refer to the section headed "Contractual Arrangements" of the Prospectus for details.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any subsidiaries nor Consolidated Affiliate Entities of the Group have purchased, redeemed or sold any of the listed securities of the Company for the six months ended June 30, 2025.

USE OF NET PROCEEDS FROM GLOBAL OFFERING

On September 28, 2023, the Shares of the Company were listed on the Main Board of the Stock Exchange. The net proceeds from the Global Offering, after deducting underwriting discounts and commissions, were approximately HKD135.8 million, which will be used in accordance with the intended use of net proceeds as disclosed in the Prospectus by the Company.

As of June 30, 2025, approximately HKD135.8 million of the net proceeds of the Global Offering had been utilized as follows:

	Allocation of net proceeds from the Global Offering in the proportion disclosed in the Prospectus		Amounts unutilized as of January 1, 2025	Proceeds from the Global Offering utilized during the Reporting Period	Amounts unutilized as of June 30, 2025	Expected timeline of full utilization of the unutilized proceeds from the Global Offering
	HKD million	Percentage	HKD million	HKD million	HKD million	
Enhancing and expanding online game publishing business and other marketing business and consumer product business	40.7	30.0%	28.5	3.3	25.2	By the end of 2027
Expanding and deepening the partnership with major market participants throughout the full lifecycle value chain	40.7	30.0%	28.6	5.2	23.4	By the end of 2027
Improving technology infrastructure and enhancing internal research and development capabilities	13.6	10.0%	9.5	1.6	7.9	By the end of 2027
Supporting overall strategies of expanding into select markets outside China and developing overseas operation	13.6	10.0%	9.5	1.4	8.1	By the end of 2027
Exploring potential strategic acquisition opportunities	13.6	10.0%	13.1	3.4	9.7	By the end of 2027
Working capital and general corporate purposes	13.6	10.0%	9.4	3.4	6.0	By the end of 2027
Total	135.8	100.0%	98.6	18.3	80.3	

Other Information

As of June 30, 2025, all the unutilized net proceeds were held by the Company in short-term deposits with licensed banks or authorized financial institutions in Hong Kong and the PRC.

The unutilized amount is expected to be used in accordance with the Company's plan as disclosed in the Prospectus. The Company will continue to evaluate market conditions and adopt a prudent and flexible approach for utilizing the net proceeds and will ensure the net proceeds will be used effectively and efficiently for long-term benefit and development of the Group. The expected timeline of full utilization set out above is based on the Directors' best estimation barring unforeseen circumstances, and is subject to change in light of future development of market conditions.

Purchase, Sale or Redemption of Listed Securities

On June 21, 2024, the Board has been granted a general mandate to repurchase Shares in the open market of not exceeding 10% of the total number of the issued Shares (excluding treasury shares) as of June 21, 2024, and on June 19, 2025, the Board has been granted general mandate to repurchase Shares in the open market of not exceeding 10% of the total number of the issued Shares (excluding treasury shares) as of June 19, 2025.

During the six months ended June 30, 2025, the Company has repurchased 2,186,400 Shares on the Stock Exchange at an aggregate consideration of HK\$25.3 million (excluding brokerage and other fees), of which 2,186,400 Shares are held as treasury Shares. Subject to applicable Listing Rules, the Company may cancel such treasury Shares or make alternative plans depending on market conditions and capital management needs. Details of the Shares repurchased are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share		Aggregate consideration (excluding brokerage and other fees) HK\$ million
		Highest	Lowest	
		HK\$	HK\$	
May 2025	1,041,400	10.20	9.65	10.2
June 2025	1,145,000	15.20	10.12	15.1

Saved as disclosed above, neither the Company nor any member of the Group has purchased, sold or redeemed any of the listed securities of the Company (including the sale of treasury shares) for the six months ended June 30, 2025.

PRE-IPO SHARE OPTION PLAN

The Pre-IPO Share Option Plan was adopted on November 4, 2022. A summary of the principal terms of the Pre-IPO Share Option Plan is set out in the section headed "Statutory and General Information — D. Pre-IPO Share Option Plan" in Appendix IV to the Prospectus. All 17,463,918 underlying Shares under the Pre-IPO Share Option Plan have been issued to the ESOP BVIs to hold on trust for the Pre-IPO Share Option Plan prior to Listing. As such, no further Shares is available for issue under the Pre-IPO Share Option Plan upon Listing. The Pre-IPO Share Option Plan is a scheme of the Company Involving its existing Shares.

