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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

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 consolidated results of the Company for the six months ended June 30, 2026 (the "**Reporting Period**"), together with comparative figures for the same period of 2025.

BUSINESS REVIEW AND OUTLOOK

1. Industry Overview

According to the China Gaming Industry Report from January to June 2026 (《2026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 2026, the actual sales revenue of Chinese domestic gaming market was RMB188.45 billion, representing a YoY increase of 12.17%; the number of game users in China reached 684 million, representing a YoY increase of 0.82%.

In 2026, the normalization and standardization of game publication numbers approvals were further consolidated. From January to June 2026, the National Press and Publication Administration (國家新聞出版署) issued a total of 950 game publication numbers, comprising 917 domestic games and 33 imported games. In terms of supply structure, the industry currently exhibits three key characteristics: an increasingly

(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**").

standardized approval process, a notable increase in the frequency of approvals for imported games, and a continuous rise in the proportion of approvals for sub-categories such as casual and puzzle games, indicating a clear trend of supply-side structural optimization in the gaming industry.

On March 13, 2026, the Outline of the 15th Five-Year Plan for National Economic and Social Development of the People's Republic of China (《中華人民共和國國民經濟和社會發展第十五個五年規劃綱要》) (the "**Outline**") was officially issued. The Outline proposes to transform and upgrade traditional cultural industries, promote the integration of culture and technology, and advance the digital and intelligent empowerment and informatization transformation of cultural development. It calls for the development of new cultural formats such as digital animation, immersive performances, online broadcasting, short videos, and micro-dramas, while guiding the healthy development of online literature, online games, and online audio-visual content. At the same time, the Outline encourages cultural enterprises to pursue international operations, promotes the global expansion of high-quality online literature, online games, film and television animation, and premium exhibitions, and strengthens the construction of key bases for international communication and national cultural export bases.

2. Main Strategies and Business Overview of the Company

With "Get back your playful youth time" as its brand 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 era of "AI + Game".

During the Reporting Period, the Group achieved a revenue of RMB1,883.5 million (same period in 2025: RMB2,004.6 million). The net profit of the Group for the period was RMB213.3 million (same period in 2025: RMB649.6 million).

The overseas business revenue was RMB351.9 million, representing a YoY increase of 12.2% compared to RMB313.5 million in the same period of 2025, accounting for 18.7% of total revenue, representing an increase by 3.1 percentage points from 15.6% in the same period of 2025.

2.1 Game Business

The Group adopts a "self-operation + co-operation" dual-engine business model, anchoring its game product system in "refinement, diversification, globalization, and long-term operation". By leveraging an AI-empowered major IP strategy, the Group maximizes game value through high-quality content, diversified deployment, global market penetration and long-term operation.

In terms of product deployment, the Group has primarily adopted a multi-platform distribution strategy encompassing mobile games and mini-programs, thereby establishing a multi-dimensional game distribution network with interconnected platforms, multi-regional coverage and comprehensive user reach. 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.

The Group's operated and reserved major IPs include classic top-tier IPs such as "Legend" (傳奇), "Yulgang" (熱血江湖) and "MU" (奇蹟MU), as well as premium IPs such as "Soul Land" (斗羅大陸), "The Demi-Gods and Semi-Devils" (天龍八部), "The Smiling Proud Wanderer" (笑傲江湖), the "Condor Trilogy" (射鵰三部曲) and "Dragon Nest" (龍之谷).

2.1.1 Classic IPs: Revitalized Through Iteration to Transcend Generations

The Group continuously cultivates the value of classic IPs. Through iteration, upgrades and content innovation, it has refined these classic IPs into long-lifecycle quality games. 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" is one of the most influential super IPs in the history of China's online game development and also one of the client-game IPs with the highest revenue output in the country. The core products under the "Legend" IP operated by the Group have entered a mature operational phase, while gross billings growth has moderated, the baseline remains stable. Users of "Legend" game series exhibit high loyalty and strong willingness to pay, demonstrating robust long-term operational capabilities. The Group continuously explores new value for the IP through technological innovation, injecting sustained vitality into these classic IPs. Currently, the main products operated by the Group include "Legend of Origin" (《原始傳奇》), "City of Dragontrail" (《龍跡之城》), "Legend of Guyun 2" (《古雲傳奇2》) and "Original Attack" (《原始合擊》). In terms of reserve products, the large-scale MMORPG games like "Legend of King 2" (《王者傳奇2》), "Blue Moon Dragon Slayer" (《藍月屠龍》) are advancing in an orderly manner.

"Yulgang Online" (《熱血江湖Online》) was launched in 2005 by a South Korean 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 during the golden age of Chinese online games. The Group has released multiple "Yulgang" IP mobile products, including "All People's Jianghu" (《全民江湖》), "Yulgang: Return" (《熱血江湖:歸來》) and "Yulgang: Awakening" (《熱血江湖:覺醒》). Among them, "Yulgang: Return" has achieved remarkable overseas performance: in South Korea, it topped the App Store Free List at No.1; in Thailand, it swept the Free Lists across Google Play, App Store, and

LDPlayer, achieving No.1 on all fronts; in the Taiwan region of China, it grabbed the Top One spot on the App Store Free List and Top Two spot on the Top-Grossing List, demonstrating strong global appeal and brand momentum.

"Yulgang: Awakening" (《熱血江湖:覺醒》) has officially commenced the open beta testing on July 31, 2026. The game retains the original Q-style martial arts aesthetics, classic class system and martial arts world view. Meanwhile, it has been optimized and upgraded in aspects such as character progression, equipment systems and mobile control experience to meet the current demands of mobile game users, thereby injecting new vitality into the sustainable development of the classic IP in the mobile game market.

