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XD Inc.

心动有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2400)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2025

ANNUAL RESULTS

The Board is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2025 (the “**Reporting Period**”). The results have been audited by the Auditor in accordance with International Standards on Auditing, and have also been reviewed by the Audit Committee.

FINANCIAL PERFORMANCE HIGHLIGHTS

	For the year ended December 31,		
	2025	2024	Change
	RMB'000	RMB'000	%
Revenues	5,763,739	5,012,107	15.0
Gross profit	4,254,555	3,478,530	22.3
Profit for the year	1,656,509	890,491	86.0
Profit attributable to equity holders of the Company	1,535,274	811,530	89.2
Adjusted profit for the year*	1,756,925	956,685	83.6
Adjusted profit attributable to equity holders of the Company*	1,628,563	876,846	85.7

* To supplement our consolidated financial statements which are presented in accordance with IFRS Accounting Standards, we also use adjusted profit for the year and adjusted profit attributable to equity holders of the Company as an additional financial measure 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 year ended December 31,		
	2025	2024	Change
	(in thousands)	(in thousands)	%
Online Games			
Average MAUs ⁽¹⁾	11,347	14,247	-20.4
Average MPUs ⁽²⁾	1,284	1,609	-20.2
TapTap			
Average App MAUs in TapTap PRC	44,974	44,046	2.1
Average App MAUs in TapTap International	4,325	5,032	-14.1

- (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

In 2025, we achieved continued year-on-year growth in both revenue and profit. Meanwhile, by further integrating AI technology and acquiring the IP rights of Torchlight series games, we have laid a solid foundation for the long-term growth of our business.

In our game segment, the strong performance of Ragnarok M: Classic (仙境傳說M:初心服), Heartopia (心動小鎮), and Torchlight: Infinite (火炬之光：無限) drove a 10.5% year-on-year increase in our gaming revenue, both Heartopia (心動小鎮) and Torchlight: Infinite (火炬之光：無限) have the potential to become evergreen games. We plan to continuously invest in R&D and support them to nurture an increasingly broad player base. In our platform segment, improvements to advertising algorithms and enhancements in user engagement led to a 24.7% year-on-year growth in the revenue of TapTap. We launched the PC version of TapTap, creating synergies with the mobile app to provide more convenient services for both players and developers. Furthermore, in early 2026, we initiated the invitation test for TapTap Maker, with the vision of creating a zero-barrier AI game-creation agent for game enthusiasts.

Below is an overview of our core products and services:

Our Games

As of December 31, 2025, our portfolio consisted of 22 online games and 45 premium games.

Online Games

During 2025, the average MAUs of our online games decreased by 20.4% year-on-year, while the average MPUs decreased by 20.2% year-on-year. This decrease was primarily attributable to the declines in number of users of Heartopia (心動小鎮) and Sausage Man (香腸派對) as compared with 2024. For the year ended December 31, 2025, Heartopia (心動小鎮), GoGo Muffin (出發吧麥芬), Torchlight: Infinite (火炬之光：無限), Ragnarok M (仙境傳說M), and Etheria: Restart (伊瑟) were our top five games in terms of their revenue contribution. An overview of our major games at present is as follows:

- **Heartopia (心動小鎮):** This self-developed life simulation game was launched in July 2024 in Chinese Mainland and was enthusiastically received by players, topping the App Store's game download rankings multiple times. In 2025, while the number of users for the game experienced a moderation compared to its initial launch period, we strategically expanded the development team, enhanced our production capacity, and

released several well-received content updates, enabling the game to achieve sustained success. In January 2026, we successfully launched the game in multiple countries and regions globally.

- **GoGo Muffin (出發吧麥芬):** This self-developed idle role-playing game was launched in Hong Kong, Macau and Taiwan in January 2024, and subsequently launched in Chinese Mainland and various overseas markets. In 2025, the user base and revenue of this game experienced significant year-on-year declines compared to 2024.
- **Torchlight: Infinite (火炬之光：無限):** This self-developed loot-based ARPG was launched in overseas markets outside China in October 2022 and launched in domestic market in Chinese Mainland in May 2023. Through several successful seasonal updates, the game has gained continuous recognition among players, and expanded the player community. At the end of 2025, we acquired the IP rights of Torchlight series games and related intangible assets. In the future, we hope the game will continue to attract more gamers through more attractive seasonal updates.
- **Ragnarok M (仙境傳說M):** This co-developed MMORPG was launched in domestic market in Chinese Mainland in January 2017, and was subsequently released in various countries and regions worldwide. The game is currently at its maturity stage. Ragnarok M: Classic, a special version of Ragnarok M, was released and launched in domestic market in Chinese Mainland in April 2024, launched in the Southeast Asia market in February 2025, launched in Hong Kong, Macau and Taiwan markets in April 2025, and launched in several other overseas markets in August 2025. Since its launch, this special version of the game has performed well and gained popularity among gamers.
- **Etheria: Restart (伊瑟):** This self-developed turn-based role-playing game was initially launched in multiple overseas countries and regions in June 2025, and launched in the domestic market in China and East Asia markets in September 2025. Currently the game has completed its launch in major global markets and is overall at the maturity stage of its lifecycle.

