XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

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

The Board is pleased to announce the unaudited consolidated interim results of the Group for the six months ended June 30, 2026. The results have been reviewed by the Auditor in accordance with International Standard on Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the International Auditing and Assurance Standards Board, and by the Audit Committee.

FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		
	2026	2025	Change
	(RMB'000)	*(RMB'000)*	%
	(Unaudited)	(Unaudited)	
Revenue	**3,312,235**	3,081,986	7.5
Gross profit	**2,329,285**	2,252,758	3.4
Profit for the period	**724,312**	810,596	-10.6
Profit attributable to equity holders of the Company	**714,297**	754,856	-5.4
Adjusted profit for the period*	**783,510**	852,855	-8.1
Adjusted profit attributable to equity holders of the Company*	**771,984**	795,650	-3.0

* To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit for the period and adjusted profit attributable to equity holders of the Company as additional financial measures to evaluate our financial performance by eliminating the impact of fair value changes on long-term investments measured at fair value through profit or loss, and share-based compensation expenses. See "Non-IFRS Accounting Standards Measures" for details.

KEY OPERATING INFORMATION

	For the six months ended June 30,		
	2026	2025	Change
	(in thousands)	*(in thousands)*	*%*
Online Games			
Average MAUs[(1)]	**12,548**	11,409	10.0
Average MPUs[(2)]	**1,440**	1,322	8.9
TapTap			
Average App MAUs in TapTap PRC	**45,397**	43,625	4.1
Average App MAUs in TapTap International	**3,115**	5,020	-37.9

(1) Our average MAUs for online games are calculated by dividing the aggregate of the total MAUs of each online game for the respective period by the number of months of that period.

(2) Our average MPUs for online games are calculated by dividing the aggregate of the total MPUs of each online game for the respective period by the number of months of that period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Since the beginning of 2026, we have been applying AI across our research and development and operational activities to improve efficiency, piloting AI-native products and exploring organizational transformation for the AI era. In January 2026, we commenced the invitation-only testing of TapTap Maker, an AI game creation agent. To date, users have used the agent to develop and publish more than 6,000 games on TapTap. After the Reporting Period, in July 2026, we open-sourced Cindy, an AI agent for office work previously used internally, with the aim of helping more enterprises deploy AI tools efficiently in their daily operations.

During the first half of 2026, our revenues increased while net profit decreased. In the games business, Heartopia (心動小鎮) gained popularity following its global launch, while Torchlight: Infinite (火炬之光：無限) continued to perform steadily, together driving an 11.9% period-over-period increase in our game revenue. In the platform business, the user base and revenue of the TapTap PRC App remained stable, while TapTap PC continued to grow.

The following is an overview of our major products and services:

Our Games

As at June 30, 2026, our existing game portfolio consisted of 23 online games and 52 premium games.

Online Games

For the first half of 2026, the average MAUs of our online games increased by 10.0% period-over-period, while the average MPUs increased by 8.9% period-over-period. This growth was primarily attributable to the launch of Heartopia in multiple overseas countries and regions and its popularity among gamers. This increase was partially offset by declines in user metrics of certain existing games. For the six months ended June 30, 2026, Heartopia (心動小鎮), Torchlight: Infinite (火炬之光：無限), Blue Protocol: Star Resonance (星痕共鳴), Etheria: Restart (伊瑟) and Sausage Man (香腸派對) were our top five games in terms of revenue contribution. The following is an overview of certain major existing games:

— **Heartopia (心動小鎮):** This self-developed life simulation game was launched in Chinese Mainland in July 2024 and in multiple countries and regions globally in January 2026. Currently, its user base has decreased from the initial launch period in the respective markets. We seek to achieve sustained success for the game by providing gamers with higher-quality content updates.

— **Torchlight: Infinite (火炬之光：無限):** This self-developed loot-based action role-playing game was launched in markets outside Chinese Mainland in October 2022 and in Chinese Mainland in May 2023. At the end of 2025, we acquired the intellectual property rights of the Torchlight series games and related intangible assets. In the future, we hope to attract more gamers through more engaging seasonal updates and further expand the influence of the Torchlight IP.

— **Blue Protocol: Star Resonance (星痕共鳴):** This is a massively multiplayer online role-playing game (MMORPG) developed by a third-party developer and published by us. The game was launched in Japan and South Korea in December 2025 and is currently operating steadily.

Games in Development

We regard our self-developed games as one of the cornerstones of our growth, and have made large-scale investments in game research and development. As at June 30, 2026, we had three online games under development. In addition, we had several new games in the pre-development stage, which may be initiated depending on project progress.

Premium Games

Premium games are a distinctive component of our business, meeting users' demand for high-quality pay-to-play games and adding diversity to the TapTap ecosystem. In the first half of 2026, revenue from premium games increased by 30.9% period-over-period, primarily due to the contribution from the mobile version of Dave the Diver (潛水員戴夫) following its launch. The mobile version of Dave the Diver (潛水員戴夫) offers progress synchronization with the TapTap PC version, allowing gamers to continue their gaming experience more flexibly across devices. We also plan to enable progress synchronization between the TapTap PC and mobile versions for more games, further enriching the content ecosystem of TapTap across different devices.

TapTap

TapTap is our key competitiveness and one of the cornerstones of our growth. Our game development and publishing businesses provide TapTap with high-quality exclusive content, which drives user growth of TapTap. TapTap leverages its product and operational advantages to retain users and generate revenue, which in turn supports content creation by first-party and third-party game developers, generating more high-quality content and further driving TapTap's growth.

