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**XD Inc.**

**心动有限公司**

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

**(Stock code: 2400)**

**DISCLOSEABLE TRANSACTION IN RELATION TO  
PROVISION OF FACILITIES  
AND  
STRATEGIC COOPERATION WITH GOLDEN ARC**

**STRATEGIC COOPERATION AND PROVISION OF FACILITIES**

The Board is pleased to announce that, on November 26, 2025, XD Entertainment, an indirectly wholly-owned subsidiary of the Company, entered into (1) the Strategic Cooperation Agreement with Golden Arc, pursuant to which XD Entertainment and Golden Arc agreed to establish a strategic cooperative relationship; and (2) the Facilities Agreement with Golden Arc, pursuant to which XD Entertainment has agreed to provide term loan facilities of US\$40,000,000 in aggregate to Golden Arc.

**LISTING RULES IMPLICATIONS**

**Strategic Cooperation Agreement**

The Strategic Cooperation Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, nor does it constitute a connected transaction under Chapter 14A of the Listing Rules. Shareholders and investors are reminded that the transactions contemplated under the Strategic Cooperation Agreement are still pending the conclusion of a definitive business agreement. If a definitive business agreement is entered into, the Company will make further announcements in accordance with the Listing Rules as necessary or appropriate.

**Facilities Agreement**

As the highest applicable percentage ratio in respect of the Facilities Agreement is more than 5% but less than 25%, the provision of Facilities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that, on November 26, 2025, XD Entertainment, an indirectly wholly-owned subsidiary of the Company, entered into (1) the Strategic Cooperation Agreement with Golden Arc, pursuant to which XD Entertainment and Golden Arc agreed to establish a strategic cooperative relationship; and (2) the Facilities Agreement with Golden Arc, pursuant to which XD Entertainment has agreed to provide term loan facilities of US\$40,000,000 in aggregate to Golden Arc.

## THE STRATEGIC COOPERATION AGREEMENT

**Date:** November 26, 2025.

**Parties:** XD Entertainment and Golden Arc.

**Term:** The Strategic Cooperation Agreement shall terminate on the earlier of (1) November 26, 2030; or (2) the Transition Date.

**Subject Matter:** The Strategic Cooperation Agreement aims to establish a strategic partnership between XD Entertainment and Golden Arc, and the cooperation shall be based on the principles of mutual benefit, resource sharing, and complementary advantages, with the objective to jointly enhance their industry influence and market value in entertainment products and games.

The strategic cooperation will involve the following core aspects:

### ***(1) R&D and industrialization cooperation***

XD Entertainment and Golden Arc shall establish a regular communication mechanism to exchange high-quality project resources and carry out joint R&D projects.

XD Entertainment may provide funding and technical support to Golden Arc in assistance of the development of entertainment products and games based on separate negotiation, and the details of the funding support shall be further specified in the facilities agreement.

(2) *Policy and industry insights*

XD Entertainment and Golden Arc shall share global market trends, commercialization needs and competitive intelligence to support strategic decision-making, and invite experts to interpret the latest administration regulations.

(3) *Joint Marketing*

XD Entertainment and Golden Arc agree to conduct joint market promotion activities based on mutual approval in writing in advance, including jointly hosting, co-organizing, or participating in industry seminars, webinars, summits and forums, jointly planning and creating marketing materials, and publicizing the strategic cooperation.

(4) *Right of Priority*

During the term of the Strategic Cooperation Agreement, if Golden Arc intends to cooperate with any third party in connection with the development, operation, publishing, or distribution of any new game other than the game that it is currently developing, operating, publishing, or distributing as of the date hereof, or to transfer or dispose of any intangible assets in respect of a game (each, a “**Covered Opportunity**”), it shall notify XD Entertainment in writing with a notice that includes the following information: (i) a description of the Covered Opportunity and the proposed cooperation scope; and (ii) if the cooperation involves a third party, the principal proposed business terms, including without limitation the nature of the cooperation, key commercial terms, and the expected duration (the “**ROFN Notice**”).