Movements of Options during the Reporting Period

Pursuant to Rule 17.12 of the Listing Rules, particulars and movements of options under the Pre-IPO Share Option Plan during the Reporting Period were as follows:

Category of grantees	Date of grant	Exercise price per Share	Exercise period	Vesting period	outstanding as of January 1, 2025	Number of options				Outstanding as of June 30, 2025	Weighted average closing price ⁽³⁾ (HKD per Share)
						granted	exercised during the Reporting Period	lapsed	cancelled		
Director											
Mr. Wu Xubo (Executive Director)	November 16, 2022	US\$0.00002 per Share	November 16, 2022 to November 15, 2032	Note (1)	3,819,592	—	—	—	—	3,819,592	N/A
	March 16, 2023	US\$0.00002 per Share	March 16, 2023 to March 15, 2033	Note (1)	61,855	—	—	—	—	61,855	N/A
	March 31, 2023	US\$0.00002 per Share	March 31, 2023 to March 30, 2033	Note (1)	10,309	—	—	—	—	10,309	N/A
	June 30, 2023	US\$0.00002 per Share	June 30, 2023 to June 29, 2033	Note (1)	167,525	—	—	—	—	167,525	N/A
	July 31, 2023	US\$0.00002 per Share	July 31, 2023 to July 30, 2033	Note (1)	41,237	—	—	—	—	41,237	N/A
	September 7, 2023	US\$0.00002 per Share	September 7, 2023 to September 6, 2033	Note (1)	154,639	—	—	—	—	154,639	N/A
					4,255,157	—	—	—	—	4,255,157	N/A
4 Highest Paid Individuals⁽²⁾	November 16, 2022	US\$0.00002 per Share	November 16, 2022 to November 15, 2032	Note (1)	1,354,381	—	677,191	—	—	677,190	6.80
Other grantees	November 16, 2022	US\$0.00002 per Share	November 16, 2022 to November 15, 2032	Note (1)	3,579,907	—	1,752,616	48,968	—	1,778,323	6.80
Total					9,189,445	—	2,429,807	48,968	—	6,710,670	—

Other Information

Notes:

- (1) Twenty-five percent (25%) of the options granted to such grantee will vest on the day after the first three months of the Listing Date, and twenty-five percent (25%) of the options granted to such grantee will vest half-yearly thereafter.
- (2) The other one highest paid individual of the Company during the Reporting Period is our Director, being Mr. WU Xubo, whose interests in the underlying Shares in connection with the options granted to him are disclosed under the "Director" section of the above table.
- (3) The weighted average closing price in this column refers to the weighted average closing price of the Shares immediately before the date on which the options were exercised.

There is no performance target for the options granted under the Pre-IPO Share Option Plan.

Each of the ESOP BVIs is wholly owned by a same trustee, which will not exercise any voting rights attached to such Shares at the Company's general meetings.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding directors' dealing in the Company's securities. Specific enquiries have been made to all the Directors and the Directors have confirmed that they have complied with the Model Code for the six months ended June 30, 2025. The Company's relevant employees, who are likely to be in possession of inside information of the Company, are also subject to the Model Code for securities transactions. No incident of non-compliance of the Model Code by the Company's relevant employees was noted by the Company for the six months ended June 30, 2025.

The Company has also established a policy on inside information to comply with its obligations under the Securities and Futures Ordinance and the Listing Rules. In case when the Company becomes aware of any restricted period for dealings in the Company's securities, the Company will notify its Directors and relevant employees in advance.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE IN THE APPENDIX C1 OF THE LISTING RULES (THE "CORPORATE GOVERNANCE CODE")

The Company is committed to maintaining high standards of corporate governance to safeguard the interest of the shareholders of the Company (the "**Shareholders**") and to enhance corporate value and accountability. The Company's corporate governance practices are based on the principles and code provisions set forth in the Corporate Governance Code.

For the six months ended June 30, 2025, the Company has complied with the code provisions set out in the Corporate Governance Code except for code provisions as explained below.

Pursuant to code provision C.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

On June 30, 2025, Ms. LIANG Wenhong has tendered her resignation as the chief executive officer of the Company with effect from July 1, 2025 for her dedication to handling other business of the Group and Mr. WU Xubo ("**Mr. WU**") has been re-appointed as the chief executive officer with effect from July 1, 2025. The roles of chairman of the Board and chief executive officer of the Company are currently performed by Mr. WU. In view of Mr. WU's substantial contribution to the Group since its establishment and his extensive experience, the Company considers that having Mr. WU acting as both the chairman of the Board and chief executive officer will provide strong and consistent leadership to the Group and facilitate the efficient execution of the Group's business strategies. The Directors believe that it is appropriate and beneficial to the Group's business development and prospects that Mr. WU continues to act as both the chairman of the Board and chief executive officer of the Company, and therefore currently do not propose to separate the functions of chairman and chief executive officer.

The Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by the Board requires approval by at least a majority of the Directors, and the Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Listing Rules; (ii) Mr. WU and the other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high calibre individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

In response to the amendments to the Corporate Governance Code effective July 1, 2025, the Board has approved changes to the terms of reference for the nomination committee. For details, see the Terms of Reference of the Nomination Committee of the Company dated June 30, 2025.

Pursuant to code provision C.5.1 of the Corporate Governance Code, board meetings should be held at least four times a year at approximately quarterly intervals. Fifteen board meetings were held during the six months ended June 30, 2025.

In addition, the Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code, and maintain a high standard of corporate governance practices.

CHANGES TO DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

During the six month ended June 30, 2025, the Directors confirm that no information is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW OF THE INTERIM REPORT BY THE AUDIT COMMITTEE

We have established the Audit Committee with terms of reference in compliance with Rule 3.21 of the Listing Rules as well as paragraph D.3 of part 2 of the Corporate Governance Code. The Audit Committee consists of three independent non-executive Directors, namely, Ms. ZHENG Yi, Ms. SONG Siyun and Mr. QIN Yongde. The chairlady of the Audit Committee is Ms. ZHENG Yi, who has the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The interim report has been reviewed by the Audit Committee.

The Audit Committee has considered and reviewed the accounting principles and practices adopted by the Group and has discussed matters in relation to internal control, risk management and financial reporting with the management, including the review of the unaudited condensed consolidated interim financial results of the Group for the six months ended June 30, 2025. The Audit Committee considers that the interim financial results for the six months ended June 30, 2025 are in compliance with the relevant accounting standards, rules and regulations and appropriate disclosures have been duly made.

POTENTIAL CONFLICT OF INTERESTS WITH CONTROLLING SHAREHOLDERS

The independent non-executive Directors also reviewed whether there was any conflict of interests between the Group and the Controlling Shareholders and/or their close associates for the year ended December 31, 2024 and the Reporting Period. The independent non-executive Directors confirmed that there was no conflict of interests between the Group and the Controlling Shareholders and/or their close associates for the same periods.

INTERIM DIVIDEND

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2025 (six months ended 30 June, 2024: nil).

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to the Reporting Period and up to the date of this interim report.

Independent Review Report

To the board of directors of Tanwan Inc.

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 27 to 50, which comprises the condensed consolidated statement of financial position of Tanwan Inc. (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 (“**HKSRE 2410**”) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young

Certified Public Accountants

Hong Kong

28 August 2025

Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
REVENUE	5	2,004,579	3,225,776
Cost of sales		(790,933)	(861,607)
Gross profit		1,213,646	2,364,169
Other income and gains	5	533,884	78,704
Selling and distribution expenses		(843,702)	(2,288,845)
Administrative expenses		(70,973)	(112,491)
Research and development costs		(46,272)	(74,455)
Impairment losses on financial assets, net		(559)	(5,770)
Other expenses		(5,109)	(367,057)
Finance costs		(7,710)	(28,248)
Share of profits and losses of:			
Joint ventures		5,891	694
Associates		5,771	16,949
PROFIT/(LOSS) BEFORE TAX	6	784,867	(416,350)
Income tax (expense)/credit	7	(135,271)	31,397
PROFIT/(LOSS) FOR THE PERIOD		649,596	(384,953)
Attributable to:			
Owners of the parent		601,976	(382,924)
Non-controlling interests		47,620	(2,029)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic (RMB)		1.14	(0.74)
Diluted (RMB)		1.12	(0.74)

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2025

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
PROFIT/(LOSS) FOR THE PERIOD	649,596	(384,953)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive income of associates	197,396	(59,202)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	197,396	(59,202)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	846,992	(444,155)
Attributable to:		
Owners of the parent	799,372	(442,126)
Non-controlling interests	47,620	(2,029)

