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Tanwan Inc.
贪玩

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 9890)

PROPOSED ISSUE OF HK$468,000,000 ZERO COUPON CONVERTIBLE BONDS DUE 2027 UNDER GENERAL MANDATE

Placing Agent

Deutsche Bank

The Board is pleased to announce that on December 18, 2025, the Company, the Placing Agent, and the Subscriber entered into the Agreement in relation to the subscription by the Subscriber for the Convertible Bonds in an aggregate principal amount of HK$468,000,000 to be issued by the Company, subject to the conditions set out in the Agreement.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK$23.50 per Conversion Share, the Convertible Bonds will be convertible into 19,914,804 new Shares. The Conversion Shares represent approximately 3.79% of the existing issued Shares of the Company (excluding treasury Shares) and approximately 3.65% of the issued Shares of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the Shares of the Company and excluding treasury Shares).

The initial Conversion Price of HK$23.50 per Conversion Share represents (i) a premium of approximately 38.24% to the closing price of the Shares of HK$17.00 per Share as quoted on the Stock Exchange on the last trading date before the date of the Agreement; and (ii) a premium of approximately 41.67% to the average closing price of HK$16.59 per Share for the last five consecutive trading days up to and including the last trading date before the date of the Agreement.

An application will be made for the listing of the Convertible Bonds on the Vienna MTF operated by the Vienna Stock Exchange. An application will also be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may be issued upon conversion of the Convertible Bonds, and the Company shall comply with CSRC Rules and complete the CSRC filings in connection with the issue of the Convertible Bonds.

The Conversion Shares will be allotted and issued under the General Mandate. No Shareholders' approval is required for the allotment and issue of the Conversion Shares.

The gross proceeds from the issue of the Convertible Bonds will be HK$468,000,000 and the net proceeds from the issue of the Convertible Bonds will be approximately HK$458.6 million after deducting the related expenses and professional fees. The Group intends to apply all of the net proceeds towards AI-related business investments and equity investments with regard to AI industries, aiming to accelerate the Company's "AI+Game" strategic layout, in accordance with the terms of the Agreement and subject to compliance with applicable requirements under the Listing Rules.

Completion of the issue and subscription of the Convertible Bonds is subject to the satisfaction and/or waiver of the conditions precedent set out in the Agreement.

As the Agreement may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that on December 18, 2025, the Company, the Placing Agent, and the Subscriber entered into the Agreement in relation to the subscription by the Subscriber for the Convertible Bonds in an aggregate principal amount of HK$468,000,000 to be issued by the Company, subject to the conditions set out in the Agreement.

Details of the Agreement, including the terms and conditions of the Convertible Bonds are set out below.

The AGREEMENT

Date

December 18, 2025

Parties

(1) The Company, as issuer of the Convertible Bonds;

(2) The Placing Agent; and

(3) The Subscriber.

Principal Amount of the Convertible Bonds

Pursuant to the Agreement and subject to the satisfaction or waiver of the conditions precedent set out below, the Subscriber will subscribe for the Convertible Bonds in the aggregate principal amount of HK$468,000,000.

Conditions

Completion of the Agreement and the subscription of the Convertible Bonds by the Subscriber shall take place simultaneously, subject to and conditional upon the following conditions precedent being satisfied (or, if applicable, waived):

(1) the execution and delivery (on or before the Closing Date) of the Contracts, each in a form reasonably satisfactory to the Placing Agent and the Subscriber, by the respective parties;

(2) at the Closing Date there having been delivered to the Placing Agent and the Subscriber a certificate of a duly authorised officer of the Issuer in the form as set out in the Agreement;

(3) on or prior to the Closing Date, the Placing Agent and the Subscriber shall have received evidence, in form and substance satisfactory to them, that (i) the Issuer Cash Account has been opened and is maintained with the cash account bank; (ii) the Issuer Securities Account has been opened and is maintained under the custody of the custodian, in each case, including (without limitation) copies of the relevant account opening documentation; and (iii) the Subsidiary Account has been opened and is maintained;

(4) on or prior to the Closing Date, the Placing Agent and the Subscriber shall have received evidence, in form and substance satisfactory to them, that the underlying shares of an existing investment in an Independent Third Party (which did not constitute a discloseable transaction under the Listing Rules) has been deposited into the Issuer Securities Account;