TapTap PRC

For the six months ended June 30, 2026, the average App MAUs of TapTap PRC were 45.4 million, representing an increase of 4.1% on a period-over-period basis. In April 2025, we officially released TapTap PC, which allows users to download and launch PC games. After more than one year of development, TapTap PC has entered into deep cooperation with numerous game developers and publishers, enriching its game ecosystem, while its user base has continued to grow. In January 2026, we commenced the invitation-only testing of TapTap Maker, with the aim of creating a zero-barrier AI game creation agent for game enthusiasts. To date, more than 6,000 games have been developed using the agent and published on TapTap.

TapTap International

For the six months ended June 30, 2026, the average App MAUs of TapTap International were 3.1 million, representing a decrease of 37.9% on a period-over-period basis. We have not yet monetized TapTap International. Our international team continues to explore opportunities for long-term growth with relatively limited resource allocation.

FINANCIAL REVIEW

Revenue

Our revenues are mainly derived from (i) games, the principal operating business where we generate revenue primarily from sales of in-game virtual items in online games and sales of premium games through third-party and our proprietary distribution platforms; and (ii) TapTap platform, where we generate revenue primarily from providing online marketing services on TapTap. The following table sets forth our revenues by line of business for the six months ended June 30, 2026 and 2025.

	For the six months ended June 30,			
	2026		2025	
	Amount	**% of revenue**	Amount	% of revenue
(Unaudited)	*(RMB in thousands, except for percentages)*			
Games	**2,317,903**	**70.0**	2,071,260	67.2
Game operating	**2,282,350**	**68.9**	2,045,113	66.4
Online games	**2,199,821**	**66.4**	1,982,085	64.4
Premium games	**82,529**	**2.5**	63,028	2.0
Others	**35,553**	**1.1**	26,147	0.8
TapTap platform	**994,332**	**30.0**	1,010,726	32.8
Total revenue	**3,312,235**	**100.0**	3,081,986	100.0

Games

Our revenues from game business increased by 11.9% to RMB2,317.9 million for the six months ended June 30, 2026 on a period-over-period basis. In particular,

— Our revenues from online games increased by 11.0% to RMB2,199.8 million for the six months ended June 30, 2026 on a period-over-period basis, primarily due to the increases in revenue from our self-developed games Heartopia (心動小鎮) and Torchlight: Infinite (火炬之光：無限), coupled with the new launch of Blue Protocol: Star Resonance (星痕共鳴) in December 2025. This increase was partially offset by the decreases in revenue from certain of our existing games.

— Our revenues from premium games increased by 30.9% to RMB82.5 million for the six months ended June 30, 2026 on a period-over-period basis, primarily due to the increase in revenue from Dave the Diver (潛水員戴夫). This increase was partially offset by the decrease in revenue from certain of our existing premium games.

The following table sets forth a breakdown of our game operating revenue by revenue recognition method for the six months ended June 30, 2026 and 2025.

	For the six months ended June 30,			
	2026		2025	
	Amount	**%**	Amount	%
(Unaudited)	*(RMB in thousands, except for percentages)*			
Revenue recognized on a gross basis	**2,168,245**	**95.0**	1,760,461	86.1
Revenue recognized on a net basis	**114,105**	**5.0**	284,652	13.9
Total game operating revenue	**2,282,350**	**100.0**	2,045,113	100.0

Our game operating revenue recognized on a gross basis increased by 23.2% to RMB2,168.2 million for the six months ended June 30, 2026 on a period-over-period basis, primarily due to the increases in revenue from Heartopia (心動小鎮), Torchlight: Infinite (火炬之光：無限) and Blue Protocol: Star Resonance (星痕共鳴). This increase was partially offset by the decreases in revenue from certain existing games, such as GoGo Muffin (出發吧麥芬) and Sword of Convallaria (鈴蘭之劍). Our game operating revenue recognized on a net basis decreased by 59.9% to RMB114.1 million for the six months ended June 30, 2026 on a period-over-period basis, primarily due to the decrease in revenue from Ragnarok M: Classic (仙境傳説M：初心服) in overseas markets.

TapTap platform

Our revenues from TapTap platform business slightly decreased by 1.6% to RMB994.3 million for the six months ended June 30, 2026 on a period-over-period basis. The decrease in revenues was primarily attributable to the decrease in other revenue from the TapTap platform business, while online marketing service revenue remained broadly stable at RMB972.3 million.

We have not yet monetized TapTap International.

Cost of Revenues

Our cost of revenues increased by 18.5% to RMB983.0 million for the six months ended June 30, 2026 on a period-over-period basis. The following table sets forth our cost of revenues by line of business for the six months ended June 30, 2026 and 2025.

	For the six months ended June 30,			
	2026		2025	
	Amount	**% of segment revenue**	Amount	% of segment revenue
(Unaudited)	*(RMB in thousands, except for percentages)*			
Games	**835,161**	**36.0**	663,812	32.0
TapTap platform	**147,789**	**14.9**	165,416	16.4
Total	**982,950**	**29.7**	829,228	26.9

Our cost of revenues for game business primarily consists of commissions charged by distribution platforms and payment channels where we act as a principal, sharing of proceeds to game developers, cloud service, bandwidth and server custody fees and employee benefit expenses. Our cost of revenues for TapTap platform business primarily consists of cloud service, bandwidth and server custody fees and employee benefit expenses.

Our cost of revenues for game business increased by 25.8% to RMB835.2 million for the six months ended June 30, 2026 on a period-over-period basis, primarily attributable to (i) higher distribution platform and payment channel commissions and cloud service, bandwidth and server custody fees, relating to the overseas operation of Heartopia (心動小鎮) and Blue Protocol: Star Resonance (星痕共鳴); and (ii) higher intangible assets amortization costs, relating to the acquisition of the IP rights of the Torchlight series games in December 2025. These increases were partially offset by lower sharing of proceeds to game developers.