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

	Notes	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property and equipment	10	52,121	80,016
Investment properties		94,839	74,055
Right-of-use assets		211,732	221,205
Other intangible assets		9,567	11,119
Investment in joint ventures		298,751	274,247
Investment in associates		380,648	175,293
Deferred tax assets		5,772	117,523
Prepayments, other receivables and other assets		7,309	8,172
Pledged deposits		413,425	560,770
Time deposits		243,625	77,022
Total non-current assets		1,717,789	1,599,422
CURRENT ASSETS			
Inventories		1,415	2,858
Trade receivables	11	224,639	237,194
Prepayments, other receivables and other assets		757,544	776,501
Amounts due from related parties	17	54,754	38,243
Financial assets at fair value through profit or loss	12	914,182	430,534
Pledged deposits		1,158,599	1,615,554
Restricted cash		3,025	33,983
Time deposits		366,581	314,422
Cash and cash equivalents		501,553	514,963
Total current assets		3,982,292	3,964,252
CURRENT LIABILITIES			
Trade payables	13	483,728	475,530
Bills payable	14	1,052,843	1,530,095
Other payables and accruals		317,033	419,766
Interest-bearing bank borrowings		37,673	199,568
Lease liabilities		7,480	4,736
Tax payable		493,241	471,448
Total current liabilities		2,391,998	3,101,143
NET CURRENT ASSETS		1,590,294	863,109
TOTAL ASSETS LESS CURRENT LIABILITIES		3,308,083	2,462,531

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	Notes		
NON-CURRENT LIABILITIES			
Lease liabilities		42,779	39,466
Total non-current liabilities		42,779	39,466
Net assets		3,265,304	2,423,065
EQUITY			
Equity attributable to owners of the parent			
Share capital	15	77	77
Treasury shares	15	(23,385)	(1)
Reserves		3,215,548	2,398,458
		3,192,240	2,398,534
Non-controlling interests		73,064	24,531
Total equity		3,265,304	2,423,065

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to owners of the parent									
	Share capital RMB'000 (note 15)	Treasury shares RMB'000 (note 15)	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Share incentive reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Retained Profits/(accumulated losses) RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
At 31 December 2024(audited)	77	(1)	217,502	5,000	2,480,663	(62,204)	(242,503)	2,398,534	24,531	2,423,065
Profit for the period	—	—	—	—	—	—	601,976	601,976	47,620	649,596
Other comprehensive income for the period:										
Proportion interest in the investee arising from changes in the investee's other comprehensive income, net of tax (unaudited)	—	—	—	—	—	197,396	—	197,396	—	197,396
Total comprehensive income for the period	—	—	—	—	—	197,396	601,976	799,372	47,620	846,992
Shares repurchased	—	(23,384)	—	—	—	—	—	(23,384)	—	(23,384)
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	—	—
Equity-settled share option arrangements	—	—	—	—	18,631	—	—	18,631	—	18,631
Capital injection in non-wholly owned subsidiaries	—	—	(913)	—	—	—	—	(913)	913	—
At 30 June 2025(unaudited)	77	(23,385)	216,589*	5,000*	2,499,294*	135,192*	359,473*	3,192,240	73,064	3,265,304
	Attributable to owners of the parent									
	Share capital RMB'000 (note 15)	Treasury shares RMB'000 (note 15)	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Share incentive reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	(Accumulated losses)/retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total Equity RMB'000
At 31 December 2023(audited)	77	(3)	217,502	5,000	2,363,777	(60,950)	(238,879)	2,286,524	(10,739)	2,275,785
Loss for the period	—	—	—	—	—	—	(382,924)	(382,924)	(2,029)	(384,953)
Other comprehensive income for the period:										
Proportion interest in the investee arising from changes in the investee's other comprehensive income, net of tax (unaudited)	—	—	—	—	—	(59,202)	—	(59,202)	—	(59,202)
Total comprehensive income for the period	—	—	—	—	—	(59,202)	(382,924)	(442,126)	(2,029)	(444,155)
Dividends paid to non-controlling shareholders	—	—	—	—	—	—	—	—	(12,374)	(12,374)
Equity-settled share option arrangements	—	1	—	—	83,004	—	—	83,005	—	83,005
At 30 June 2024(unaudited)	77	(2)	217,502*	5,000*	2,466,781*	(120,152)*	(621,803)*	1,927,403	(25,142)	1,902,261

* These reserve accounts comprise the consolidated reserves of RMB3,215,548,000 in the interim consolidated statement of financial position as at 30 June 2025 (30 June 2024: RMB1,927,328,000).