"MU" (《奇蹟MU》) was a milestone MMORPG game product developed by a South Korean company Webzen Inc. (網禪公司) in 2002. In recent years, the "MU" IP has been continuously innovating, expanding from client-based games to a diversified product matrix encompassing web games and mobile games with multiple derivative products achieving remarkable success in the market and impressive gross billings. The Group has launched game products such as "MU: Dragon Havoc" (《神兵奇蹟》) and "New Moon Continent" (《新月大陸》) domestically, and "MU: Dragon Havoc" (《奇蹟MU:無限金蛋》) and "MU: Classic Battle" (《奇蹟MU:經典之戰》) overseas, with distribution covering the Hong Kong SAR, the Macao SAR and the Taiwan region, 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 "diverse + premium" major IPs to build 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 investment, joint development and technology empowerment, unlocking IP value to create diversified premium games. In terms of thematic domains, premium IPs span diverse categories, 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 "Space Hunter" (時空獵人), "Soul Land" (斗羅大陸) and "Dragon Nest" (龍之谷), as well as "Jin Yong Martial Arts" (金庸武俠) series encompassing "The Demi-Gods and Semi-Devils" (天龍八部), "The Smiling Proud Wanderer" (笑傲江湖) and the "Condor Trilogy" (射鵰三部曲).

Among these, as of the date of this announcement, "Space Hunter • Awakening" (《時空獵人•覺醒》), a 2.5D HD fighting ARPG mobile game developed based on the "Space Hunter" IP, has been launched. It has deployed a tiered influencer matrix featuring bespoke collaborative gameplay modes tailored to vertical, competitive, and pan-entertainment audience segments. Concurrently, the "Awakening Night" (覺醒之夜) open-beta live streaming mega-event was orchestrated to amplify market buzz, achieving the remarkable result of topping the iOS Free Chart.

The open-world large-scale 3D game "Soul Land: Legend of Evil Slayer" (《斗羅大陸:誅邪傳說》), developed based on the "Soul Land" IP, has commenced its fifth round of testing, with simultaneous availability on both Android and PC platforms. Drawing on in-depth player feedback from previous tests, the fifth testing version has made further strides toward a "truly free" Soul Land open world across every dimension, from the martial soul system, realm breakthroughs, world view narrative, onboarding experience, scene expansion, and combat gameplay to graphical performance.

2.1.3 Mini-Program Games: Lightweight Breakthroughs and New Growth Curves for Games

According to estimates by DataEye Research Institute, China's mini-game market continues to maintain high-speed growth and is projected to exceed RMB74.5 billion in 2026, representing a YoY increase of over 22%.[(1)]

The deployment in the mini-program games sector has become a critical component of the Group's diversified game product matrix. Leveraging mature game distribution and operational experience, the Group deeply integrates the strengths of IP games with the lightweight nature of mini-program games. By fully utilizing the game publishing and operational advantages in mobile games, the Group has adapted classic IPs such as "Legend", "Yulgang" and "MU" into lightweight versions, launching mini-program editions including "City of Dragontrail", "Legend of Origin", "All People's Jianghu" and "MU: Dragon Havoc". This has successfully achieved cross-platform user migration and pioneered new growth trajectories. Concurrently, the Group actively deploys emerging categories of mini-program games such as casual competition, match-three, tower defense and martial arts. By leveraging the social fission features of mini-program platforms like WeChat, Douyin, Alipay and Huawei for rapid user acquisition, the Group has launched multiple mini-program games products, including "The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens" (《天龍八部2：飛龍戰天》) and "Tiny Troopers" (《小兵大作戰》).

(1) Source: DataEye 2026 H1 Mini-Game User Acquisition Data Report (《2026上半年小遊戲買量數據報告》)

2.1.4 Diversified Innovation Tracks: Boundary Expansion and Unbounded Players

While cultivating classic IPs and introducing premium IPs, the Group also actively explores innovative breakthroughs in emerging gaming tracks. Since 2024, the Group has successively launched new products in fields such as simulation games (SLG), simulation management, cards, tower defense and casual fusion RPG. Among these: "Tiny Troopers", a multi-player fast-paced casual competitive game, has maintained continuous version updates since its launch in 2024, boasting a long-term lifecycle far exceeding that of most short-cycle mini-games, with a maturing retention and monetization system; High-Energy Treasure Hunters (《高能探寶團》), a quirky Chinese-style Q-card mobile game featuring a Three Kingdoms theme, commenced the open beta testing across all platforms on June 25, 2026.

2.1.5 Collaboration with Overseas Brand Game Lovin to Build a Globally Influential Gaming Ecosystem Platform

The Group implements the dual engines of "global distribution + local cultural adaptation", coupled with comprehensive coordination through overseas KOL cultivation and deep community collaborations, to build a globalized game distribution ecosystem. As of June 30, 2026, the Group has successfully distributed and operated over 30 multilingual games in 11 different language versions across multiple international markets, including Southeast Asia, the Hong Kong SAR, the Macao SAR and the Taiwan region, Japan, South Korea, Europe and America. Several game products have achieved outstanding rankings on top list, such as "Anh Hùng Bất Diệt" (《英雄沒有閃》Thailand, Vietnam), "ルミナアビス：光と闇を紡ぐ少女たち" (《愛琳詩篇》Japan), "Legend of Origin" (South Korea), "Super World" (《超能世界》Vietnam), "Stickman G0" (《超元氣火柴人》 Europe and America), "Blooded Attack" (South Korea), "All People's Jianghu" (the Hong Kong SAR, the Macao SAR and the Taiwan region, South Korea, Thailand, Vietnam), "Yulgang: Return" (South Korea, Thailand), "MU: Dragon Havoc" (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 "The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens" (《天龍八部2：飛龍戰天》, to be launched in Thailand and Vietnam), "Seal: Back to Shiltz" (《希望之啟航》, to be launched globally), "Yulgang: Legend" (《熱血江湖傳》to be launched in Vietnam, Europe and America), "Tam Quốc: Tranh Bá Thiên Hạ" (《偃武》, to be launched in Vietnam), "Immortal Oracle" (《不朽箴言》, to be launched in Southeast Asia) etc.