Games in Development

We regard our self-developed games as one of the cornerstones of our growth, and we have made large scale investments in research and development of games. As at December 31, 2025, we had 788 employees engaged in game development, representing an increase of 64 employees from December 31, 2024. Since 2024, our game research and development business experienced stable growth upon the release and the success of some self-developed games as well as the establishment of new projects. As of December 31, 2025, we had two online games in development. Furthermore, we have several new games in the pre-development stage, which may advance in the future depending on project progress.

Premium Games

Premium games constitute our special business component that meets the demand of mobile game users for high quality, pay-to-play games and adds diversity to the TapTap platform ecosystem. In 2025, our premium game revenue increased by 15.6% compared to 2024. Titles such as Volcano Princess (火山的女兒) and the mobile version of Totally Accurate Battle Simulator (全面憨憨戰爭模擬器) were successively launched, bringing certain revenue contributions to the business and increasing platform discussions. We continuously advanced our cross-platform publishing strategy for premium games on PC and mobile, relying on accumulated experience in pay-to-play publishing to gradually enrich the TapTap PC product ecosystem. Subsequent titles such as the mobile version of Dave the Diver (潛水員戴夫) have also gained high attention on social media. In 2026, we will continue to introduce more high-quality games on PC and mobile to further expand our premium game product line.

TapTap

TapTap is our key competitiveness and one of the cornerstones of our growth. We rely on game development and publishing to provide TapTap with high-quality exclusive content, which drives TapTap's user growth. In the meantime, TapTap's own product and operation advantages will help retain users and generate revenue, which will then feed the content creation of both first-party and third-party developers through TapTap and in turn generate more quality content and continue to drive the further growth of TapTap.

TapTap PRC

For the year ended December 31, 2025, the average App MAUs of TapTap PRC was 45.0 million, representing an increase of 2.1% on a year-on-year basis. While the MAU remained broadly stable, user engagement improved as compared to the corresponding period last year. Meanwhile, we have improved the effectiveness of advertising on the platform by upgrading the basic model of our advertising system, driving continued growth in the revenue of TapTap.

In 2025, we promoted more games to integrate TapSDK and ecosystem services, enabling accounts-game-data linkage and circulation. Currently, we have added AI assistant modules in both the TapTap user interface and the developer center interface, dedicating ourselves to providing the best service for gamers and game developers with frontier technology. In April 2025, we officially released the PC version of TapTap, where PC games can be downloaded and launched. We aim to align with the current industry trend of cross-platform compatibility for large-scale games, leveraging the coordination between the mobile and PC versions of TapTap to better serve both players and developers. In July 2025, we also officially released TapTap mini-games. In January 2026, we started the invitation test for TapTap Maker, with the vision of creating a zero-barrier AI game-creation agent for game enthusiasts.

In the second and third quarters of 2025, we hosted the Annual TapTap Presents, the TapTap Developers Workshops (TDW 2025), and a series of “Spotlight Game Jam” game development competitions. In January 2026, we hosted the 2025 TapTap Game Awards. Those events received positive feedback from both players and developers.

TapTap International

For the year ended December 31, 2025, the average App MAUs of TapTap International was 4.3 million, representing a decrease of 14.1% on a year-on-year basis. We have not yet monetized TapTap International and our international team is currently exploring opportunities for long-term growth with limited resource allocation.

FINANCIAL REVIEW

Revenue

Our revenue is 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 revenue by line of business for the years ended December 31, 2024 and 2025.

	For the year ended December 31,			
	2025	% of	2024	% of
	Amount	revenue	Amount	revenue
	<i>(RMB in thousands, except for percentages)</i>			
Games	3,796,067	65.9	3,434,061	68.5
Game operating	3,724,419	64.6	3,427,520	68.4
Online games	3,596,400	62.4	3,316,789	66.2
Premium games	128,019	2.2	110,731	2.2
Others	71,648	1.3	6,541	0.1
TapTap platform	1,967,672	34.1	1,578,046	31.5
Total revenue	<u>5,763,739</u>	<u>100.0</u>	<u>5,012,107</u>	<u>100.0</u>

Games

Our revenue from game business increased by 10.5% to RMB3,796.1 million for the year ended December 31, 2025 on a year-on-year basis. In particular,

- Our revenue from online games increased by 8.4% to RMB3,596.4 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the increases in revenue from our self-developed games Ragnarok M: Classic (仙境傳說M：初心服), Heartopia (心動小鎮) and Torchlight: Infinite (火炬之光：無限), coupled with the new launch of Etheria: Restart (伊瑟) in June 2025. This increase was partially offset by the decrease in revenue from certain of our existing games.
- Our revenue from premium games increased by 15.6% to RMB128.0 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the increases in revenue from Hero's Adventure (大俠立志傳), Volcano Princess (火山的女兒) and other newly launched premium games. 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 years ended December 31, 2024 and 2025.