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		784,867	(416,350)
Adjustments for:			
Finance costs		7,710	28,248
Foreign exchange loss/(gain), net	6	1,581	(2,282)
Bank interest income		(41,536)	(64,046)
Share of profits and losses of joint ventures and associates		(11,662)	(17,643)
Impairment of an investment in joint ventures and associates		—	972
Loss on disposal of subsidiaries	6	1,295	—
Investment income from financial assets at fair value through profit or loss	6	(10,674)	(3,941)
Fair value (gain)/ loss on financial assets at fair value through profit or loss	6	(475,647)	152,938
Equity-settled share-based payment expenses	6	18,631	83,004
Impairment of trade receivables, net	6	63	(1,088)
Impairment of financial assets included in other receivables	6	496	157,662
Loss/ (gain) on disposal of items of property and equipment	6	30	(13)
Loss/ (gain) on lease modification	6	1,264	(154)
Depreciation of property and equipment	10	9,802	14,342
Depreciation of investment properties		1,322	1,166
Depreciation of right-of-use assets	6	18,150	23,347
Amortisation of other intangible assets		2,255	2,750
Impairment of property and equipment		—	31,431
Impairment of goodwill		—	27,917
Decrease in inventories		1,443	249
Decrease in trade and bills receivable		12,492	25,299
Decrease/(increase) in prepayments, other receivables and other assets		2,817	(142,208)
Increase in deposits		(218,762)	(174,157)
Increase in amounts due from related parties		(16,511)	(52,557)
Increase in trade payables		8,198	152,579
Decrease in bills payable		(477,252)	(471,971)
Decrease in other payables and accruals		(103,704)	(194,420)
Decrease in restricted cash		30,958	3,500
Cash used in operations		(452,374)	(835,426)
Interest received		931	1,310
Interest paid		(6,196)	(22,745)
Income tax paid		(10,816)	(7,207)
Net cash flows used in operating activities		(468,455)	(864,068)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Notes	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		40,605	62,736
Purchases of items of property and equipment		(4,082)	(22,523)
Proceeds from disposal of items of property and equipment		39	130
Additions to other intangible assets		(704)	(637)
Prepayment for right-of-use assets		—	(9,000)
Purchases of investments in joint ventures		(20,800)	(10,500)
Purchases of investments in associates		—	(1,000)
Purchases of financial assets at fair value through profit or loss		(27,696)	(40,000)
Disposal of financial assets at fair value through profit or loss		30,369	3,941
Placement of pledged time deposits		(429,690)	(590,567)
Decrease in pledged time deposits		1,033,990	1,773,543
Net cash flows from investing activities		622,031	1,166,123
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		33,710	49,752
Repayment of bank loans		(195,576)	(213,802)
Interest paid		(685)	(987)
Principal portion of lease payments		(3,667)	(2,682)
Interest portion of lease payments		(858)	(4,457)
Dividends paid to non-controlling shareholders		—	(12,374)
Increase in restricted cash		—	(62,373)
Decrease/(increase) in rental deposits		90	(1,063)
Net cash flows used in financing activities		(166,986)	(247,986)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		(13,410)	54,069
		514,963	486,886
CASH AND CASH EQUIVALENTS AT END OF PERIOD			
		501,553	540,955
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Unrestricted cash and bank balances		413,901	540,955
Time deposits with original maturity of less than three months		87,652	—
CASH AND CASH EQUIVALENTS AS STATED IN THE INTERIM CONDENSED STATEMENTS OF CASH FLOWS AND INTERIM CONDENSED STATEMENTS OF FINANCIAL POSITION			
		501,553	540,955

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 18 March 2021 as an exempted company with limited liability under the Companies Law, Chapter 22 of the Cayman Islands. The registered address of the office of the Company is 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands.

The Company and its subsidiaries (collectively, the “**Group**”) are principally engaged in providing product marketing and operation services to online games in the People’s Republic of China (hereafter, the “**PRC**”).

Pursuant to a special resolution passed by the Company’s shareholders at the extraordinary general meeting held on August 8, 2025, the English name of the Company has been changed from “ZX Inc.” to “Tanwan Inc.” and the Chinese name “贪玩” has been adopted and registered as the dual foreign name of the Company, replacing its original Chinese name “中旭未来”.

2. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period’s financial information.

Amendments to HKFRS 16

Amendments to HKAS 1

Amendments to HKAS 1

**Amendments to HKAS 7 and
HKFRS 7**

Amendments to HKAS 21

Lease Liability in a Sale and Leaseback

*Classification of Liabilities as Current or Non-current (the “**2020
Amendments**”)*

*Non-current Liabilities with Covenants (the “**2022 Amendments**”)*

Supplier Finance Arrangements

Lack of Exchangeability

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and impact of the amended HKFRS Accounting Standard are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2024 and 2025 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.
- (d) Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

4. OPERATING SEGMENT INFORMATION

HKFRS 8 *Operating Segments* requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to segments and to assess their performance. The information reported to the directors of the Company, who are the chief operating decision-makers, for the purpose of resource allocation and assessment of performance, does not contain discrete operating segment financial information and the directors reviewed the financial results of the Group as a whole. Therefore, no further information about the operating segment is presented.