Since the Group upgraded its overseas brand to "Game Lovin", it has integrated core resources and professional capabilities of overseas teams to build a more competitive international operation framework. With 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-Empowered Game

During the Reporting Period, the Group continuously advanced the strategic upgrade of "AI + Game". By deeply integrating artificial intelligence into the entire business chain of game publishing, operations, and research and development, the Group achieved comprehensive improvements in overall business efficiency and operational quality. With the iterative upgrades to its proprietary technology system and the establishment of a company-wide AI capability framework as its dual core, the Group continuously unlocked the empowering value of AI technology, consolidated its core competitive advantages, and facilitated the Group's quality enhancement and efficiency improvement.

2.2.1 Deep AI Empowerment Across the Entire Business Chain, Achieving Efficiency Innovation and Value Leap

During the Reporting Period, leveraging its proprietary "Luoshu" (洛書) Intelligent Placement System and "Hetu" (河圖) Intelligence Analytics System, the Group comprehensively upgraded its content creation production, data analytics and traffic operations systems. In creative production, the Group established a dedicated AI agent workflow. Through AI technology, it achieved automated generation and iterative optimization of game promotional materials, creative designs and marketing copy. This significantly shortened the content production cycle, enriched creative dimensions and improved output quality, transforming the traditional labor-intensive mass-production model. In traffic delivery, based on the User Lifetime Value (LTV) prediction model and intelligent dynamic tuning algorithms, the Group achieved unified management of multi-channel advertising resources, real-time traffic allocation and precise tiered delivery, effectively reducing marketing trial-and-error costs. As of the end of the Reporting Period, the comprehensive AI ad penetration rate reached 80%, and overall placement efficiency increased by over 70%, significantly enhancing its refined publishing and intelligent marketing capabilities.

During the Reporting Period, the Group officially launched "Tanwan Xiaoxia" (貪玩小蝦), a localized omnichannel intelligent agent assistant. Built upon advanced large language models and multimodal technologies, "Tanwan Xiaoxia" establishes an independent AI operating environment and data security isolation mechanism. It features an enterprise-level AI knowledge base and a comprehensive management interface, providing each employee with a dedicated AI Agent configured by role, thereby comprehensively enhancing the Group's information flow efficiency and overall operational effectiveness.

During the Reporting Period, the Group launched an internal skills platform "TW Agent Hub", which provides each employee with a Token quota, to encourage employees to learn and develop new AI skills, as well as share their skills, exchange user experiences, and address questions, thereby enhancing overall work efficiency. In addition, the Group launched the "AI Efficiency Co-Creation Competition" (AI提效共創大賽) to build an AI creation ecosystem with full-employee participation and technology sharing. Leveraging the Group's unified AI platform, every employee is encouraged to independently publish diverse skills, covering high-quality workflows, standardized prompt, business-assist scripts and scenario-based intelligent tools. The submitted entries support efficient cross-departmental reuse, flexible invocation and collaborative iteration, breaking down information silos. This fully stimulated the enthusiasm and creative potential of all employees in AI application, driving the standardized precipitation, systematic integration and scalable replication of frontline business experience, operational methods and scenario insights within the organization. "Tanwan Xiaoxia" has become a company-wide and continuously evolving intelligent collaboration foundation, assisting the Group in constructing a complete AI value loop that drives internal efficiency and external empowerment.

The Group continues to drive high-quality operations with AI technology, comprehensively translating technological advantages into operational benefits. Relying on the "X intelligent platform" and the "Hetu" and "Luoshu" intelligent analysis and placement systems to monitor core operating indicators in real time, and combined with data agents to achieve in-depth insights into marketing effectiveness, forecasting of business trends, and scientific decision-making support, the Company has realized the precise allocation of marketing resources and the refined control over placement expenses.

2.2.2 *Forward-looking Deployment in the AI Industry Ecosystem to Build a Dual-engine Growth Landscape of Organic Growth + External Expansion*

The Group values the long-term development opportunities in the AI sector and adheres to a differentiated development approach of "internal technology self-research for efficiency enhancement + external industrial value investment". While deepening the empowerment of internal AI scenarios and consolidating its organic growth capabilities, the Group continues to advance its external industrial deployment, identifying quality investment targets along the AI industry chain, optimizing its asset allocation structure, and broadening its long-term growth potential.

The Company has completed the issuance of HK$468 million zero-coupon convertible bonds, with the proceeds specifically designated for strategic investment in the AI industry and technology ecosystem deployment. Following the strategic investment in Hangzhou Jiyi Artificial Intelligence Technology Company Limited (杭州極逸人工智能科技有限公司), which possesses a gaming vertical large model (SOON), the Group has successively invested in quality targets including Moore Threads Technology Co. Ltd. (摩爾線程智能科技(北京)股份有限公司), Victory Giant Technology (Huizhou) Co., Ltd. (勝宏科技(惠州)股份有限公司) and Beijing Sanqi Wanwu Technology Co., Ltd. (VAST) (北京三啟萬物科技有限公司). The investment targets cover key areas including AI core chip design, computing power infrastructure, AI applications and digital entertainment, which are highly aligned with the Group's core business sectors and share synergistic industrial logic.