(5) the Placing Agent receiving confirmation on or before the Closing Date that the Conversion Shares have been approved for listing on the Stock Exchange upon conversion of the Convertible Bonds;

(6) on or prior to the Closing Date there shall have been delivered to the Placing Agent and the Subscriber copies of all consents and approvals required in relation to the issue of the Convertible Bonds, including (i) the Issuer's resolutions of its board of directors required in relation to the issue of the Convertible Bonds, the creation of security interest pursuant to the Deed of Charge and the performance of the Issuer's obligations under the Trust Deed, the Agency Agreement, the Deed of Charge and the Convertible Bonds, and (ii) such other consent or approval as may be required under the Listing Rules;

(7) at the Closing Date in respect of the Convertible Bonds there shall not have occurred any change, or any development or event reasonably likely to involve a prospective change, in the financial or trading position, earnings or business affairs of the Group as a whole, which, in the opinion of the Placing Agent and the Subscriber (following consultation with the Issuer to the extent practicable in the circumstances), is material and adverse and which be likely to prejudice materially the success of the offering and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market;

(8) on or before the Closing Date, there having been delivered to the Placing Agent and the Subscriber the relevant legal opinions from the Company and Placing Agent's legal advisers, each in form and substance reasonably satisfactory to the Placing Agent and the Subscriber, dated the Closing Date; and

(9) on or prior to the Closing Date, the agreed and final or substantially complete drafts of the following documents in relation to the CSRC filings, in form and substance satisfactory to the Placing Agent, having been delivered to the Placing Agent:

(i) the CSRC filing report (including the letter of undertaking from the Issuer);

(ii) legal opinions of the Company's legal advisers as to PRC law, to be submitted to the CSRC (including the letter of undertaking from the Company's PRC legal adviser); and

(iii) any other CSRC filings required by the CSRC.

The Subscriber may, at its discretion and upon such terms as it thinks fit, waive compliance with the whole or any part the above conditions precedent, other than (i) the condition precedent set out under (1) above, and (ii) the condition precedent set out under (6) above as to such consent or approval as may be required under the Listing Rules.

Placing Agent

The Placing Agent agrees to use reasonable efforts to assist with facilitating the subscription by the Subscriber of the Convertible Bonds on the Closing Date subject to, and in accordance with, the terms of the Agreement.

It is acknowledged and agreed by the Company that the engagement of the Placing Agent under the Agreement is not an agreement by it or any of its affiliates to underwrite, subscribe or purchase any securities or otherwise provide any financing. The Placing Agent is not under any obligation to purchase the Convertible Bonds if the Subscriber has not itself subscribed or procured subscribers for any or all of the Convertible Bonds.

Completion

Completion will take place on the Closing Date subject to the satisfaction (or waiver) of the conditions precedent set out above.

Upon completion, the Issuer shall take all actions necessary to procure that the net proceeds from the issue of the Convertible Bonds are deposited into the Issuer Cash Account immediately upon receipt and shall remain credited to the Issuer Cash Account in accordance with the Terms and Conditions.

THE PRINCIPAL TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS

The principal terms and conditions of the Convertible Bonds are summarised as follows:

Issuer	the Company
Principal amount	HK$468,000,000
Maturity date	On or about January 4, 2027
Issue price	100% of the principal amount of the Convertible Bonds
Interest rate	The Convertible Bonds are zero coupon and do not bear interest unless, upon due presentation thereof, payment of principal or premium (if any) is improperly withheld or refused. In such event, such unpaid amount shall bear interest at 6.5% per annum (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Convertible Bond up to that day are received by or on behalf of the relevant holder, and (ii) the day falling seven days after the Trustee or the Placing Agent has notified Bondholders of receipt of all sums due in respect of all the Convertible Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under the Terms and Conditions). If interest is required to be calculated for a period of less than one year, it will be determined on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Notwithstanding the above, upon any redemption in full, the Issuer shall pay any interest accrued on any cash amounts deposited in the Issuer Cash Account ("**Accrued Interest**"), with such amount to be paid *pro rata* in respect of each Convertible Bond being redeemed and paid on the relevant redemption date. The Issuer shall calculate the Accrued Interest and notify the Trustee, the Principal Agent and the Bondholders of such amount at least 10 Hong Kong business days prior to the date of redemption. For the avoidance of doubt, such amounts are not payable upon exercise of the Conversion Right by any Bondholder pursuant to the Terms and Conditions.