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Mainland China	1,691,100	2,938,751
Hong Kong	312,284	284,634
Others	1,195	2,391
Total	2,004,579	3,225,776

(b) Non-current assets

As at 31 December 2024 and 30 June 2025, substantially all of the non-current assets of the Group were located in the PRC.

Information about major customers

Revenue from customers which amounted to more than 10% of the Group's revenue during the six months ended 30 June 2025 and 2024 are set out below:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Customer A	860,737	531,621
Customer B	161,329	1,269,915

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

5. REVENUE, OTHER INCOME AND GAINS

Disaggregated revenue information

For the six months ended 30 June

	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Type of goods or services		
Game marketing and operation — Self-run model	1,386,744	2,481,575
Game marketing and operation — Joint-run model	565,093	668,542
Other marketing services	427	19,254
Sales of products	52,315	56,405
Total	2,004,579	3,225,776
Timing of revenue recognition		
Services transferred over time	158,065	220,591
Services transferred at a point in time	1,794,199	2,948,780
Goods transferred at a point in time	52,315	56,405
Total	2,004,579	3,225,776
Geographical markets		
Mainland China	1,691,100	2,938,751
Hong Kong	312,284	284,634
Others	1,195	2,391
Total	2,004,579	3,225,776

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

5. REVENUE, OTHER INCOME AND GAINS (Continued)

An analysis of other income and gains is as follows:

	For the six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Bank interest income	41,536	6,955
Investment income from financial assets at fair value through profit or loss	9,379	64,046
Government grants-related to income	5,810	2,282
Investment property rent income	1,252	—
Others	223	260
	58,200	73,543
Gains		
Foreign exchange gains	—	167
Fair value gain on financial assets at fair value through profit or loss	475,647	3,941
Others	37	1,053
	475,684	5,161
	533,884	78,704

Notes to Interim Condensed Consolidated Financial Information

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6. PROFIT/(LOSS) BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	For the six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Costs of services charged by the collaborating distribution platforms under joint-run model		482,533	586,928
Cost of products sold		34,727	38,208
Promotion expenses		772,359	2,190,825
Employee benefit expense: (including directors' and chief executives' remuneration)			
Wages and salaries		107,473	129,849
Equity-settled-based payment expenses		18,631	83,004
Pension scheme contributions*(defined contribution scheme)		4,941	6,091
		131,045	218,944
Depreciation of property and equipment		9,802	14,342
Depreciation of right-of-use assets		18,150	23,347
Depreciation of investment properties		1,322	1,166
Amortisation of other intangible assets		2,255	2,750
Lease payments not included in the measurement of lease liabilities		40	—
Loss/(gain) on lease modification		1,264	(154)
Loss/(gain) on foreign exchange differences, net		1,581	(2,282)
Impairment of property and equipment		—	31,431
Impairment of trade receivables, net		63	(1,088)
Impairment of financial assets included in other receivables		496	157,662
Impairment of goodwill		—	27,917
Impairment of investment in joint ventures		—	972
Fair value (gain)/loss on financial assets at fair value through profit or loss		(475,647)	152,938
Gain on disposal of financial assets at fair value through profit or loss		(10,674)	(3,941)
Loss on disposal of subsidiaries		1,295	—
Loss/ (gain) on disposal of items of property and equipment, net	10	30	(13)

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and its subsidiaries are not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profit arising in Hong Kong during the period.

Taxes on profits assessable in Mainland China have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. Pursuant to the PRC Corporate Income Tax Law (the “**PRC Tax Law**”) effective on 1 January 2008, the PRC corporate income tax rate of the Group’s subsidiaries operating in Mainland China during the reporting period was 25% of their taxable profits.

Guangzhou Zhongxu Future Technology Co., Ltd. (“**ZX WFOE**”), an indirect wholly-owned subsidiary of the Company, were accredited as “software enterprises” in 2021 under relevant PRC laws and regulations. Accordingly, ZX WFOE are exempt from Corporate Income Tax (“**CIT**”) for 2021 and 2022, followed by a 50% reduction in the applicable tax rates from 2023 to 2025.

Jiangxi Tanwan Information Technology Co., Ltd. (“**Jiangxi Tanwan**”) was qualified as “High and New Technology Enterprises” under the PRC Tax Law. Accordingly, Jiangxi Tanwan was entitled to a preferential income tax rate of 15%.

The following table sets forth a breakdown of our income tax expense for the period indicated:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Current income tax — Mainland China	23,520	51,344
Deferred income tax	111,751	(82,741)
Total tax charge for the period	135,271	(31,397)

8. DIVIDENDS

No dividends had been paid or declared by the Company during the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Notes to Interim Condensed Consolidated Financial Information

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9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 535,700,432 outstanding during the period.