With AI sector investment as its core starting point, the Group strictly adheres to market-oriented investment principles. Through a diversified and decentralized allocation of AI industry targets, the Company aims to seize the opportunities presented by the iterative upgrading of the artificial intelligence industry, enhance the Company's investment returns and overall asset value, and provide effective supplementation to the Group's mid-to-long-term stable operations and value growth.

2.3 AI Short Dramas: Expanding New Scenarios in Digital Entertainment

During the Reporting Period, the Group accurately grasped the market demand for short dramas and actively expanded into the AI short drama track, leveraging its experience in content marketing. The Group has continuously released works of diverse genres across multiple platforms, with several works achieving popularity reaching over ten million. The core business covers two main directions: AI live-action short dramas and AI comic dramas. Built upon a vertical model for short dramas as its technological foundation, the Group has standardized the production process into stages such as script parsing, storyboard generation, asset generation, and dynamic composition, thereby realizing standardized and mass production. Meanwhile, our editing team exercises aesthetic control over art, pacing, and narrative to ensure the creativity and quality of the final products. In connection with the promotion and operation of AI short dramas, the Group has leveraged its proprietary AI-driven content delivery analysis system to facilitate automated matching and targeted distribution of creative assets based on different platform mechanisms and user portraits, which has effectively bolstered both content penetration efficiency and conversion rates. The Company has not only expanded into AI short dramas production, but also further extended its presence into the promotion and distribution of such content, establishing an integrated "in-house production + self-distribution" business model for AI short dramas, with a view to capturing emerging opportunities in this rapidly developing sector.

2.4 Integration of Games with New Consumption

Our accumulated end-user insights enable us to identify additional needs of end-users. The Group's new consumption segment encompasses the fast food 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". 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.

3. Shareholder Return and Refinancing

3.1 Stick to the Commitment of Shareholder Return and Steadily Advance Share Repurchase

The Company has consistently prioritized shareholders' interests as our core mission, dedicated to enhancing corporate value, optimizing capital structure and sharing growth dividends with investors. The Company has steadfastly advanced our share repurchase to demonstrate the management's unwavering confidence in the Company's value and long-term development through concrete actions. During the Reporting Period, the Company cumulatively repurchased 4,250,000 shares at an average price of approximately HK$17.62 per share, for a total consideration of approximately HK$75.0 million, representing 0.8% of the Company's total issued share capital. In the period from the launch of the share repurchase plan in May 2025 to the date of this announcement, the Company has cumulatively repurchased 16,166,800 shares for a total transaction amount of approximately HK$232 million (excluding commission and other fees), equivalent to an average repurchase price of HK$14.33 per share.

3.2 International Capital Facilitates Strategic Upgrade of Zero-Coupon Convertible Bond Issuance

On January 8, 2026, the Company completed the issuance of zero-coupon convertible bonds totaling HK$468 million. These bonds were fully subscribed by the internationally renowned investment management fund LMR Multi-Strategy Master Fund Limited. This successful issuance has introduced top-tier international strategic investors, significantly optimizing the Company's shareholder structure and capital strength. The raised funds will be exclusively allocated to strategic deployment and investments in AI-related industries, providing long-term capital support for the Company's comprehensive acceleration of the "AI + Game" strategy. Additionally, the proceeds from the convertible bond issuance will supplement the Company's existing funding sources, helping to establish a more balanced and efficient capital structure. This will consolidate the Company's financial position, enhance capital efficiency, and support the development of future core competitiveness.

4. Outlook

Relying on our global strategic layout, we will continue to deepen the competitiveness of our global distribution system. We will achieve cost reduction and efficiency improvement through refined user acquisition placement, drive overseas market breakthroughs through in-depth localized cultural adaptation, and accumulate user value through full life-cycle long-term operations, ensuring the long-term, steady, and sustainable growth of the Group's business.

Seizing the industry opportunities brought by the AI technological revolution, we are comprehensively promoting AI implementation. By leveraging AI technology to enhance operational efficiency and optimize user retention, we have currently achieved full-chain empowerment for core segments such as game R&D, content production, and player services. AI will not only drive the intelligent upgrade of gaming experiences, creating richer and more personalized experiences for players, but also open up new spaces for the Group's long-term growth across multiple dimensions including cost reduction, efficiency improvement, and revenue generation. It will continuously strengthen our core competitiveness and enhance the Group's overall profitability and long-term investment value.

In terms of game pipeline, the Group has a rich and diversified pipeline of game products, including but not limited to the following blockbuster titles: "Soul Land" open-world games like "Soul Land: Legend of Evil Slayer" (《斗羅大陸：誅邪傳説》), "Legend" large-scale MMORPG games like "Legend of King 2" (《王者傳奇2》), "Blue Moon Dragon Slayer" (《藍月屠龍》), and "Jin Yong Martial Arts" themed games like "The Smiling Proud Wanderer: The Legend of Heroes" (《笑傲江湖：群俠傳》) and "The Legend of the Condor Heroes: Mount Hua Sword Duel" (《新射鵰之華山論劍》) and the RPG game like "Dreamscape Warrior" (《夢境勇士》). These meticulously crafted game products are poised for imminent release and will be launched sequentially as planned, further enriching the Group's product matrix.