Form, denomination and title

The Convertible Bonds are issued in registered form in the denomination of HK$2,000,000 each and integral multiples of HK$1,000,000 in excess thereof. A bond certificate will be issued to each Bondholder in respect of its registered holding of Convertible Bonds. Each bond certificate will be numbered serially with an identifying number which will be recorded on the relevant certificate and in the register of Bondholders which the Issuer will procure to be kept by the Registrar.

Upon issue, the Convertible Bonds will be represented by a global certificate deposited with, and representing Convertible Bonds registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A.

Title to the Convertible Bonds passes only by transfer and registration in the register of Bondholders.

Status

The Convertible Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer, secured in the manner provided in the Terms and Conditions and in the Deed of Charge. The Convertible Bonds shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Convertible Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the Terms and Conditions, at all times rank at least equally with all of its other direct, unconditional, unsubordinated and unsecured obligations.

Conversion right and period

Subject to and upon compliance with the Terms and Conditions, the Conversion Rights attaching to any Convertible Bond may be exercised, at the option of the holder thereof, at any time on or after (subject to any applicable fiscal or other laws or regulations) January 20, 2026 up to (a) the close of business (at the place where the certificate evidencing such Convertible Bond is deposited for conversion) on the 10th day prior to the maturity date (both days inclusive) (but, except as provided in the Terms and Conditions, in no event thereafter) or, (b) if such Convertible Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than ten days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or (c) if notice requiring redemption has been given by the holder of such Convertible Bond then up to the close of business (at the place aforesaid) on the business day (being any day from Monday to Friday other than public holidays at the place aforesaid) prior to the giving of such notice.

The number of Shares to be issued on conversion of a Convertible Bond will be determined by dividing the principal amount of the Convertible Bond to be converted by the Conversion Price in effect on the relevant conversion date.

Conversion Price

The price at which Shares will be issued upon conversion will initially be HK$23.50 per Share but will be subject to adjustments in certain circumstances, including:

(i) consolidation, subdivision, redesignation or re-classification of Shares;

(ii) capitalisation of profits or reserves;

(iii) capital distributions to the shareholders;

(iv) rights issues of shares or options over shares at a consideration less than 95% of the current market price per Share as determined in accordance with the Terms and Conditions;

(v) rights issues of other securities;

(vi) issues at less than 95% of the current market price per Share;

(vii) other issues of securities upon conversion, exchange or subscription at a consideration of less than 95% of the current market price per Share;

(viii) modification of rights of conversion etc. at less than 95% of the current market price per Share;

(ix) other offers to shareholders; or

(x) other events as the Company determines where an adjustment should be made to the Conversion Price, as further described in the Terms and Conditions.

Ranking of Conversion Shares

The Convertible Bonds shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Convertible Bonds shall at all times rank at least equally with all of its other present and future unsecured and unsubordinated obligations.

Redemption at maturity

Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Convertible Bond at 102.5% of its principal amount on the Maturity Date.

Early Redemption Amount

For each HK$1,000,000 principal amount of the Convertible Bonds, the amount determined to represent for the Bondholder on the relevant date for determination of the early redemption amount is a gross yield of 2.5% per annum calculated on a semi-annual basis. The applicable early redemption amount for each HK$1,000,000 principal amount of Convertible Bonds is calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is a Semi-annual Date (being each of the dates set out in the left hand column in the table below), such early redemption amount shall be as set out in the right hand column in the table below in respect of such Semi-annual Date):

Early redemption amount = Previous redemption amount × $(1 + r/2)^{d/p}$

where

Previous redemption amount = the early redemption amount for each HK$1,000,000 principal amount on the Semi-annual Date immediately preceding the date fixed for redemption as set out below (or if the Convertible Bonds are to be redeemed prior to the first Semi-annual Date, HK$1,000,000):

Semi-annual Date	**Early Redemption Amount** *(HK$)*
6 July 2026	1,012,500

r = 2.5% expressed as a fraction;

d = number of days from and including the immediately preceding Semi-annual Date (or if the Convertible Bonds are to be redeemed on or before the first Semi-annual Date, from and including the issue date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed;

p = 180.