The calculation of the diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB'000)	601,976	(382,924)
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	526,637,677	519,231,717
Effect of dilution — weighted average number of ordinary shares	9,062,755	—
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	535,700,432	519,231,717

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2025, the Group acquired assets at a cost of RMB4,082,000 (30 June 2024: RMB22,523,000).

Assets with a net book value of RMB69,000 were disposed of by the Group during the six months ended 30 June 2025 (30 June 2024: RMB117,000), resulting in a net loss on disposal of RMB30,000 (30 June 2024: net gain on disposal of RMB13,000).

During the six months ended 30 June 2025, no impairment loss (30 June 2024: RMB31,431,000) was recognised for the Group's buildings.

11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the transaction dates and net of loss allowance, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	220,588	233,328
1 to 2 years	4,039	3,526
Over 2 years	12	340
Total	224,639	237,194

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Current portion		
Wealth management products, at fair value	27,782	—
Listed equity investments, at fair value	886,400	430,534
Total	914,182	430,534

The above wealth management products were issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

The above listed equity investments were classified as financial assets at fair value through profit or loss as the Group has not elected to recognise the fair value gain or loss through other comprehensive income.

The fair values of wealth management products were recognised based on the observable inputs of valuation models from the private equity funds and were within level 2 of the fair value hierarchy. The fair values of investment in listed companies were recognised at quoted price in active markets.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

13. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the transaction dates, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 year	373,757	417,121
1 to 2 years	95,561	47,759
2 to 3 years	10,509	9,071
Over 3 years	3,901	1,579
Total	483,728	475,530

14. BILLS PAYABLE

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Bills payable	1,052,843	1,530,095
Total	1,052,843	1,530,095

The time deposits, buildings and investment properties in total of RMB1,588,072,000 (31 December 2024: RMB2,012,736,000) were pledged for bills payable as at 30 June 2025.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

15. SHARE CAPITAL AND TREASURY SHARES

Shares

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Issued and fully paid:		
534,439,918 (2024: 534,439,918) ordinary shares*	77	77

* As at 30 June 2025, the total number of issued ordinary shares included 6,710,670 (31 December 2024: 9,189,445) shares held for share option scheme, with par values of RMB1,000 (31 December 2024: RMB2,000).

16. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Leasehold improvements	2,671	1,159
Capital contributions payable to investees	41,700	52,500
Total	44,371	53,659

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

17. RELATED PARTY TRANSACTIONS

The following significant transactions were carried out between the Group and its related parties during the period presented.

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the period.

Name of related parties	Relationship with the Group
Guangzhou Zeda New Culture and Creative Industry Development Co., Ltd. ("Guangzhou Zeda")	Joint venture
Shanghai Yier Xiangduo Play Technology Co., Ltd. ("Shanghai Yier Xiangduo Play")	Joint venture
Shanghai Dehan Technology Co., Ltd. ("Shanghai Dehan")	Associate
Mr. Wu Xubo	Key management personnel
Ms. Wu Xuan	Key management personnel
Mr. Luo Xihu	Key management personnel
Ms. Liang Wenhong	Key management personnel

(b) Significant transactions with related parties

The Group operates the game in partnership with an associate, Shanghai Dehan collects operating income, the transaction price and terms of the service are determined by both parties through negotiation.

(c) Other transactions with related parties

The Group's investment in Guangzhou Zeda was pledged to the Agricultural Bank of China to guarantee the bank borrowings of Guangzhou Zeda with the maximum guarantee amount of RMB405,000,000 as at 30 June 2025 (31 December 2024: RMB405,000,000).

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

17. RELATED PARTY TRANSACTIONS (Continued)

(d) Outstanding balances with related parties

Amounts due from related parties

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Shanghai Yier Xiangduo Play*	37,735	37,736
Shanghai Dehan*	17,019	507
Total	54,754	38,243

* The amounts due from Shanghai Yier Xiangduo Play and Shanghai Dehan are trade in nature.

(e) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Fees	828	900
Salaries, allowances and benefits in kind	1,084	1,330
Share-based payments	5,043	18,313
Pension scheme contributions	38	29
Total	6,993	20,572

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at 30 June 2025 and 31 December 2024, the fair values of the Group's financial assets or liabilities approximated to their respective carrying amounts.

Management has assessed that the carrying amounts of cash and cash equivalents, pledged deposits, trade receivables, amounts due from related parties, financial assets included in prepayments, other receivables and other assets, trade payables, amounts due to related parties, financial liabilities included in other payables and accruals, and interest-bearing bank borrowings reasonably approximate to their fair values because these financial instruments are mostly short term in nature.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The directors review the results of the fair value measurement of financial instruments periodically for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the non-current portion of lease liabilities, non-current portion of pledged deposits and non-current portion of time deposits have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for lease liabilities as at the end of each of the reporting period were assessed to be insignificant.