Our cost of revenues for TapTap platform business decreased by 10.7% to RMB147.8 million for the six months ended June 30, 2026 on a period-over-period basis, primarily attributable to lower employee benefit expenses and certain other operating costs, partially offset by higher cloud service, bandwidth and server custody fees related to our advertising algorithm system.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 3.4% to RMB2,329.3 million for the six months ended June 30, 2026 on a period-over-period basis. Our gross margin was 70.3% for the six months ended June 30, 2026, which was lower than the gross margin of 73.1% for the six months ended June 30, 2025. The decrease was primarily due to a decrease in the gross margin of the game segment from 68.0% to 64.0%, reflecting a higher proportion of game operating revenue recognized on a gross basis and increased distribution commissions and related operating costs. This was partially offset by an improvement in the gross margin of the TapTap platform segment from 83.6% to 85.1%.

Selling and Marketing Expenses

Our selling and marketing expenses primarily consist of (i) promotion and advertising expenses paid to external advertising agencies and professional information dissemination companies; and (ii) employee benefit expenses relating to our selling and marketing personnel.

Our selling and marketing expenses increased by 3.4% to RMB769.5 million for the six months ended June 30, 2026 on a period-over-period basis, which was primarily attributable to higher promotion and advertising expenses, in line with our revenue growth, partially offset by lower performance-based compensation for our selling and marketing personnel.

Research and Development Expenses

Our research and development expenses primarily consist of (i) employee benefit expenses relating to our research and development employees; and (ii) professional and technical services fees including art design and technical support for our games.

Our research and development expenses increased by 16.5% to RMB639.2 million for the six months ended June 30, 2026 on a period-over-period basis. This was primarily due to increases in AI-related computing costs and professional and technical service fees, as we continued to invest in TapTap Maker and other AI agents and tools. The number of our research and development personnel was 1,093 as at June 30, 2026, compared with 1,106 as at December 31, 2025 and 1,033 as at June 30, 2025.

General and Administrative Expenses

Our general and administrative expenses primarily consist of (i) employee benefit expenses relating to our administrative employees; (ii) professional and technical services fees, such as fees paid to audit and law firms; (iii) office expenses incurred in the ordinary course of business; and (iv) depreciation of property, plant and equipment and right-of-use assets in connection with our office space in Shanghai.

Our general and administrative expenses increased by 9.7% to RMB138.2 million for the six months ended June 30, 2026 on a period-over-period basis, mainly due to an increase in tax surcharges and partially offset by lower performance-based compensation for our general and administrative personnel.

Other Gains, Net

Our other gains, net primarily consist of net foreign exchange gains and fair value changes of wealth management products issued by commercial banks.

We recorded other gains, net, of RMB6.7 million for the six months ended June 30, 2026, compared to other gains, net, of RMB13.6 million for the corresponding period in 2025. This was primarily due to lower foreign exchange gains.

Income Tax Expenses

We recorded income tax expenses of RMB140.0 million for the six months ended June 30, 2026, compared to income tax expenses of RMB70.1 million for the corresponding period in 2025. Current income tax expenses amounted to RMB205.8 million, partially offset by deferred income tax credits of RMB65.8 million.

Profit for the Period

As a result of the foregoing, our profit for the period was RMB724.3 million for the six months ended June 30, 2026, compared with a net profit of RMB810.6 million for the six months ended June 30, 2025.

Profit for the Period Attributable to Equity Holders of the Company

Our net profit for the period attributable to equity holders of the Company was RMB714.3 million for the six months ended June 30, 2026, compared to RMB754.9 million for the corresponding period of 2025.

Our net profit for the period attributable to non-controlling interests was RMB10.0 million, primarily derived from the non-controlling interests in those entities operating our TapTap platform and AI-driven marketing platform.

Other Financial Information

The following table reconciles our operating profit to our EBITDA and adjusted EBITDA for the periods presented:

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(Unaudited)	(Unaudited)
Operating profit	**846,119**	861,361
Adjustments		
Other income	**(54,246)**	(17,187)
Other gains, net	**(6,673)**	(13,603)
Depreciation of property, plant and equipment and right-of-use assets	**25,965**	26,098
Amortization of intangible assets	**51,570**	18,053
EBITDA	**862,735**	874,722
Share-based compensation expenses	**59,198**	42,259
Adjusted EBITDA	**921,933**	916,981

Non-IFRS Accounting Standards Measures

To supplement our consolidated financial information which is presented in accordance with IFRS Accounting Standards, we set forth below our adjusted profit for the period and adjusted profit attributable to equity holders of the Company as additional financial measures which are not presented in accordance with IFRS Accounting Standards. We believe these non-IFRS Accounting Standards financial measures provide investors with useful supplementary information to assess the performance of the Group's core operations by excluding certain items, namely (i) fair value changes on long-term investments measured at fair value through profit or loss; and (ii) share-based compensation expenses. The following table reconciles our adjusted profit for the period and adjusted profit attributable to equity holders of the Company to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards:

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(Unaudited)	(Unaudited)
Profit for the period	**724,312**	810,596
Add:		
Fair value changes on long-term investments measured at fair value through profit or loss	**—**	—
Share-based compensation expenses	**59,198**	42,259
Less:		
Income tax effects	**—**	—
Adjusted profit for the period	**783,510**	852,855

	For the six months ended June 30,	
	2026	2025
	(RMB'000)	*(RMB'000)*
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company	**714,297**	754,856
Add:		
Fair value changes on long-term investments measured at fair value through profit or loss	**—**	—
Share-based compensation expenses	**57,687**	40,794
Less:		
Income tax effects	**—**	—
Adjusted profit attributable to equity holders of the Company	**771,984**	795,650

These unaudited non-IFRS Accounting Standards financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with IFRS Accounting Standards. In addition, these non-IFRS Accounting Standards financial measures may be defined differently from similar terms used by other companies.