Redemption for Taxation Reasons

The Convertible Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with the Terms and Conditions (which notice shall be irrevocable) and in writing to the Trustee and the principal agent at their early redemption amount if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (A) the Issuer has or will become obliged to pay additional tax amounts as provided or referred to in the Terms and Conditions as a result of any change in, or amendment to, the laws or regulations of the PRC, Hong Kong or the Cayman Islands or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after December 17, 2025, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no tax redemption notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional tax amounts were a payment in respect of the Convertible Bonds then due.

Redemption for Relevant Events

The holder of each Convertible Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Convertible Bonds on the Relevant Event Redemption Date at their Early Redemption Amount following the occurrence of a "Relevant Event", namely:

(1) when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 30 consecutive trading days on the Stock Exchange; or

(2) when there is a Change of Control.

Adjustment upon Change of Control

If a Change of Control shall have occurred, the Company shall give notice of that fact to the Bondholders within 7 days after it becomes aware of such Change of Control. Following the giving of a Change of Control notice, upon any exercise of Conversion Rights such that the relevant conversion date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control notice is given to the Bondholders (such period, the "**Change of Control Conversion Period**"), the Conversion Price shall be adjusted in accordance with the following formula:

NCP = OCP/(1 + (CP x c/t))

Where:

NCP = the Conversion Price after such adjustment;

OCP = the Conversion Price in effect on the relevant conversion date in respect of any conversion to which this adjustment provision below is applicable;

Conversion Premium (CP) = 38.2353% expressed as a fraction;

c = the number of days from and including the first day of the Change of Control Conversion Period to but excluding the Maturity Date; and

t = the number of days from and including the Issue Date to but excluding the Maturity Date;

provided that the Conversion Price shall not be reduced pursuant to this adjustment provision below the level permitted by applicable laws, regulations and stock exchange listing rules from time to time (if any).

Negative Pledge

So long as any Convertible Bond remains outstanding, the Issuer will not, and the Issuer shall procure that none of its principal subsidiaries will, create or permit to subsist any encumbrance upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any relevant indebtedness or to secure any guarantee of or indemnity in respect of any relevant indebtedness, in each case except for any permitted encumbrance, unless, at the same time or prior thereto the Convertible Bonds are secured (i) equally and rateably therewith or (ii) by such other security, guarantee, indemnity or other arrangement as shall be approved by an extraordinary resolution of the Bondholders.

Accounts

So long as any Convertible Bond remains outstanding, save as approved by an extraordinary resolution of the Bondholders or as expressly contemplated or permitted, the Trust Deed or the relevant Deed of Charge, the Issuer agrees that it will not, and will procure that the relevant subsidiary of the Issuer will not:

(1) create or permit to subsist any mortgage, charge, pledge, lien, encumbrance or other security interest securing any obligation of any person or any other agreement or arrangement having a like or similar effect upon all or any of the Security Assets;

(2) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, loan, grant any option over, transfer, assign, redeem or otherwise dispose of any Security Asset (including any of its rights in respect thereof) unless (1) such Security Asset has been released pursuant to the conditions set out in any "Release of Security Assets" below, or (2) in the case of any Security Asset specified in the Deed of Charge by Subsidiary (HK) only, any such sell, transfer or disposal will not result in breach of conditions set out in "Subsidiary Account" below; and

(3) permit the Trust Deed or the Deed of Charge to be amended, terminated, postponed or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to the Trust Deed or the Deed of Charge, or permit any party to the Trust Deed and the Deed of Charge or any other person whose obligations form part of the security interests to be released from such obligations.

Security

Pursuant to the Deed of Charge, the Convertible Bonds are secured by:

(i) an assignment by the Issuer to the Trustee by way of security:

(1) the relevant Accounts; and

(2) all its right, title and interest from time to time in and to the relevant account documents and all related rights;

(ii) charges in favour of the Trustee:

(1) by way of first mortgage, the Charged Securities; and

(2) by way of first fixed charge, the Charged Securities, to the extent not validly and effectively assigned as contemplated by (ii)(1) above;

(iii) charges in favour of the Trustee, by way of first fixed charge, the relevant Accounts and all its right, title and interest from time to time in and to the relevant account documents and all related rights to the extent not validly and effectively assigned as contemplated by (i) above; and

(iv) charges in favour of the Trustee, by way of first floating charge, the relevant Accounts to the extent not validly and effectively assigned as contemplated by (i) above,

pursuant to, and as more particularly described in, the Deed of Charge.