For five calendar days after XD Entertainment's receipt of the ROFN Notice (the "**ROFN Election Period**"), it shall have the exclusive right of first negotiation ("**ROFN**") to decide whether to enter into negotiations with Golden Arc for such Covered Opportunity. If XD Entertainment elects to negotiate the terms of such cooperation, (i) it shall notify Golden Arc of such election before the end of the ROFN Election Period, and (ii) they shall negotiate in good faith for a period of not less than 30 calendar days (the "**ROFN Negotiation Period**") to attempt to reach agreement on the terms of the cooperation. For the avoidance of doubt, any failure to reach agreement during the ROFN Negotiation Period shall cause XD Entertainment's right of first negotiation to lapse only with respect to that specific Covered Opportunity, and shall not affect its rights with respect to any future Covered Opportunities under the Strategic Cooperation Agreement.

During the ROFN Negotiation Period, Golden Arc shall not enter into any binding agreement with any third party for the same Covered Opportunity, nor disclose, offer, or discuss any terms of the Covered Opportunity with any third party.

If XD Entertainment does not notify Golden Arc during the ROFN Election Period that it elects to negotiate, or if the Parties fail to reach agreement during the ROFN Negotiation Period, Golden Arc may proceed with the Covered Opportunity with any third party; provided, however, that such third-party cooperation shall not be on terms and conditions that are materially more favorable to the third party, in the aggregate, than those contained in the ROFN Notice, in XD Entertainment's last proposal to Golden Arc, or in Golden Arc's last proposal to XD Entertainment.

## THE FACILITIES AGREEMENT

**Date:** November 26, 2025.

**Parties:** (1) XD Entertainment (as the original lender); and  
(2) Golden Arc (as the borrower).

**Facilities Amount:** US\$25,000,000 (Facility A) and US\$15,000,000 (Facility B).

**Purpose:** To finance the payment of aggregate amount of purchase price paid and payable, and fees, costs and expenses, stamp, registration and other taxes incurred, by Golden Arc, in connection with its acquisition of all of the shares or equity interests (as the case may be) in the Targets.

**Interest Rate:** 6% per annum.

**Conditions of Utilisation:** (1) Initial conditions precedent

Golden Arc may not deliver a Utilisation Request unless XD Entertainment has received all of the documents and other evidence as described in the Facilities Agreement in form and substance satisfactory to it.

(2) Further conditions precedent

XD Entertainment will only be obliged to make loans available if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (i) no event of default as described in the Facilities Agreement is continuing or would result from the proposed loan and none of the circumstances leading to change of control as described in the Facilities Agreement has occurred; and
- (ii) the relevant representations specifically set out in the Facilities Agreement to be made by each of Golden Arc and any additional guarantor (if any) are true in all material respects.

(3) Maximum number of Loans

- (i) Golden Arc may not deliver a Utilisation Request if as a result of the proposed Utilisation:
  - (a) more than one Facility A Loan would be outstanding; and
  - (b) more than one Facility B Loan would be outstanding.
- (ii) Golden Arc may not request that a Loan be divided.

**Repayments:**

(1) Repayment of Facility A Loan

Golden Arc shall repay the Facility A Loan in full on or before the date falling 12 Months after the Utilisation Date under Facility A. No premium or penalty shall be payable in connection with any prepayment prior to the above date.

Golden Arc may not reborrow any part of Facility A which is repaid.

(2) Repayment of Facility B Loan

Golden Arc shall repay the Facility B Loan in full on or before the date falling 60 Months from the first Utilisation Date of Facility B. No premium or penalty shall be payable in connection with any prepayment prior to the above date.

Golden Arc may not reborrow any part of Facility B which is repaid.

<b>Security arrangement:</b>	To secure the Loans provided by XD Entertainment, the Securing Parties, namely Project Golden, Inc. (the immediate holding company of Golden Arc) and Golden Arc, grant in favor of XD Entertainment a pledge of 100% of the equity interests in Golden Arc, along with a security interest in substantially all of their present and future property and assets, covering categories such as accounts, equipment, general intangibles, and deposit accounts. The security arrangement is further reinforced by a mandatory obligation for any subsidiary subsequently acquired by the Securing Party upon completion of acquisition of the Target Group to execute a Subsidiary Joinder Agreement, pursuant to which such additional subsidiaries shall become additional guarantors under the Facilities Agreement and pledge their respective assets and equity interests to XD Entertainment to secure the obligations of Golden Arc under the Facilities Agreement.
<b>Conditions Subsequent:</b>	Golden Arc shall satisfy certain conditions subsequent as listed in the Facilities Agreement. Failure to meet any of the requirements will constitute an event of default.
<b>Transition Terms:</b>	<p>Notwithstanding anything to the contrary in the Facilities Agreement or otherwise, on and after the Transition Date:</p> <ol style="list-style-type: none"> <li data-bbox="606 1193 1441 1310">(1) certain sections of the Facilities Agreement shall, without further action or notice, terminate and be of no further force or effect;</li> <li data-bbox="606 1364 1441 1570">(2) the section about changes to the lender shall be amended, without further action or notice, to prohibit XD Entertainment from assigning or transferring, whether by novation or otherwise, any of its rights or obligations under the Finance Documents;</li> </ol>