In terms of AI short dramas, the Group will continue to refine its topic selection and production processes with a view to enhancing its capacity for sustained delivery of premium content. In parallel, the Group will actively pursue the expansion of its short-drama APP platforms in overseas markets, explore global content distribution and localized operation models, and advance the in-depth integration of AI technology and creative content, so as to unlock new growth engines.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue is generated primarily from (i) marketing and operating online games developed by game developers and other marketing business; 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:

(a. By type)

	For the Six Months Ended June 30			
	2026		2025	
	(RMB'000) **(Unaudited)**	**%**	*(RMB'000)* (Unaudited)	%
Online Game Publishing Business and Other Marketing Business				
Game products operated under the self-run model	**1,270,987**	**67.5%**	1,386,744	69.2%
Game products operated under the joint-run model	**558,202**	**29.6%**	565,093	28.2%
Others	**5,952**	**0.3%**	427	0.0%
Subtotal	**1,835,141**	**97.4%**	1,952,264	97.4%
Consumer Product Business	**48,345**	**2.6%**	52,315	2.6%
Total	**1,883,486**	**100.0%**	2,004,579	100.0%

(b. By geography)

	For the Six Months Ended June 30	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**1,531,588**	1,691,100
Hong Kong	**345,743**	312,284
Others	**6,155**	1,195
Total	**1,883,486**	2,004,579

For the six months ended June 30, 2026, the Group recorded revenue of RMB1,883.5 million, representing a decrease of 6.0% compared to RMB2,004.6 million for the same period in 2025.

The Group's overall revenue decreased year-on-year, primarily attributable to the decline in revenue from game products operated under the self-run model. This decline was mainly due to the natural decrease in gross billings from certain existing domestic games that have entered the later stages of their life cycles, while partially offset by revenue growth from overseas games.

In addition, the revenue from the Group's self-owned games increased, although the newly signed games have not yet fully realized their revenue contribution potential. The revenue generated from game products operated under the joint-run model remained basically stable. During the Reporting Period, the Group added a new AI short drama business, driving growth in revenue from other categories. Nevertheless, this business is still in its initial stage, and its revenue contribution is expected to be gradually released. During the same period, the revenue from the Group's consumer product business remained basically stable.

Cost of Sales

For the six months ended June 30, 2026, the Group's cost of sales was RMB882.1 million, representing an increase of 11.5% compared to RMB790.9 million for the same period in 2025. Such change was primarily due to (i) the co-amortization costs incurred by the Group for the establishment of dedicated game brand zones; and (ii) an increase in IP royalty and R&D revenue-sharing costs associated with certain newly contracted proprietary games of the Group during the Reporting Period.

Gross Profit and Gross Profit Margin

For the six months ended June 30, 2026, the Group's total gross profit was RMB1,001.4 million, representing a decrease of 17.5% compared to RMB1,213.6 million for the same period in 2025. Such change was primarily due to the decrease in overall revenue and the increase in costs of the Group during the Reporting Period.

Consequently, the Group's gross profit margin for the six months ended June 30, 2026 was 53.2%, representing a decrease of 7.3 percentage points compared to 60.5% for the same period in 2025.

Other Income and Gains

For the six months ended June 30, 2026, the Group's other income and gains were RMB 251.8 million, representing a decrease of 52.8% compared to RMB533.9 million for the same period in 2025, mainly due to the decrease in fair value gains on financial assets at fair value through profit or loss ("**FVTPL**") resulting from the decrease in the fair value of shares of other listed companies held by the Group.

Selling and Distribution Expenses

For the six months ended June 30, 2026, the Group's selling and distribution expenses were RMB852.7 million (same period in 2025: RMB843.7 million), which remained basically stable compared to the same period last year. During the Reporting Period, the Group incurred customer acquisition costs in connection with the launch of its new game, "The Demi-Gods and Semi-Devils 2: Flying Dragon Battles against the Heavens". However, this increase was partially offset by the absence of share-based compensation for sales personnel recorded during the Reporting Period.

Administrative Expenses

For the six months ended June 30, 2026, the Group's administrative expenses were RMB74.6 million (same period in 2025: RMB71.0 million), which remained basically stable compared to the same period last year.

R&D Costs

For the six months ended June 30, 2026, the Group's R&D costs were RMB48.8 million (same period in 2025: RMB46.3 million).

Other Expenses

For the six months ended June 30, 2026, the Group's other expenses were RMB32.6 million, representing an increase of 539.2% compared to RMB5.1 million for the same period in 2025, mainly due to (i) exchange losses arising from the fluctuation of HKD against USD and RMB resulting from the issuance of convertible bonds; (ii) an increase in issuance expenses for the convertible bonds; and (iii) impairment of intangible assets.

Finance Costs

For the six months ended June 30, 2026, the Group's finance costs were RMB6.5 million, representing a decrease of 15.6% compared to RMB7.7 million for the same period in 2025. This was mainly due to the decrease in the balance of the Group's bills payable during the Reporting Period and the corresponding reduction in related financing cost, with both moving in the same direction.

Share of Profits and Losses of Joint Ventures

For the six months ended June 30, 2026, the Group's share of profits and losses of joint ventures recorded a profit of RMB1.3 million, representing a decrease of 77.2% compared to RMB5.9 million for the same period in 2025. This change was mainly due to the decrease 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, 2026, the Group recorded a share of profits of associates of RMB10.9 million, representing an increase of 87.9% compared to RMB5.8 million for the same period in 2025. This change was mainly due to the increase in profits recorded by our associates, including Shanghai Dehan Technology Co., Ltd. (上海德寒科技有限公司).

Profit Before Tax

For the six months ended June 30, 2026, the Group recorded a profit before tax of RMB282.6 million (same period in 2025: RMB784.9 million).

The following table sets forth the breakdown of our profit before tax for the periods indicated:

	For the Six Months Ended June 30 2026 *RMB'000* **(Unaudited)**
Online Game Publishing Business and Other Marketing Business	19,025
Consumer product business	(4,801)
Investments at FVTPL and Others	268,375
Total	282,599

Income Tax Expense

For the six months ended June 30, 2026, the Group recorded income tax expense of RMB69.3 million, representing a decrease of 48.8% compared to RMB135.3 million for the same period in 2025. This change was mainly due to the change in fair value of financial assets classified as FVTPL held by the Group.