Release of Security Assets

Prior to the Convertible Bonds becoming immediately due and payable as contemplated in the Terms and Conditions, the Issuer is permitted to withdraw from the Issuer Accounts in the following circumstances:

(i) following two weeks from the Issue Date, HK$234,000,000 (being 50 per cent. of the original principal amount of the Convertible Bonds) may be withdrawn from the Issuer Cash Account provided that (a) the Issuer furnishes a monthly statement in respect of the Subsidiary Account showing that as at the date of the withdrawal certificate, the total value standing to the credit of the Subsidiary Account in US dollars is in excess of US$10 million and (b) certain existing investments have been deposited into the Issuer Securities Account, and provided further that to the extent any of the cash amounts withdrawn pursuant to this paragraph are applied towards the purchase of any listed securities, such securities shall be deposited forthwith into the Issuer Securities Account;

(ii) following the deposit of the relevant existing investments into the Issuer Securities Account, the Issuer may sell the existing investments on market, provided that all proceeds arising from such disposal shall be deposited into the Issuer Cash Account forthwith;

(iii) in respect of the remaining HK$234,000,000 (being 50 per cent. of the original principal amount of the Convertible Bonds), such amounts may be withdrawn (a) to purchase any listed securities but only with respect to such listed securities as approved by an extraordinary resolution of the Bondholders, which approval shall remain valid for such period as may be specified in the extraordinary resolution, provided that such listed securities so purchased shall be deposited forthwith into the Issuer Securities Account; or (b) if Conversion Rights shall have been exercised in respect of any Convertible Bonds, *pro rata* to the principal amount of the Convertible Bonds in respect of which Conversion Rights have been exercised (such that the percentage of the HK$234,000,000 being withdrawn is equal to the percentage of the HK$468,000,000 principal amount of Convertible Bonds originally issued in respect of which Conversion Rights are exercised); and

(iv) any interest accruing on the HK$468,000,000 (or any part thereof) originally deposited in the Issuer Cash Account may be withdrawn at any time for the purpose of paying the Accrued Interest.

Subsidiary Account

(i) for so long as any Convertible Bond remains outstanding, save as approved by an extraordinary resolution of the Bondholders or as expressly contemplated or permitted in the Terms and Conditions, the Issuer shall procure that the total value standing to the credit of the Subsidiary Account in US dollars is in excess of US$10 million on the last business day of each month in the place where the account bank is located, and shall furnish a certificate to the Trustee signed by an authorised signatory of the Issuer, confirming that, as of the date of such certificate, the total value standing to the credit of the Subsidiary Account in US dollars is in excess of US$10 million, which is evidenced by the statement issued by the account bank of the Subsidiary Account, provided that this requirement on total value shall cease to apply if the aggregate principal amount of the Bonds outstanding falls below US$10 million.

(ii) At any time prior to the occurrence of an Event of Default (as defined under the Terms and Conditions), the Subsidiary (HK) may withdraw or transfer any amounts from the Subsidiary Account without the consent from the Trustee or the Bondholders, provided that (i) above is satisfied at all times. Upon the occurrence of any Event of Default, the Issuer shall procure that the Subsidiary (HK) will not withdraw or transfer any amounts from the Subsidiary Account without prior approval by an extraordinary resolution of the Bondholders.

Listing of the Convertible Bonds An application will be made for the listing of the Convertible Bonds on the Vienna MTF operated by the Vienna Stock Exchange.

Listing of the Conversion Shares An application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

Comparison of Conversion Price

The initial Conversion Price of HK$23.50 per Conversion Share was arrived at after arm's length negotiation between the Company on the one hand, and the Placing Agent and the Subscriber on the other, after taking into account, among other things, the prevailing market price of the Shares and the terms and conditions of the Agreement and the Convertible Bonds.

The initial Conversion Price of HK$23.50 per Conversion Share represents:

(i) a premium of approximately 38.24% to the closing price of the Shares of HK$17.00 per Share as quoted on the Stock Exchange on the last trading date before the date of the Agreement; and

(ii) a premium of approximately 41.67% to the average closing price of HK$16.59 per Share for the last 5 consecutive trading days up to and including the last trading date before the date of the Agreement.