Liquidity and Capital Resources

Our cash positions and short-term investments as at June 30, 2026 and December 31, 2025 are as follows:

	As at June 30, 2026 ***(RMB'000)*** **(Unaudited)**	As at December 31, 2025 *(RMB'000)* (Audited)
Cash and cash equivalents	**3,778,775**	3,689,375
Short-term investments		
— Term deposits with initial terms over three months	**22,000**	—
— Wealth management products	**96,672**	81,033
	3,897,447	3,770,408

As at June 30, 2026, our short-term investments mainly consisted of wealth management products issued by large reputable commercial banks. These wealth management products invest principally in low-risk and liquid fixed-income instruments that are quoted on the interbank market or exchanges in China. The returns of such wealth management products are not guaranteed or protected by the issuing banks.

The increase in our cash positions and short-term investments was primarily due to the net cash flows generated from operating activities of RMB711.9 million for the six months ended June 30, 2026, and partially offset by cash payments for share repurchases of RMB512.0 million, and cash payments for long-term investments and equity investments of RMB32.4 million.

As at June 30, 2026, we did not have any borrowings or unutilized banking facilities.

Gearing Ratio

Our gearing ratio was 22.5% as at June 30, 2026, which remained relatively stable when compared with 22.5% as at December 31, 2025. The gearing ratio was calculated as total liabilities divided by total assets multiplied by 100%.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Notes	Six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Revenues	*4*	**3,312,235**	3,081,986
Cost of revenues	*4, 5*	**(982,950)**	(829,228)
Gross profit		**2,329,285**	2,252,758
Selling and marketing expenses	*5*	**(769,500)**	(743,857)
Research and development expenses	*5*	**(639,233)**	(548,871)
General and administrative expenses	*5*	**(138,210)**	(125,983)
Net impairment reversal/(losses) on financial assets	*5*	**2,858**	(3,476)
Other income	*6*	**54,246**	17,187
Other gains, net	*7*	**6,673**	13,603
Operating profit		**846,119**	861,361
Finance income		**19,037**	22,661
Finance costs		**(3,306)**	(4,272)
Finance income, net	*8*	**15,731**	18,389
Share of results of investments accounted for using the equity method		**2,470**	938
Profit before income tax		**864,320**	880,688
Income tax expenses	*9*	**(140,008)**	(70,092)
Profit for the period		**724,312**	810,596
Other comprehensive (loss)/income:			
Items that may not be reclassified to profit or loss			
— Currency translation differences		**(55,945)**	(4,217)
Items that may be reclassified to profit or loss			
— Currency translation differences		**10,023**	(16,340)
Total comprehensive income for the period		**678,390**	790,039

	Notes	Six months ended 30 June **2026** ***RMB'000*** **(Unaudited)**	2025 *RMB'000* (Unaudited)
Profit for the period attributable to:			
Equity holders of the Company		**714,297**	754,856
Non–controlling interests		**10,015**	55,740
		724,312	810,596
Total comprehensive income for the period attributable to:			
Equity holders of the Company		**668,557**	737,026
Non–controlling interests		**9,833**	53,013
		678,390	790,039
Earnings per share for profit for the period attributable to the equity holders of the Company			
Basic earnings per share *(RMB)*	*10*	**1.49**	1.57
Diluted earnings per share *(RMB)*	*10*	**1.44**	1.54

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
ASSETS			
Non–current assets			
Property, plant and equipment		**21,889**	19,661
Right–of–use assets		**90,167**	104,865
Intangible assets		**446,747**	511,588
Deferred tax assets		**97,727**	31,301
Investments accounted for using the equity method		**117,861**	91,891
Long term investments measured at fair value through profit or loss		**113,145**	107,346
Prepayments, deposits and other non–current assets		**33,670**	40,165
		921,206	906,817
Current assets			
Trade receivables	*11*	**593,367**	411,198
Prepayments, deposits and other current assets		**112,068**	131,214
Short–term investments		**118,672**	81,033
Cash and cash equivalents		**3,778,775**	3,689,375
		4,602,882	4,312,820
Total assets		**5,524,088**	5,219,637

	Notes	As at 30 June 2026 RMB'000 (Unaudited)	As at 31 December 2025 RMB'000 (Audited)
EQUITY			
Share capital	*12*	**335**	339
Share premium	*12*	**7,016,272**	7,341,217
Treasury Shares	*12*	**(84,373)**	—
Shares held for share award schemes	*12*	**(226,540)**	(153,682)
Other reserves		**(4,765,403)**	(4,756,466)
Retained earnings		**2,094,110**	1,379,813
Equity attributable to equity holders of the Company		**4,034,401**	3,811,221
Non–controlling interests		**244,667**	234,834
Total equity		**4,279,068**	4,046,055
LIABILITIES			
Non–current liabilities			
Lease liabilities		**83,883**	77,606
Deferred tax liabilities		**11,255**	10,641
		95,138	88,247
Current liabilities			
Trade payables	*13*	**270,864**	194,382
Advance from customers		**57,805**	58,927
Other payables and accruals		**310,051**	423,330
Contract liabilities		**291,696**	248,156
Current income tax liabilities		**190,573**	115,768
Lease liabilities		**28,893**	44,772
		1,149,882	1,085,335
Total liabilities		**1,245,020**	1,173,582
Total equity and liabilities		**5,524,088**	5,219,637

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 General information

XD Inc. (the "**Company**") is an exempted company with limited liability incorporated under the laws of the Cayman Islands on 25 January 2019, and was listed on The Stock Exchange of Hong Kong Limited on 12 December 2019.

The Company is an investment holding company. The Company and its subsidiaries, including structured entities (collectively, the "**Group**") are principally engaged in the development, operation, publishing and distribution of mobile and web games and operation of TapTap, a game community and platform, in the People's Republic of China (the "**PRC**") and other countries and regions.

The condensed consolidated financial statements for the six months ended 30 June 2026 (the "**Interim Financial Statements**") are presented in Renminbi ("**RMB**") and all values are rounded to the nearest thousand (RMB'000) unless otherwise stated.

