# Tanwan Inc.
# 贪玩

(formerly known as ZX Inc. 中旭未來)

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9890)**

# ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

The Board (the "**Board**") of Directors (the "**Directors**") of Tanwan Inc. (the "**Company**", together with its subsidiaries and the PRC Operating Entities[1], the "**Group**") is pleased to announce the unaudited consolidated results of the Company for the six months ended June 30, 2025 (the "**Reporting Period**"), together with comparative figures for the same period of 2024.

## 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.

1 The PRC Operating Entities refer to the entities controlled by the Group through the Contractual Arrangements, the details of which are set out in the Company's prospectus dated September 18, 2023 ("**Prospectus**").

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》).

*"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.

## 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 Jiyi 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.

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：誅邪傳説》), "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 "贪玩" has been adopted and registered as the dual foreign name of the Company, replacing its original Chinese name "中旭未来". 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)*** **(Unaudited)** | **%** | *(RMB'000)* (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.

**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.

### 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

### Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers in the Appendix C3 of the Listing Rules (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.

During the Reporting Period and up to the date of this announcement, 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.

**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 and up to the date of this announcement, 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. As of the date of this announcement, the Company held 2,186,400 Shares intended to be 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) |
|---|---|---|---|---|
| | | Highest | Lowest | |
| | | *HK$* | *HK$* | *HK$ million* |
| 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 and up to the date of this announcement.

**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

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to June 30, 2025 and up to the date of this announcement, save as disclosed in this announcement.

## Audit Committee

The Company has established the audit committee (the "**Audit Committee**") under the Board with written 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 Audit Committee has considered and reviewed the accounting principles and practices adopted by the Company and the Group and discussed matters in relation to internal control, risk management and financial reporting with the management, including the review of the unaudited consolidated 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.

## Scope of Work of the Auditor

The figures in respect of this announcement for the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, and the related notes thereon for the six months ended June 30, 2025 have been compared by the Company's external auditor, Ernst & Young ("**EY**"), to the amounts set out in the Group's consolidated financial statements for the six months ended June 30, 2025 and the amounts were found to be in agreement. The work performed by EY in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by EY in this announcement.

## 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 | | **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** | 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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 | | **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 | *10* | **224,639** | 237,194 |
| Prepayments, other receivables and other assets | | **757,544** | 776,501 |
| Amounts due from related parties | | **54,754** | 38,243 |
| Financial assets at fair value through profit or loss | *11* | **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 |

| | Notes | **30 June 2025** **RMB'000** **(Unaudited)** | 31 December 2024 RMB'000 (Audited) |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| Trade payables | *12* | **483,728** | 475,530 |
| Bills payable | *13* | **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 LIABILITIES** | | **1,590,294** | 863,109 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **3,308,083** | 2,462,531 |
| **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 | | **77** | 77 |
| Treasury shares | | **(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 |

## 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**").

### 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** | *Lease Liability in a Sale and Leaseback* |
| **Amendments to HKAS 1** | *Classification of Liabilities as Current or Non-current (the "**2020 Amendments**")* |
| **Amendments to HKAS 1** | *Non-current Liabilities with Covenants (the "**2022 Amendments**")* |
| **Amendments to HKAS 7 and HKFRS 7** | *Supplier Finance Arrangements* |
| **Amendments to HKAS 21** | *Lack of Exchangeability* |

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.

## 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** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (Unaudited) |
| Customer A | **860,737** | 531,621 |
| Customer B | **161,329** | 1,269,915 |

## 5. REVENUE

### Disaggregated revenue information

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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 |

## 6. PROFIT/(LOSS) BEFORE TAX

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

| | For the six months ended 30 June | |
|---|---|---|
| | **2025** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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) | **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 | **30** | (13) |

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

## 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** | 2024 |
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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).

## 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 |

## 10. 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 |

## 11. 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.

## 12. 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** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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 |

## 13. BILLS PAYABLE

| | **30 June 2025** | 31 December 2024 |
|---|---|---|
| | ***RMB'000*** | *RMB'000* |
| | **(Unaudited)** | (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.

**Publication of 2025 Interim Results and Interim Report**

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.zx.com)[2]. The interim report for the six months ended June 30, 2025 containing all applicable information required by the Listing Rules will be dispatched (if so requested by Shareholder(s)) to the Shareholders and published on the above websites in September 2025.

## APPRECIATION

The Board would like to take this opportunity to express its gratitude to the management and staff of the Group for their commitment and contribution during the Reporting Period. The Board would also like to express its appreciation to the long-term support from the Shareholders and customers.

By order of the Board
**Tanwan Inc.**
**Mr. WU Xubo**
*Chairman of the Board and Executive Director*

Guangzhou, the PRC, 28 August, 2025

*As at the date of this announcement, the Board comprises Mr. WU Xubo and Ms. WU Xuan as executive Directors; and Ms. SONG Siyun, Mr. QIN Yongde and Ms. ZHENG Yi as independent non-executive Directors.*

2 The Company's official website will be changed to www.tanwan.cn from 2 September, 2025.