Conversion Shares

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK$23.50 per Conversion Share and based on the Initial Conversion Ratio, the Convertible Bonds will be convertible into 19,914,804 new Shares. The Conversion Shares represent approximately 3.79% of the existing issued Shares of the Company (excluding treasury Shares) and approximately 3.65% of the issued Shares the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the share capital of the Company and excluding treasury Shares).

The Conversion Shares have a nominal value of approximately HK$468,000,000 and a market value of approximately HK$338.6 million based on the closing price of the Shares of HK$17.00 per Share as quoted on the Stock Exchange on December 17, 2025, being the last trading date before the date of the Agreement.

There are 8,960,800 treasury Shares held by the Company as at the date of this announcement and currently the Company has no intention to transfer treasury Shares upon exercise of the Conversion Rights attaching to the Convertible Bonds.

The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue on the relevant conversion date.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares which may fall to be issued upon conversion of the Convertible Bonds, and the Company shall comply with CSRC Rules and complete the CSRC filings in connection with the issue of the Convertible Bonds.

GENERAL MANDATE

The Company was authorised to allot and issue up to a total of 106,611,703 Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on June 19, 2025. The General Mandate is sufficient for the allotment and issue of the Conversion Shares.

As at the date of this announcement, the General Mandate has not yet been utilised. Accordingly, the Company will be allowed to allot, issue or transfer a maximum of 106,611,703 Shares (whether by way of issue of new Share or transfer of treasury shares or otherwise) and it is intended that the Conversion Shares will be allotted and issued by way of issue of new Share thereunder. Therefore, no Shareholders' approval is required for the allotment and issue of the Conversion Shares that may fall to be issued upon the conversion of the Convertible Bonds.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the Company's shareholding structure as at the date of this announcement and upon full conversion of the Convertible Bonds at the initial Conversion Price of HK$23.50 per Conversion Share and based on the Initial Conversion Ratio, assuming that there is no other change to the issued share capital of the Company:

	As at the date of this announcement *(excluding treasury shares)*		**Immediately upon full conversion of the Convertible Bonds and based on the above assumptions** *(excluding treasury shares)*	
Shareholder	***Number of Shares***	***Approximate %***	***Number of Shares***	***Approximate %***
Mr. WU Xubo[(1)]	264,263,000	50.29	264,263,000	48.45
Ms. WU Xuan[(2)]	38,487,000	7.32	38,487,000	7.06
Other Shareholders	222,729,118	42.39	222,729,118	40.84
Bondholders	**—**	**—**	**19,914,804**	**3.65**
Total issued Shares[(3)]	**525,479,118**	**100%**	**545,393,922**	**100%**

Notes:

(1) Mr. WU Xubo indirectly held 264,263,000 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.

(2) 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.

(3) As of the date of this announcement, the Company had 534,439,918 total issued Shares. For illustration purpose only, the calculation for Shares in the above shareholding table excludes 8,960,800 treasury Shares as of the date of this announcement.

As at the date of the announcement, except for the Convertible Bonds the pre-IPO share option plan of the Company adopted on November 4, 2022, the Company does not have any outstanding options, convertible bonds, warrants or other similar securities which are convertible into Shares.

INFORMATION ON THE COMPANY

The Company is a publisher of online game products in China who is devoted to marketing and operating online games (in particular mobile games). The Company embarked a profound "AI + Game" strategic transformation, expanding overseas market development, restructuring product matrix, adjusting talent structure, promoting the integration of AI across business operations, actively exploring the development path of innovative fields and emerging markets, and accumulating strength for opening a new chapter.

INFORMATION ON THE PARTIES

The Subscriber

The Subscriber is an exempted limited company incorporated and domiciled in the Cayman Islands. To the best of the Company's knowledge, information and belief having made all reasonable enquiries, the Subscriber operates as the master fund in a standard master feeder structure. The sole investor of the Subscriber is LMR Multi-Strategy Fund Limited, an exempted limited company incorporated and domiciled in the Cayman Islands. This structure is commonly used to consolidate portfolio management and trading activities while accommodating different investor profiles at the feeder level. The Subscriber's investor base is largely comprised of institutional investors and high net worth individuals. As of the date of this announcement, there is no underlying investor indirectly holding 25% or more of the shares of the Subscriber.

LMR Partners Limited acts as one of the investment managers to the Subscriber. LMR Partners Limited maintains a physical presence in Hong Kong and licensed to carry out Type 9 (asset management) regulated activity under the SFO.