2 Basis of preparation

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 ("**IAS 34**"), "Interim Financial Reporting".

The Interim Financial Statements should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards as issued by the IASB ("**IFRS Accounting Standards**") as set out in the 2025 annual report of the Company dated 27 March 2026 (the "**2025 Financial Statements**").

3 Material accounting policy information

Except for the estimation of income tax (Note 9) and as described below, the accounting policies adopted in the Interim Financial Statements are generally consistent with those applied in the preparation of the 2025 Financial Statements in all material aspects.

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2026:

- *Amendments to the classification and measurement of financial instruments — Amendments to IFRS 9 and IFRS 7*
- *Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7*
- *IFRS 1 First-time Adoption of International Financial Reporting Standards — Volume 11*
- *IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7 — Volume 11*
- *IFRS 9 Financial Instruments — Volume 11*
- *IFRS 10 Consolidated Financial Statements — Volume 11*
- *IAS 7 Statement of Cash Flows — Annual Improvements to IFRS Accounting Standards — Volume 11*

The new and revised standards above did not have a material effect on the Interim Financial Statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

The following new standards and amendments to standards have not come into effect for the financial year beginning 1 January 2026 and have not been early adopted by the Group in preparing the Interim Financial Statements. None of these new standards and amendments to standards is expected to have a significant effect on the consolidated financial statements of the Group.

		Effective for accounting year beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendment to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 28 and IFRS 10	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37	Disclosures about Uncertainties in the Financial Statements	To be determined

The Group is in the process of assessing the impact of these new or amended standards and interpretations, certain of which are relevant to the Group's operations. The adoption of IFRS 18 will mainly impact the presentation and disclosure of income and expenses and adds new disclosure requirements on management-defined performance measures within the consolidated financial statements. According to the preliminary assessment made by the Group, except for IFRS 18, none of these is expected to have a significant effect on the consolidated financial statements of the Group.

4 Segment information and revenue

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the chief operating decision–maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that make strategic decisions. As a result of this evaluation, the Group determined that it has operating segments as follows:

Game segment

The game segment offers game publishing and operating services on its own and via other Distribution Channels. Revenues from the game segment are primarily derived from game publishing and operating services.

TapTap platform segment

The TapTap platform segment offers online marketing services to game developers, game publishers or their agents, through the Group's self-developed game community and platform. Revenues from TapTap platform segment are primarily derived from performance–based online marketing services.

The CODM assesses the performance of the operating segments mainly based on segment revenues and cost of revenues of each operating segment. Thus, segment result would present revenues, cost of revenues and gross profit for each segment, which is in line with the CODM's performance review.

The Group's cost of revenues for the game segment primarily consists of (a) commission paid to Payment Channels and Distribution Channels; (b) sharing of proceeds to game developers; (c) cloud service, bandwidth and server custody fees; (d) amortization of intangible assets; and (e) employee benefit expenses.

The Group's cost of revenues for the TapTap platform segment primarily consists of (a) cloud service, bandwidth and server custody fees; (b) employee benefit expenses; and (c) amortization of intangible assets.

No separate segment assets and segment liabilities information was provided to the CODM, as the CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

As at 30 June 2026, substantially all of the non–current assets of the Group were located in the PRC.

The reconciliation of gross profit to profit before income tax is shown in the condensed consolidated statements of comprehensive income.

The segment information provided to the Group's CODM for the reportable segments is as follows:

	Six months ended 30 June 2026		
	Game segment	**TapTap platform segment**	**Total**
(Unaudited)	***RMB'000***	***RMB'000***	***RMB'000***
Game operating revenues			
— Online Games (free-to-play)	**2,199,821**	**—**	**2,199,821**
— Premium Games (pay-to-play)	**82,529**	**—**	**82,529**
Subtotal	**2,282,350**	**—**	**2,282,350**
Online marketing service revenue	**—**	**972,321**	**972,321**
Others	**35,553**	**22,011**	**57,564**
Total revenues	**2,317,903**	**994,332**	**3,312,235**
Cost of revenues	**(835,161)**	**(147,789)**	**(982,950)**
Gross profit	**1,482,742**	**846,543**	**2,329,285**
Gross margin	**64%**	**85%**	**70%**

	Six months ended 30 June 2025		
		TapTap	
	Game	platform	
	segment	segment	Total
(Unaudited)	*RMB'000*	*RMB'000*	*RMB'000*
Game operating revenues			
— Online Games (free-to-play)	1,982,085	—	1,982,085
— Premium Games (pay-to-play)	63,028	—	63,028
Subtotal	2,045,113	—	2,045,113
Online marketing service revenue	—	976,083	976,083
Others	26,147	34,643	60,790
Total revenues	2,071,260	1,010,726	3,081,986
Cost of revenues	(663,812)	(165,416)	(829,228)
Gross profit	1,407,448	845,310	2,252,758
Gross margin	68%	84%	73%

Revenues of approximately RMB1,004 million and RMB982 million for the six months ended 30 June 2026 and 2025, respectively, were from the five largest single external customers.

Revenue from one customer in the TapTap platform segment accounted for 15% and 21% of the Group's total revenue during the six months ended 30 June 2026 and 2025, respectively.

The table below sets forth a breakdown of the Group's revenue by timing of recognition for the six months ended 30 June 2026 and 2025, respectively:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Service transferred at a point of time	**1,603,231**	1,675,669
Service transferred over time	**1,709,004**	1,406,317
	3,312,235	3,081,986

The table below sets forth a breakdown of the Group's game operating revenue by geographical areas for the six months ended 30 June 2026 and 2025, respectively:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Chinese mainland	**799,741**	1,029,406
Other areas *(Note a)*	**1,482,609**	1,015,707
Total	**2,282,350**	2,045,113

(a) Revenue from other areas mainly includes revenue from local versions operated in Hong Kong, Macau, Taiwan province of China, Southeast Asia, North America and South Korea.