Profit for the Period

For the six months ended June 30, 2026, the Group recorded a profit of RMB213.3 million, representing a decrease of 67.2% compared to RMB649.6 million for the same period in 2025. The decrease was primarily due to (i) the decrease in fair value gains on financial assets at FVTPL related to shares of listed companies held by the Group; and (ii) the decrease in revenue which was due to the decrease in the game gross billings from certain existing domestic games that have entered into the later stages of their life cycles.

Trade Receivables

As of June 30, 2026, the Group's net trade receivables were RMB215.6 million, representing a decrease of 2.6% compared to RMB221.3 million as of December 31, 2025, which remained basically stable compared to the same period last year.

Trade Payables

As of June 30, 2026, the Group's net trade payables were RMB416.8 million, representing a decrease of 7.6% compared to RMB451.2 million as of December 31, 2025. The Group's trade payables mainly represented amounts due to game developers, and accordingly, the changes in trade payables were in line with the changes in the Group's revenue.

Bills Payable

As of June 30, 2026, the Group's bills payable were RMB1,103.0 million, representing a decrease of 15.4% compared to RMB1,303.8 million as of December 31, 2025. The Group's bills payable mainly represented bills due to game developers, and accordingly, the changes in bills payable were in line with the changes in the Group's revenue.

Liquidity and Capital Resources

As of June 30, 2026, the Group had cash and cash equivalents of RMB694.1 million (December 31, 2025: RMB376.0 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, 2026, the Group had interest-bearing bank borrowings of RMB81.8 million (December 31, 2025: RMB34.4 million). The Group's interest-bearing bank borrowings consisted of discounted bills provided by commercial banks to the Group, which were fully secured by pledges during the ordinary course of business. The interest-bearing bank borrowings were denominated in RMB and bore interests at rates ranging from 0.6% to 1.3% (2025: ranging from 1.0% to 2.0%) per annum.

Convertible Bonds

On January 8, 2026, the Company issued HK$468,000,000 zero coupon convertible bonds due 2027 under the general mandate (the "**Convertible Bonds**"). As of June 30, 2026, none of the convertible securities under the Convertible Bonds had been redeemed or exercised. On June 30, 2026, the balance of the Group's convertible bonds recorded on the Group's balance sheet was RMB389.7 million (December 31, 2025: Nil).

Gearing Ratio

The Group monitored its capital sufficiency using gearing ratio. As of June 30, 2026, the Group's gearing ratio (total debt, including interest-bearing bank borrowings, lease liabilities and the Convertible Bonds, as a percentage of total equity as of the end of the relevant reporting period) was 0.12 (December 31, 2025: 0.02).

Current Ratio

As of June 30, 2026, the Group's current ratio (total current assets divided by total current liabilities as of the end of the relevant reporting period) was 2.02 (December 31, 2025: 1.87).

Significant Investments, Material Acquisitions and Disposals

As of June 30, 2026, the Group held an aggregate of RMB1,143.1 million of investments at fair value in Century Huatong, representing 15.1% of the Group's total assets as of June 30, 2026. The Group directly held 81,072,600 shares in Century Huatong, representing approximately 1.1% of its total issued shares, and the investment cost was RMB623.3 million. During the Reporting Period, the accumulated unrealized fair value loss from such investment amounted to RMB257.1 million. Dividends of RMB4.9 million was received from such investment during the Reporting Period. Century Huatong is primarily engaged in automobile components, internet game and artificial intelligence businesses. The Group's investment in Century Huatong is for strengthening strategic alliance with a major player in the digital entertainment industry chain.

As of June 30, 2026, the Group's investment in the China Merchants Asset Management Jinglu FoF No. 53 Single Asset Management Plan (the "**Asset Management Plan**") (with China Merchants Securities Asset Management Co., Ltd. acting as the manager and Guangzhou Rural Commercial Bank Co., Ltd. acting as the custodian) measured at fair value amounted to RMB1,722.2 million in aggregate, representing 22.7% of the Group's total assets as of June 30, 2026. As of June 30, 2026, the Asset Management Plan held interests in 3,325,166 shares of Moore Threads, representing approximately 0.7% of its total issued shares of Moore Threads. The Group's investment cost in the Asset Management Plan was RMB390.5 million. During the Reporting Period, the accumulated unrealized fair value gains from such investment amounted to RMB403.4 million. No dividend was received from such investment during the Reporting Period. Moore Threads is primarily engaged in R&D, design and commercialization of graphics processing units (GPUs) and related products. The Group's investment in the Asset Management Plan aims to pursue wealth management objectives while enhancing the Group's strategic layout within the artificial intelligence ecosystem, given that artificial intelligence enterprises tend to establish partnerships with entities that possess artificial intelligence-related investment portfolios or experience.

As of June 30, 2026, save for the disclosures set out above, 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, 2026, the Group did not have any material acquisition or disposal of subsidiaries, associates and joint ventures.

Future Plans for Material Investments and Capital Assets

As of June 30, 2026, 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, 2026, the total capital expenditure amounted to approximately RMB45.0 million (same period in 2025: RMB4.8 million), primarily used for the payments for purchase of intangible assets.

Contingent Liabilities

As of June 30, 2026, 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, 2026, the Group had 1,110 employees (December 31, 2025: 958), all of whom were based in China. The total remuneration cost incurred by the Group for the six months ended June 30, 2026 was RMB94.6 million (same period in 2025: RMB131.0 million), representing a decrease of 27.8% compared to the same period last year. The change in the number of employees was primarily attributable to additional recruitment in connection with the Group's expansion into the AI short drama business during the Reporting Period. The decrease in remuneration costs was mainly due to share-based compensation expenses recognised in the corresponding period of 2025, which were fully amortised in 2025.