- (3) any security interest granted by Golden Arc, any subsidiary of Golden Arc, a holding company of Golden Arc or any other subsidiary of Golden Arc to XD Entertainment under any Finance Documents shall immediately terminate and be of no further force or effect, and XD Entertainment hereby authorizes and empowers Golden Arc to file any required UCC-3 termination statements, or similar termination notices (copies of which shall be provided to XD Entertainment for review and check in advance), to fully and unconditionally release any and all Golden Arc assets and properties from any and all security interests granted in connection with the Facilities Agreement. XD Entertainment agrees to cooperate, at Golden Arc's own cost, with Golden Arc in the immediate termination and release of the foregoing security interests, including the filing of appropriate termination statements;
- (4) any guarantees issued in favor, or for the benefit, of XD Entertainment under any Finance Documents shall immediately terminate and be of no further force or effect; and
- (5) XD Entertainment agrees to cooperate with Golden Arc, and take all reasonable actions necessary, to effectuate and implement the intent of these transition terms.

## **RISK CONTROL MEASURES**

The Directors (including the independent non-executive Directors) consider that the following risk control measures adopted by the Company are adequate to cover the risks involved in the provision of Facilities pursuant to the Facilities Agreement:

- (1) XD Entertainment will obtain the financial statements of Golden Arc and its subsidiaries within 60 days after the end of the first half of each financial year and each of financial year, review relevant financial positions and assess Golden Arc's repayment capacity;



- (2) upon XD Entertainment's request, Golden Arc shall promptly provide such further information regarding the financial condition, business and operations (including any requested amplification or explanation of any item in the financial statements, budgets or other material provided by Golden Arc or any guarantor under the Facilities Agreement and any changes to the management team or the remuneration of the management team as stated in the Facilities Agreement); and
- (3) XD Entertainment shall continue to monitor performance of Golden Arc under the Facilities Agreement and assess the adequacy of the security arrangements in place.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS**

The terms of the Facilities Agreement, including the interest rate applicable, were negotiated on an arm's length basis between the Company and Golden Arc, having taken into account the prevailing market terms.

Additionally, while the Strategic Cooperation Agreement is a framework agreement enabling the parties to explore business opportunities in areas such as research and development, the Facilities Agreement aims to fund Golden Arc of its acquisition of the Target Group. The Target Group operates a diverse game portfolio, including live service games such as Star Trek Online and Neverwinter, and premium games like Hyper Light Breaker. It also holds a well-known portfolio of gaming intellectual properties. The Facilities Agreement also lays a foundation for the parties to establish a long-term business relationship enabling exploration of future business opportunities, which the Company considers is beneficial to the Company and the Shareholders as a whole. Accordingly, the Company considers that provision of the facilities to Golden Arc pursuant to the Facilities Agreement is a way of enhancing our investment in the overseas game industry, helping us to explore business opportunities in the future, and the entry into of the Facilities Agreement is thus in the ordinary course of business of the Company.

Taking into account the interest rate charged at prevailing market rate, the security arrangement, the risk control measures implemented by the Company and the commercial objectives of the Company as elaborated above, the Directors (including the independent non-executive Directors) considered that the entry into of the Facilities Agreement is in the ordinary and usual course of business of the Group, and the terms of the Facilities Agreement, which have been entered into after arm's length negotiation between the parties, are on normal commercial terms taking into account the prevailing market interest rates, and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **Information on XD Entertainment**

XD Entertainment is a corporation duly established and existing under the laws of Singapore, and an indirect wholly-owned subsidiary of the Company. The principal business of XD Entertainment is publishing of games software/applications.