5 Expenses by nature

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Promotion and advertising expenses	**668,204**	610,717
Employee benefit expenses	**631,831**	698,000
Commissions charged by payment channels and distribution channels	**450,446**	331,772
Cloud service, bandwidth and server custody fees	**186,927**	140,201
Professional and technical service fees	**143,087**	118,757
Sharing of proceeds to game developers and content owners	**122,004**	157,168
AI-related computing costs	**71,064**	683
Share–based compensation expenses	**59,198**	42,259
Amortization of intangible assets	**51,570**	18,053
Tax surcharges	**39,495**	35,329
Office expenses	**29,120**	22,712
Depreciation of right–of–use assets	**17,839**	18,314
Impairment of non–financial assets	**14,903**	20,471
Depreciation of property, plant and equipment	**8,126**	7,784
Rental expenses and utilities	**4,729**	6,973
Net impairment (reversal)/losses on financial assets	**(2,858)**	3,476
Auditor's remuneration		
— Audit service	**2,050**	1,760
— Non-audit service	**574**	435
Others	**28,726**	16,551
Total	**2,527,035**	2,251,415

6 Other income

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Government subsidies	**53,716**	16,858
Interest income from short-term investments measured at amortized cost	**—**	329
Others	**530**	—
Total	**54,246**	17,187

There are no unfilled conditions or contingencies related to the above government subsidies.

7 Other gains, net

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net foreign exchange gains	**4,834**	9,854
Fair value changes of wealth management products issued by commercial banks	**788**	1,104
Others	**1,051**	2,645
Total	**6,673**	13,603

8 Finance income, net

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
Interest income from bank deposits	**19,037**	22,661
Finance costs		
Interest expenses on lease liabilities	**(2,669)**	(3,728)
Bank charges	**(637)**	(544)
Finance income, net	**15,731**	18,389

9 Income tax expenses

Income tax expense is recognized based on the management's best knowledge of the effective income tax rates expected for the full financial year.

Cayman Islands

Under the current laws of the Cayman Islands, the Company and its subsidiaries incorporated in the Cayman Islands are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in British Virgin Islands are not subject to tax on their income or capital gains.

Hong Kong

Hong Kong profits tax rate is 8.25% for the first HKD2 million assessable profits, and 16.5% for assessable profits in excess of HKD2 million.

Singapore

The corporate income tax rate in Singapore is 17%.

PRC corporate income tax (“CIT”)

PRC CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the six months ended 30 June 2026 and 2025.

Certain subsidiaries of the Group in the PRC are qualified as “high and new technology enterprise” and entitled to a preferential income tax rate of 15% during the six months ended 30 June 2026 and 2025.

According to the relevant laws and regulations promulgated by the State Taxation Administration of the PRC that were effective from 2018 onwards, enterprises engaged in research and development activities are entitled to claim 175% of their research and development expenses so incurred as tax deductible expenses when determining their assessable profits for that year (“**Super Deduction**”). According to the relevant laws and regulations that were effective from 2022, the tax deductible ratio was increased to 200%. The Group has made its best estimate for the Super Deduction to be claimed for the Group’s entities in ascertaining their assessable profits during the six months ended 30 June 2026 and 2025.

PRC Withholding Tax (“WHT”)

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. The withholding tax rate may be lowered to a minimum of 5% if there is a tax arrangement between China and the jurisdiction of the foreign investors.

Since the Group intends to permanently reinvest earnings to further expand its businesses in the PRC, it does not intend to declare dividends to its immediate foreign holding entities in the foreseeable future. Accordingly, no deferred income tax liability on WHT was accrued at the end of each reporting period. Cumulative undistributed earnings of the Company’s PRC subsidiaries intended to be permanently reinvested were RMB2,320 million as at 30 June 2026.

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**205,824**	67,755
Deferred income tax	**(65,816)**	2,337
Total income tax expenses	**140,008**	70,092

In the first half of 2026, in response to the developments in regulatory interpretations regarding certain preferential tax benefits enjoyed by the Company historically, the Company conducted a self-assessment. Following the self-assessment, the Company made supplementary payments of corporate income tax as well as relevant surcharges, among which RMB96.7 million was recognized as income tax expense for the current period.

10 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of shares in issue during the respective periods.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(RMB'000)*	**714,297**	754,856
Weighted average number of shares in issue *(thousands)*	**479,363**	481,286
Basic earnings per share *(in RMB)*	**1.49**	1.57

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the six months ended 30 June 2026 and 2025, the Group had dilutive potential ordinary shares arising from share options and restricted share units.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company *(RMB'000)*	**714,297**	754,856
Weighted average number of shares in issue *(thousands)*	**479,363**	481,286
Adjustments for share options and restricted share units *(thousands)*	**18,336**	9,819
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share *(thousands)*	**497,699**	491,105
Diluted earnings per share *(in RMB)*	**1.44**	1.54

11 Trade receivables

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Online marketing service customers	**306,729**	205,366
Distribution Channels and game publishers	**291,227**	212,701
	597,956	418,067
Less: allowance for impairment	**(4,589)**	(6,869)
	593,367	411,198

(a) Distribution channels and game publishers and online marketing service customers usually settle the amounts within 30–120 days. Related parties are granted a credit period of 90 days. Aging analysis of trade receivables based on the recognition date of the gross trade receivables at the respective reporting dates is as follows:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
Within 3 months	**550,685**	384,905
3 months to 6 months	**46,431**	28,341
6 months to 1 year	**65**	4,226
1 to 2 years	**775**	489
Over 2 years	**—**	106
	597,956	418,067

(b) Movements on the Group's allowance for impairment of trade receivables are as follows:

	Six months ended 30 June	
	2026 *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
At the beginning of the period	**6,869**	1,489
(Reversal)/Provision	**(2,264)**	3,220
Currency translation differences	**(16)**	164
At the end of the period	**4,589**	4,873

The provisions and reversal of provisions for impaired receivables have been included in "Net impairment reversal/(losses) on financial assets" in the condensed consolidated statements of comprehensive income.