The Company 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 Company 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.

For the six months ended June 30, 2026, 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, 2026, the Group had pledged time deposits of RMB1,004.0 million (December 31, 2025: RMB1,064.5 million), as well as buildings and investment properties with a carrying amount of RMB59.8 million (December 31, 2025: RMB52.2 million), which had been acting as a security for the discounted bills and bills payable made available to the Group.

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, 2026. 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, 2026.

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 standard 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. The roles of chairman of the Board and chief executive officer of the Company are currently performed by Mr. WU Xubo ("**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 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

During the Reporting Period, the Company has repurchased 4,250,000 Shares on the Stock Exchange at an aggregate consideration of HK$75.0 million (excluding brokerage and other fees), of which 4,250,000 Shares are held as treasury Shares. During the Reporting Period, details of the Shares repurchased are summarized as follows:

Month of repurchase	Total number of Shares repurchased	Repurchase price per Share Highest	Repurchase price per Share Lowest	Aggregate consideration (excluding brokerage and other fees)
		HK$	*HK$*	*HK$ million*
February 2026	2,457,200	20.84	16.89	47.2
April 2026	589,400	16.00	14.93	9.2
May 2026	1,203,400	16.70	13.53	18.6

Since the Company's announcement of the launch of its share repurchase programme in May 2025 up to the date of this announcement, the Company has cumulatively repurchased 16,166,800 shares on the Stock Exchange and held as treasury Shares at an aggregate consideration of HK$232 million (excluding brokerage and other fees).

Save as disclosed above, neither the Company nor any member of the Group has purchased, sold or repurchased any of the listed securities of the Company (including the sale of treasury shares) for the six months ended June 30, 2026, and up to the date of this announcement. As of June 30, 2026, the Company held 13,210,800 treasury Shares (December 31, 2025: 8,960,800).

Interim Dividend

The Board did not recommend the distribution of an interim dividend for the six months ended June 30, 2026 (six months ended June 30, 2025: 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, 2026 and up to the date of 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 consolidated results of the Group for the six months ended June 30, 2026. The Audit Committee considers that the financial results for the six months ended June 30, 2026 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, 2026 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, 2026 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.

Publication of 2026 Interim Results and Interim Report

This announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.tanwan.cn/). The interim report for the six months ended June 30, 2026 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 2026.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

	Notes	2026 (Unaudited) RMB'000	2025 (Unaudited) RMB'000
REVENUE	5	**1,883,486**	2,004,579
Cost of sales		**(882,104)**	(790,933)
Gross profit		**1,001,382**	1,213,646
Other income and gains		**251,833**	533,884
Selling and distribution expenses		**(852,671)**	(843,702)
Administrative expenses		**(74,585)**	(70,973)
Research and development costs		**(48,774)**	(46,272)
Impairment on financial assets, net		**130**	(559)
Other expenses		**(32,629)**	(5,109)
Finance costs		**(6,518)**	(7,710)
Fair value changes of convertible bonds		**32,141**	—
Share of profits and losses of:			
Joint ventures		**1,342**	5,891
Associates		**10,948**	5,771
PROFIT BEFORE TAX	6	**282,599**	784,867
Income tax expense	7	**(69,348)**	(135,271)
PROFIT FOR THE PERIOD		**213,251**	649,596
Attributable to:			
Owners of the parent		**185,174**	601,976
Non-controlling interests		**28,077**	47,620
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	9		
Basic *(RMB)*		**0.36**	1.14
Diluted *(RMB)*		**0.29**	1.12

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**213,251**	649,596
OTHER COMPREHENSIVE (LOSS)/INCOME		
Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods:		
Share of other comprehensive (loss)/income of associates	**(96,557)**	197,396
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF TAX	**(96,557)**	197,396
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**116,694**	846,992
Attributable to:		
Owners of the parent	**88,617**	799,372
Non-controlling interests	**28,077**	47,620

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2026

	Notes	**30 June 2026 (Unaudited) *RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property and equipment		**244,598**	246,174
Investment properties		**78,862**	80,010
Right-of-use assets		**190,593**	210,118
Other intangible assets		**41,676**	18,045
Investments in joint ventures		**320,169**	318,146
Investments in associates		**215,758**	579,318
Prepayments, other receivables and other assets		**8,972**	8,471
Pledged deposits		**712,021**	636,965
Time deposits		**—**	82,831
Total non-current assets		**1,812,649**	2,180,078
CURRENT ASSETS			
Inventories		**5,094**	713
Trade receivables	*10*	**215,594**	221,278
Prepayments, other receivables and other assets		**944,294**	928,171
Amounts due from related parties		**119,666**	113,126
Financial assets at fair value through profit or loss	*11*	**3,403,918**	2,892,876
Pledged deposits		**292,017**	427,581
Restricted cash		**31,529**	605
Time deposits		**59,532**	242,003
Cash and cash equivalents		**694,077**	375,952
Total current assets		**5,765,721**	5,202,305
CURRENT LIABILITIES			
Trade payables	*12*	**416,822**	451,209
Bills payable	*13*	**1,102,999**	1,303,815
Other payables and accruals		**358,061**	484,530
Interest-bearing bank borrowings		**81,833**	34,369
Lease liabilities		**23,998**	15,378
Tax payable		**486,211**	485,663
Convertible bonds		**389,718**	—

	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
Total current liabilities	**2,859,642**	2,774,964
NET CURRENT ASSETS	**2,906,079**	2,427,341
TOTAL ASSETS LESS CURRENT LIABILITIES	**4,718,728**	4,607,419
NON-CURRENT LIABILITIES		
Lease liabilities	**39,739**	52,796
Deferred tax liability	**329,975**	269,398
Total non-current liabilities	**369,714**	322,194
Net assets	**4,349,014**	4,285,225
EQUITY		
Equity attributable to owners of the parent		
Share capital	**77**	77
Treasury shares	**(181,353)**	(114,804)
Reserves	**4,400,242**	4,300,593
	4,218,966	4,185,866
Non-controlling interests	**130,048**	99,359
Total equity	**4,349,014**	4,285,225

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 2026 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 2025.