The Placing Agent

Deutsche Bank AG, Hong Kong Branch is a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

To the best of the Company's knowledge, information and belief having made all reasonable enquiries, the Placing Agent, the Subscriber and its respective ultimate beneficial owner(s) are Independent Third Parties.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activities in the 12 months immediately preceding the date of this announcement.

REASONS FOR THE ISSUE OF THE CONVERTIBLE BONDS AND USE OF PROCEEDS

The gross proceeds from the issue of the Convertible Bonds will be HK$468,000,000 and the net proceeds from the issue of the Convertible Bonds will be approximately HK$458.6 million after deducting the related expenses and professional fees, representing a net issue price of approximately HK$23.03 per Conversion Share based on the initial Conversion Price. The Group intends to apply all of the net proceeds towards AI-related business investments and equity investments with regard to AI industries, aiming to accelerate the Company's "AI + Game" strategic layout, in accordance with the terms of the Agreement and subject to compliance with applicable requirements under the Listing Rules.

The Board considers that the issuance of the Convertible Bonds constitutes a strategic initiative to leverage the current robust market conditions in support of the Company's long-term development strategy. The issuance is expected to optimize the Company's shareholder base and enhance its market liquidity. The net proceeds from the issuance will be allocated primarily to investments in AI-related industry following the Company's "AI + Game" strategic focus. As AI technology continues to reshape the gaming industry, these investments are expected to strengthen the Company's technological capabilities and competitive position in the evolving market landscape. In addition, the proceeds from the issuance of the Convertible Bonds will supplement the Company's existing funding sources, contributing to a more balanced and efficient capital structure, and as a result strengthening the Company's financial position, improving capital efficiency, and enhancing its overall competitiveness.

The Board is of the view that the Contracts in relation to the issue of the Convertible Bonds are on fair and reasonable terms and in the interests of the Company and the Shareholders as a whole, and that the Contracts are entered into upon normal commercial terms following arm's length negotiations amongst the parties.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the issue of the Convertible Bonds for the above purposes is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As the Agreement may or may not proceed to completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company

TERMS AND DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"Accounts"	the Issuer Accounts and the Subsidiary Account
"Agency Agreement"	the paying and conversion agency agreement to be entered into between the Issuer, the Trustee, the Registrar, and the other paying agents, conversion agents and transfer agents appointed under it, as applicable, relating to the Convertible Bonds
"Agreement"	the Subscription and Placing Agent Agreement dated December 18, 2025 entered into between the Company, the Placing Agent and the Subscriber in respect of the issue of the Convertible Bonds
"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Convertible Bond(s) from time to time
"cash account bank" or "custodian"	the cash account bank and custodian to be appointed in relation to the Convertible Bonds, currently proposed to be Deutsche Bank AG, Hong Kong Branch, an Independent Third Party
"Change of Control"	a "Change of Control" occurs when: (a) the Permitted Shareholders collectively cease to hold directly or indirectly in aggregate at least 50 per cent. of the issued share capital of the Issuer; (b) any person or persons acting together (other than the Permitted Shareholders) acquires control of the Company if such person or persons does not or do not have, and would not be deemed to have, control of the Company on the issue date; or (c) the Company consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity
"Charged Securities"	has the meaning given to it in the Deed of Charge

"Closing Date"	the date falling 5 Hong Kong business days from the date on which all conditions precedent as set out in the section headed "*Conditions Precedent*" in this announcement is satisfied or waived (save for those conditions precedent which are only capable of being satisfied on the Closing Date itself), or such other date that the Issuer and the Subscriber may agree
"Company" or "Issuer"	Tanwan Inc. (贪玩), an exempted limited liability company incorporated in the Cayman Islands on March 18, 2021
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Contracts"	means the Agreement, Trust Deed, the Agency Agreement, the Deed of Charge, the Account Bank Agreement and the Custody Agreement
"Control"	(1) the acquisition or control of more than 50% of the voting rights of the issued share capital of the Company; or (2) the right to appoint and/or remove all or the majority of the members of the Company's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
"Conversion Price"	the price per Conversion Share at which the Conversion Shares will be allotted and issued upon conversion of the Convertible Bonds and the initial Conversion Price being HK$23.50 per Conversion Share (subject to adjustments pursuant to the Terms and Conditions)
"Conversion Right"	the right of a Bondholder to convert any Convertible Bond into Shares
"Conversion Share(s)"	new Shares to be issued on conversion of the Convertible Bonds pursuant to the Trust Deed and the Terms and Conditions
"Convertible Bond(s)"	the convertible bonds in an aggregate principal amount of HK$468,000,000 to be issued by the Issuer to the Subscriber subject to the provisions of the Terms and Conditions