The Group has unlisted investments, which represent wealth management products issued by banks in Mainland China. The Group has estimated the fair values of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of listed equity investments are based on quoted market prices.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025 (Unaudited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	886,400	27,782	—	914,182

As at 31 December 2024 (Audited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Financial assets at fair value through profit or loss	430,534	—	—	430,534

During the reporting period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets and financial liabilities.

Notes to Interim Condensed Consolidated Financial Information

30 June 2025

18. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed:

As at 30 June 2025 (Unaudited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Pledged deposits, non-current portion	—	413,425	—	413,425
Non-pledged time deposits with original maturity of over one year	—	243,625	—	243,625
Total	—	657,050	—	657,050

As at 31 December 2024 (Audited)

	Quoted prices in active markets (Level 1) RMB'000	Fair value measurement using Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Pledged deposits, non-current portion	—	560,770	—	560,770
Non-pledged time deposits with original maturity of over one year	—	77,022	—	77,022
Total	—	637,792	—	637,792

19. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the board of directors on 28 August 2025.

“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of the Company
“China” or “the PRC”	the People’s Republic of China, and for the purposes of this interim report only, except where the context requires otherwise, references to China or the PRC exclude Taiwan and the special administrative regions of Hong Kong and Macau
“Company” or “our Company”	Tanwan Inc. (貪玩), an exempted limited liability company incorporated in the Cayman Islands on March 18, 2021
“Contractual Arrangements”	the series of contractual arrangements entered into by Guangzhou Zhongxu Future Technology Co., Ltd. (廣州中旭未來科技有限公司), an indirect wholly-owned subsidiary of our Company, Jiangxi Tanwan, and the registered shareholders of Jiangxi Tanwan, details of which have been set forth under the section headed “Contractual Arrangements” in the Prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules, and unless the context otherwise requires, refers to Mr. WU Xubo, WXB BVI 1, WXB BVI 2 and WXB Holdco
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Director(s)”	director(s) of the Company
“ESOP BVIs”	collectively, GLORIOUS TYCOON LIMITED, WxScarlett Ventures Limited and WxDR Ventures Limited, which hold the relevant issued Shares on trust for the Pre-IPO Share Option Plan
“Global Offering”	the offer for subscription of the shares as described in the Prospectus
“Group”, “our Group”, “the Group”, “we”, “us”, or “our”	the Company, its subsidiaries and the PRC Operating Entities from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangxi Tanwan”	Jiangxi Tanwan Information Technology Co., Ltd. (江西貪玩信息技術有限公司), a limited liability company established in the PRC on May 21, 2015, one of the PRC Operating Entities controlled by our Company through the Contractual Arrangements
“KOL(s)”	key opinion leader(s)
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Date”	September 28, 2023, being the date on which dealings in the Shares first commence on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Definitions

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“PC”	personal computer
“PRC Operating Entities”	the entities controlled by our Group through the Contractual Arrangements, namely Jiangxi Tanwan and its subsidiaries
“Pre-IPO Share Option Plan”	the pre-IPO share option plan of our Company as adopted on November 4, 2022, a summary of its principal terms is set out in the section headed “Statutory and General Information — D. Pre-IPO Share Option Plan” in Appendix IV to the Prospectus
“Prospectus”	the prospectus issued by the Company on September 18, 2023
“R&D”	research and development
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Reporting Period”	For the six months ended June 30, 2025
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with nominal value of US\$0.00002 each
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary” or “subsidiaries”	has the meaning ascribed to it in section 15 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“US dollars” or “US\$”	United States dollars, the lawful currency of the United States
“WXB BVI 1”	WxLand Holding Limited, a business company incorporated in the BVI with limited liability on March 8, 2021, a wholly-owned subsidiary of Mr. WU Xubo, and one of our Controlling Shareholders
“WXB BVI 2”	WxLand International Ltd, a business company incorporated in the BVI with limited liability on January 4, 2022, a company owned by WXB BVI 1 as to 50.0%, and WXB Holdco as to 50.0%, and one of our Controlling Shareholders
“WXB Holdco”	WxLand Limited, a business company incorporated in the BVI with limited liability on September 26, 2022, which is wholly-owned by WxLand Trust, a discretionary trust established by Mr. WU Xubo as the settlor on September 22, 2022, and one of our Controlling Shareholders
“%”	percentage