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 2025, except for the adoption of the following amended HKFRS Accounting Standards for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

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

(a) Prior to the initial application of the amendments, the Group derecognised trade payables that were settled by cheques upon the issuance of cheques to creditors. Upon applying the amendments, trade payables that were settled by cheques are derecognised on the settlement date which is the date when the cheques are cleared by banks. The change in accounting policy did not have a material impact on the Group's interim condensed consolidated financial information. The change in accounting policy will be reflected in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) Amendments to HKFRS 9 and HKFRS 7 Contracts Referencing Nature-dependent Electricity clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

(c) Annual Improvements to HKFRS Accounting Standards — Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying Guidance on implementing HKFRS 7), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. 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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese Mainland	**1,531,588**	1,691,100
Hong Kong	**345,743**	312,284
Others	**6,155**	1,195
Total	**1,883,486**	2,004,579

(b) Non-current assets

As at 31 December 2025 and 30 June 2026, 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 2026 and 2025 are set out below:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**548,990**	161,329
Customer B	**445,573**	860,737

5. REVENUE

Disaggregated revenue information

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Type of goods or services		
Game marketing and operation — Self-run model	**1,270,987**	1,386,744
Game marketing and operation — Joint-run model	**558,202**	565,093
Other marketing services	**5,952**	427
Sales of products	**48,345**	52,315
Total	**1,883,486**	2,004,579
Timing of revenue recognition		
Services transferred over time	**279,466**	158,065
Services transferred at a point in time	**1,555,675**	1,794,199
Goods transferred at a point in time	**48,345**	52,315
Total	**1,883,486**	2,004,579
Geographical markets		
Chinese Mainland	**1,531,588**	1,691,100
Hong Kong	**345,743**	312,284
Others	**6,155**	1,195
Total	**1,883,486**	2,004,579

6. PROFIT BEFORE TAX

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Services fee charged by distribution platforms and payment vendors	**647,146**	704,836
Cost of products sold	**33,192**	34,727
Promotion expenses	**789,225**	772,359
Employee benefit expense:		
Wages and salaries	**88,040**	107,473
Equity-settled-based payment expenses	**—**	18,631
Pension scheme contributions* (defined contribution scheme)	**6,566**	4,941
	94,606	131,045
Depreciation of property and equipment	**11,093**	9,802
Depreciation of right-of-use assets	**21,469**	18,150
Depreciation of investment properties	**1,148**	1,322
Amortisation of other intangible assets	**7,414**	2,255
Lease payments not included in the measurement of lease liabilities	**148**	40
(Gain)/loss on lease modification	**(1,161)**	1,264
Loss on foreign exchange differences, net	**15,829**	1,581
Impairment of trade receivables, net	**(457)**	63
Impairment of financial assets included in other receivables	**327**	496
Fair value gain on financial assets at fair value through profit or loss	**(225,004)**	(475,647)
Gain on disposal of financial assets at fair value through profit or loss	**(7,015)**	(10,674)
Fair value gain on convertible bonds at fair value through profit or loss	**(32,141)**	—
Loss on disposal of subsidiaries	**—**	1,295
Loss on disposal of items of property and equipment, net	**42**	30

* 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% (2025: 16.5%) on the estimated assessable profit arising in Hong Kong during the period.

Taxes on profits assessable in Chinese Mainland 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 Chinese Mainland during the reporting period was 25% of their taxable profits.

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% in 2026.

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

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax — Chinese Mainland	**8,771**	23,520
Deferred income tax	**60,577**	111,751
Total tax charge for the period	**69,348**	135,271

8. DIVIDENDS

No dividends had been paid or declared by the Company during the six months ended 30 June 2026 (six months ended 30 June 2025: Nil).

9. EARNINGS 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 512,199,246 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	
	2026	2025
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation *(RMB'000)*	**185,174**	601,976
Less:Fair value gain on the convertible bonds	**32,141**	—
Earnings for the purpose of calculating diluted earnings per share	**153,033**	601,976
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	**512,199,246**	526,637,677
Effect of dilution — weighted average number of ordinary shares	**23,373,911**	9,062,755
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	**535,573,157**	535,700,432

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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**212,536**	215,330
1 to 2 years	**3,053**	5,913
Over 2 years	**5**	35
Total	**215,594**	221,278

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Asset management products, at fair value	**1,722,213**	1,318,835
Listed equity investments, at fair value	**1,487,258**	1,549,827
Others, at fair value	**194,447**	24,214
Total	**3,403,918**	2,892,876

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 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Within 1 year	**328,197**	342,476
1 to 2 years	**43,745**	89,449
2 to 3 years	**43,122**	8,745
Over 3 years	**1,758**	10,539
Total	**416,822**	451,209

13. BILLS PAYABLE

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Bills payable	**1,102,999**	1,303,815
Total	**1,102,999**	1,303,815

The time deposits, buildings and investment properties in total of RMB1,063,798,000 (31 December 2025: RMB1,116,726,000) were pledged for discounted bills and bills payable as at 30 June 2026.

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 guidance from the regulators and 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, August 25, 2026

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.