(c) The directors of the Company consider that the carrying amounts of the trade receivables balances approximated their fair value as at 30 June 2026 and 31 December 2025.

(d) The carrying amount of the Group's trade receivables is denominated in the following currencies:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
RMB	**321,830**	226,257
United States Dollar ("**USD**")	**253,572**	170,970
Hong Kong Dollar ("**HKD**")	**4,708**	8,851
Others	**17,846**	11,989
	597,956	418,067

(e) The maximum exposure to credit risk as at 30 June 2026 and 31 December 2025 was the carrying value of the trade receivables. The Group did not hold any collateral as security.

12 Share capital, share premium, treasury shares and shares held for share award schemes

	Number of shares	Nominal value of shares	Equivalent nominal value of shares	Share premium	Treasury Shares (a)	Shares held for share award schemes (b)
	'000	*USD'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
(Unaudited)						
Authorized						
As at 30 June 2026 and 31 December 2025	1,000,000	100	—	—	—	—
Issued and fully paid						
As at 1 January 2025	491,049	48	336	7,217,458	—	(48,561)
Exercise of share options	1,988	—*	2	50,643	—	—
Vesting of awarded restricted share units	—	—	—	10,431	—	—
Repurchase of shares	—	—	—	—	—	(59,098)
As at 30 June 2025	493,037	48	338	7,278,532	—	(107,659)
As at 1 January 2026	494,890	49	339	7,341,217	—	(153,682)
Exercise of share options	242	—*	—*	10,596	—	—
Cancellation of shares	(5,825)	—*	(4)	(354,743)	354,747	—
Vesting of awarded restricted share units	—	—	—	19,202	—	—
Repurchase of shares	—	—	—	—	(439,120)	(72,858)
As at 30 June 2026	489,307	49	335	7,016,272	(84,373)	(226,540)

* The amount is less than 1,000

(a) During the six months ended 30 June 2026, the Company repurchased an aggregate number of 7,882,600 of its own shares from the market, out of which 2,058,000 had not been cancelled as at 30 June 2026.

(b) During the six months ended 30 June 2025 and 2026, the Trustee purchased a total of 2,243,000 and 1,537,000 ordinary shares that are listed on the Stock Exchange, at total considerations of RMB59 million and RMB73 million, respectively, and such shares are accounted for and recorded as "Shares held for share award schemes".

13 Trade payables

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Trade payables	**270,864**	194,382

Trade payables are primarily related to the purchase of services for server custody, advertisement and sharing of proceeds due to game developers. The credit terms of trade payables granted to the Group are usually 0 to 90 days.

Aging analysis of trade payables based on the recognition date of the trade payables at the respective reporting dates is as follows:

	As at 30 June 2026 *RMB'000* (Unaudited)	As at 31 December 2025 *RMB'000* (Audited)
Within 3 months	**262,532**	189,882
Over 3 months	**8,332**	4,500
	270,864	194,382

The carrying amount of the Group's trade payables is denominated in the following currencies:

	As at 30 June 2026 *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
RMB	**181,647**	120,861
SGD	**57,817**	28,639
USD	**31,400**	44,882
	270,864	194,382

As at 30 June 2026 and 31 December 2025, the fair value of trade payables approximated their carrying amount.

14 Dividends

The Directors did not recommend the payment of an interim dividend for the six months ended June 30, 2026 (for the six months ended June 30, 2025: Nil).

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, the Trustee has purchased certain Shares for the purpose of the 2024 RSU Scheme as further described in the sub-section headed "The 2024 RSU Scheme".

During the Reporting Period, the Company repurchased a total of 7,882,600 Shares on the Stock Exchange for an aggregate consideration of approximately HK$493.2 million before expenses under automatic share buy-back programs, and the Shares repurchased by the Company have all been cancelled. Among the Shares repurchased by the Company, 5,824,600 Shares had been cancelled as at June 30, 2026 and the remaining 2,058,000 Shares were cancelled on August 11, 2026. The particulars of the Shares repurchased during the Reporting Period are as follows:

Trading month in 2026	Number of Shares purchased	Price paid per Share Highest price paid *(HK$)*	 Lowest price paid *(HK$)*	Aggregate consideration paid *(HK$)*
January	233,400	89.35	77.80	19,289,221
February	646,200	90.65	73.50	50,716,951
March	2,360,000	75.65	60.00	163,968,363
April	2,300,000	66.90	60.60	146,624,301
May	285,000	64.15	61.60	17,879,026
June	2,058,000	51.55	42.54	94,733,850
Total	**7,882,600**			**493,211,712**

The Board believes that the repurchase of Shares reflects the Company's confidence in its long-term business prospects and growth potential. In addition, the Company believes that actively optimizing the capital structure through the repurchase of Shares is expected to enhance the shareholders' returns.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities (including sale or transfer of treasury shares as defined under the Listing Rules) of the Company. As at June 30, 2026, the Company did not hold any treasury shares for the purpose of the Listing Rules.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended June 30, 2026.

THE 2024 RSU SCHEME

The Company adopted the 2024 RSU Scheme on May 7, 2024, to, among other things, recognize the contributions by the participants by providing them with an opportunity to acquire a proprietary interest in the Company and encourage and retain such individuals for the continual operation and development of the Group. The 2024 RSU Scheme shall be solely funded by existing shares to be purchased by the Trustee on the market.