"CSRC"	China Securities Regulatory Commission
"CSRC Rules"	the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) issued by the CSRC on February 24, 2023 (as amended, supplemented or otherwise modified from time to time)
"Current Market Price"	means, in respect of a Share on a particular date, the average of the closing prices for one Share for the 10 consecutive trading days as determined pursuant to the Terms and Conditions
"Deed of Charge"	certain deed of charge in relation to each Account entered on or around the Issue Date between the Issuer or Subsidiary (HK) as the chargor, as the case may be, and the Trustee, each as amended and/or supplemented from time to time
"Director(s)"	the director(s) of the Company
"Event of Default"	has the meaning given to it in the Terms and Conditions
"General Mandate"	the general mandate granted to by the Shareholders at the annual general meeting of the Company held on June 19, 2025, to allot, issue and/or deal with new Shares (including any sale or transfer of treasury shares) up to 106,611,703 Shares, representing 20% of the number of the issued Shares (excluding treasury shares) as of the date of the passing of the resolution in relation to the Issue Mandate
"Group"	the Company and its subsidiaries, as appropriate and regardless of whether directly or indirectly owned
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	persons or entities who are third parties independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)

"Initial Conversion Ratio"	being 42,553 Shares in respect of each HKD1,000,000 principal amount of the Convertible Bonds at the initial Conversion Price
"Issuer Accounts"	the "Issuer Cash Account" and the "Issuer Securities Account", each has the meaning given to it in the relevant Deed of Charge
"Issuer Cash Account"	has the meaning given to it in the relevant Deed of Charge
"Issuer Securities Account"	has the meaning given to it in the relevant Deed of Charge
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Permitted Shareholders"	(a) Mr. Wu Xubo, any heir, estate, lineal descendent (or spouse thereof), spouse or parent of Mr. Wu Xubo; and (b) Ms. Wu Xuan, any heir, estate, lineal descendent (or spouse thereof), spouse or parent of Ms. Wu Xuan
"Placing Agent"	Deutsche Bank AG, Hong Kong Branch
"Registrar"	the registrar in connection with the Convertible Bonds appointed under the Agency Agreement, currently proposed to be Deutsche Bank AG, Singapore Branch, an Independent Third Party
"Security Assets"	means the assets which from time to time are, or expressed to be, the subject of the security interests created or expressed to be created in favour of the Trustee by or pursuant to the Deed of Charge or any part of those assets
"SFO"	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Shares"	ordinary share(s) of US$0.00002 each in the share capital of the Company
"Shareholder(s)"	the shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subscriber"	LMR Multi-Strategy Master Fund Limited, an exempted limited company incorporated and domiciled in the Cayman Islands
"subsidiaries"	has the meaning ascribed to it in the Listing Rules
"Subsidiary Account"	has the meaning given to it in the relevant Deed of Charge
"Subsidiary (HK)"	means Hong Kong 9 Ring Network Co., Limited, a Hong Kong subsidiary of the Issuer
"Terms and Conditions"	the terms and conditions of the Convertible Bonds
"Trading day"	a day on which the Shares are traded on the Stock Exchange in accordance with the rules and regulations of the Stock Exchange in force from time to time
"Trust Deed"	the trust deed (as amended, restated, supplemented and/or replaced from time to time) constituting the Convertible Bonds and the Guarantee to be entered into between the Issuer and the Trustee
"Trustee"	the trustee to be appointed in relation to the Convertible Bonds, currently proposed to be DB Trustees (Hong Kong) Limited, an Independent Third Party
"US$"	United States dollar, the lawful currency of the United States of America
"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 the Company's 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 the Company's 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 the Company's Controlling Shareholders
"%"	per cent.

For and on behalf of
Tanwan Inc.
Mr. WU Xubo
Chairman of the Board and Executive Director

Guangzhou, the PRC, December 18, 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.