### **Information on Golden Arc**

Golden Arc is a corporation organised under the laws of the State of Delaware on November 20, 2025. The principal business of Golden Arc is a special purpose vehicle incorporated to hold the investment in the Target Group. As at the date of this announcement, Golden Arc is wholly owned by Project Golden, Inc., which in turn is ultimately controlled by Yoon Im (the chief executive officer of Arc Games Inc.), Zheng Zeng (the vice president of platform at Arc Games Inc.) and Jason Park (the vice president of business development at Arc Games Inc.) as to 58.03%, 19.37% and 19.37%, respectively. The management team is a group of seasoned gaming industry executives with over two decades of experience in publishing.

Other than three aforementioned individuals, the rest of 3.23% interest of Golden Arc is ultimately held by three individuals who are also member of the management of Arc Games Inc. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Golden Arc and the ultimate beneficial owners are third parties independent of the Company and its connected persons.

## **LISTING RULES IMPLICATIONS**

### **Strategic Cooperation Agreement**

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## Facilities Agreement

As the highest applicable percentage ratio in respect of the Facilities Agreement is more than 5% but less than 25%, the provision of Facilities constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Agreements”	the Facilities Agreement and the Strategic Cooperation Agreement
“Board”	the board of Directors
“Company”	XD Inc. (心动有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2400)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Facilities”	Facility A and Facility B
“Facilities Agreement”	the facilities agreement entered into by XD Entertainment and Golden Arc on November 26, 2025, pursuant to which XD Entertainment agreed to provide the Facilities to Golden Arc
“Facility A”	the term loan facility in the commitment amount of US\$25,000,000 made available by XD Entertainment under the Facilities Agreement
“Facility A Loan”	the loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan

“Facility B”	the term loan facility in the commitment amount of US\$15,000,000 made available by XD Entertainment under the Facilities Agreement
“Facility B Loan”	the loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan
“Finance Document(s)”	the Facilities Agreement; any accession letter may be signed by Golden Arc and one of its subsidiaries, pursuant to which the subsidiary agrees to become a guarantor under the Facilities Agreement; any transaction security document; any Utilisation Request; and any other document designated as such by XD Entertainment and Golden Arc
“Golden Arc”	Project Golden Arc, Inc., a corporation organised under the laws of the State of Delaware on November 20, 2025
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a Facility A Loan or a Facility B Loan
“Month”	a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that, for the last Month of any period: (1) (subject to paragraph (3) below) if the numerically corresponding day is not a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong, Singapore and New York (“ <b>Business Day</b> ”), that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day; (2) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and; (3) if a period determined for a Loan or any sum due and payable but unpaid according to the Facilities Agreement begins on the last Business Day of a calendar month, that period shall end on the last Business Day in the calendar month in which that period is to end

“PRC” or “China”	the People’s Republic of China
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Cooperation Agreement”	the strategic cooperation agreement entered into by XD Entertainment and Golden Arc on November 26, 2025, pursuant to which they agreed to establish a strategic cooperative relationship
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Group”	the Targets and their subsidiaries
“Targets”	means each of (a) Arc Games Holding Corporation, a corporation organised under the laws of the State of Delaware; and (b) Arc Games B.V., a private limited liability company under the laws of the Netherlands
“Transition Date”	the earliest to occur of the following: (a) Facility A Loan has been repaid; or (b) the outstanding principal amount (excluding any capitalised interest or other capitalised amounts permitted hereunder) under the Loans shall, as of any date, be less than US\$4,000,000
“US\$”	United States dollars, the lawful currency of the United States
“Utilisation”	a utilisation of a Facility
“Utilisation Date”	the date of a Utilisation, being the date on which the relevant Loan is to be made
“Utilisation Request”	a notice substantially in the form set out in the Facilities Agreement

“XD Entertainment”

XD Entertainment Pte. Ltd., a corporation duly established and existing under the laws of Singapore and an indirect wholly-owned subsidiary of the Company

“%”

per cent

By Order of the Board

**XD Inc.**

**HUANG Yimeng**

*Chairman and Chief Executive Officer*

Shanghai, the PRC

November 26, 2025

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