During the Reporting Period, the Trustee has purchased a total of 1,537,000 Shares on the Stock Exchange at a total consideration of approximately HK$81.7 million pursuant to the terms of the trust deed entered into by the Company and the Trustee in connection with the 2024 RSU Scheme. Subsequent to the Reporting Period and up to the date of this announcement, the Trustee has not purchased any Shares.

NO MATERIAL CHANGES

Save as disclosed in this announcement, during the Reporting Period, there were no material changes affecting the Group's performance that need to be disclosed under Paragraphs 32 and 40(2) of Appendix D2 to the Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

1. Grant of Share Options

The Company had one Share Option Plan which remained valid and effective during the six months ended June 30, 2026. On July 10, 2026, a total of 85,894 share options (the "**Options**") were granted by the Company under the Share Option Plan to certain eligible participants, including 61,376 Options granted to Mr. Huang Yimeng, an executive Director. For details, please refer to the announcement of the Company dated July 10, 2026.

2. Exercise of Share Options

Subsequent to the Reporting Period, 800 share options granted under the Share Option Plan were exercised by certain eligible participants to subscribe for 800 ordinary shares of the Company.

Save as disclosed above, there were no other material events affecting the Group after the Reporting Period and up to the date of this announcement.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group is committed to implementing high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance the corporate value as well as the responsibility commitments. The Company has adopted the CG Code as its own code of corporate governance.

The Company has complied with all applicable code provisions of the CG Code during the six months ended June 30, 2026 and up to the date of this announcement, except for a deviation from code provision C.2.1 of part 2 of the CG Code, which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Huang Yimeng is currently both the chairman of the Board and chief executive officer of the Company.

In view of his substantial contribution to the Group since its establishment and his extensive experience in the game industry, the Board considers that vesting of the roles of chairman and chief executive officer in the same individual provides the Group with strong and consistent leadership in the development and execution of long-term business strategies and does not impair the balance of power and authority between the Board and the management of the Company. As at the date of this announcement, the Board comprises three executive Directors (including Mr. Huang Yimeng), one non-executive Director and three independent non-executive Directors and therefore has a fairly strong independence element in its composition.

The Board will continue to review the effectiveness of the corporate governance structure in order to assess whether separation of the roles of chairman and chief executive officer is necessary.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code for dealing in securities in the Company by the Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the Model Code during the six months ended June 30, 2026. No incident of non-compliance by the Directors was noted by the Company during the Reporting Period.

REVIEW OF THE INTERIM RESULTS BY THE AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rules 3.21 and 3.22 of the Listing Rules and code provision D.3 of part 2 of the CG Code, and has adopted written terms of reference. The Audit Committee comprises three members, namely Mr. Xin Quandong, Mr. Pei Dapeng and Ms. Liu Qianli. The Audit Committee is currently chaired by Mr. Xin Quandong, who possesses suitable professional qualifications.

The Audit Committee, together with the Auditor, has reviewed the Group's unaudited consolidated financial statements for the six months ended June 30, 2026. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The interim results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (2400.hk). The interim report of the Group for the six months ended June 30, 2026 will be available on the website of the Stock Exchange and that of the Company in due course.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement shall have the following meanings:

"2024 RSU Scheme"	the restricted share unit scheme adopted by the Company on May 7, 2024;
"AI"	artificial intelligence;
"Audit Committee"	the audit committee of the Company;
"Auditor"	PricewaterhouseCoopers, the independent auditor of the Company;
"Board"	the board of Directors of the Company;
"CG Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules;
"Company"	XD Inc. (心动有限公司), an exempted company incorporated in the Cayman Islands with limited liability on January 25, 2019, the shares of which are listed on the Stock Exchange under stock code 2400;
"Director(s)"	the director(s) of the Company;
"Group"	the Company, its subsidiaries and its PRC consolidated affiliated entities from time to time;
"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"IFRS Accounting Standards"	IFRS Accounting Standards, which include standards and interpretations as issued from time to time by the International Accounting Standards Board;
"IP"	intellectual property;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;

"MAU(s)"	monthly active user(s), which refers to the number of users who log into a particular game or all of our games, as applicable, in the relevant calendar month for games, and refers to the number of users who access the TapTap mobile app in the relevant calendar month for TapTap, both of which include multiple accounts held by one single user. Average MAUs for a particular period are calculated by dividing the aggregate of the MAUs during that period by the number of months of that period;
"MMORPG"	massively multiplayer online role-playing game;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules;
"MPU(s)"	monthly paying users, which refers to the number of paying users in the relevant calendar month in our games;
"PC"	personal computer;
"PRC" or "China"	the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan, China;
"PRC CIT"	PRC corporate income tax as defined in the "Corporate Income Tax Law of the People's Republic of China";
"premium games"	games for which gamers need to pay a fixed price before downloading such games, after which the users will have unlimited access to play such games;
"Reporting Period"	the financial period for the six months ended June 30, 2026;
"RMB"	Renminbi, the lawful currency of the PRC;
"RSU(s)"	restricted share unit(s);
"SGD"	Singapore dollars, the lawful currency of Singapore;
"Share"	ordinary shares in the share capital of the Company with a par value of US$0.0001;
"Share Option Plan"	the share option plan of the Company adopted on June 25, 2021;

"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules;
"Trustee"	the trustee engaged by the Company for the purpose of the 2024 RSU Scheme;
"US$" or "USD"	United States dollars, the lawful currency of the United States of America; and
"%"	per cent.

By order of the Board
XD Inc.
HUANG Yimeng
Chairman and Chief Executive Officer

Shanghai, China, August 28, 2026

As at the date of this announcement, the Board comprises Mr. HUANG Yimeng, Mr. DAI Yunjie and Mr. FAN Shuyang as executive Directors, Mr. WU Meng as non-executive Director and Mr. PEI Dapeng, Mr. XIN Quandong and Ms. LIU Qianli as independent non-executive Directors.