	For the year ended December 31,			
	2025		2024	
	Amount	%	Amount	%
	<i>(RMB in thousands, except for percentages)</i>			
Revenue recognized on a gross basis	3,219,762	86.5	3,280,128	95.7
Revenue recognized on a net basis	504,657	13.5	147,392	4.3
Total game operating revenue	3,724,419	100.0	3,427,520	100.0

Our game operating revenue recognized on a gross basis slightly decreased by 1.8% to RMB3,219.8 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the decrease in revenue from certain existing games, such as GoGo Muffin (出發吧麥芬) and Sword of Convallaria (鈴蘭之劍). This decrease was partially offset by the increases in revenue from Heartopia (心動小鎮), Torchlight: Infinite (火炬之光：無限) and Etheria: Restart (伊瑟). Our game operating revenue recognized on a net basis increased by 242.4% to RMB504.7 million for the year ended December 31, 2025 on a year-on-year basis, primarily due to the robust performance of Ragnarok M: Classic (仙境傳說M：初心服) in overseas markets.

TapTap Platform

Our revenue from TapTap platform business increased by 24.7% to RMB1,967.7 million for the year ended December 31, 2025 on a year-on-year basis. This increase in revenue is mainly attributable to the refinement of our advertising algorithms and uplift in user engagement.

We have not yet monetized TapTap International.

Cost of Revenues

Our cost of revenues slightly decreased by 1.6% to RMB1,509.2 million for the year ended December 31, 2025 on a year-on-year basis. The following table sets forth our cost of revenues by line of business for the years ended December 31, 2024 and 2025.

	For the year ended December 31,			
	2025		2024	
	Amount	% of segment revenue	Amount	% of segment revenue
Games	1,237,147	32.6	1,285,876	37.4
TapTap platform	272,037	13.8	247,701	15.7
Total	1,509,184	26.2	1,533,577	30.6

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 fee and employee benefits expenses. Our cost of revenues for TapTap platform business primarily consists of cloud service, bandwidth and server custody fee and employee benefits expenses.

Our cost of revenues for game business slightly decreased by 3.8% to RMB1,237.1 million for the year ended December 31, 2025 on a year-on-year basis, primarily attributable to (i) lower distribution platform and payment channel commissions from the overseas operations of GoGo Muffin (出發吧麥芬) and Sword of Convallaria (鈴蘭之劍); and (ii) reduced revenue-sharing costs associated with Sausage Man (香腸派對), Ulala (不休的烏拉拉) and other licensed games. Those decreases were partially offset by (i) the higher distribution platform and payment channel commissions from the domestic operations of Heartopia (心動小鎮), Torchlight: Infinite (火炬之光：無限) and Etheria: Restart (伊瑟); and (ii) the increases in cloud service, bandwidth and server custody fee and professional and technical service fee.

Our cost of revenues for TapTap platform business increased by 9.8% to RMB272.0 million for the year ended December 31, 2025 on a year-on-year basis, primarily attributable to the increase in cloud service, bandwidth and server custody fee related to our advertising algorithms system.

Gross Profit and Gross Margin

As a result of the foregoing, our gross profit increased by 22.3% to RMB4,254.6 million for the year ended December 31, 2025 on a year-on-year basis. Overall gross margin improved to 73.8%, up from 69.4% in 2024. This increase was primarily due to (i) an improvement in the gross margin of game segment from 62.6% in 2024 to 67.4% in 2025, mainly fueled by the robust overseas performance of Ragnarok M: Classic (仙境傳說M：初心服), which increased the proportion of game operating revenue recognized on a net basis (from 4.3% in 2024 to 13.5% in 2025); (ii) an improvement in gross margin of TapTap platform segment from 84.3% in 2024 to 86.2% in 2025; and (iii) a favorable shift in revenue mix, with the higher-margin TapTap platform segment contributing 34.1% of total revenue in 2025, compared to 31.5% in 2024.

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 2.8% to RMB1,435.9 million for the year ended December 31, 2025 on a year-on-year basis. This was primarily attributable to (i) higher performance-based compensation for our selling and marketing personnel, in line with our profit growth; and (ii) an increase in professional and technical services fees. This increase was partially offset by the decrease in promotion and advertising expenses.

Research and Development Expenses

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

Our R&D expenses increased by 6.7% to RMB981.4 million for the year ended December 31, 2025 on a year-on-year basis. This was primarily due to (i) higher performance-based compensation for our research and development staff, in line with our profit growth; and (ii) an increase in game production outsourcing expenses. The number of our R&D personnel increased from 993 as at December 31, 2024 to 1,106 as at December 31, 2025.

General and Administrative Expenses

Our general and administrative (G&A) expenses primarily consist of (i) employee benefits expenses relating to our administrative employees; (ii) professional and technical services fees, such as fees paid to auditors 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 G&A expenses decreased by 20.3% to RMB212.6 million for the year ended December 31, 2025 on a year-on-year basis. This was primarily due to lower employee compensations and share-based payments related to certain members of our management.

Other Gains/(Losses), Net

Our other gains/(losses), net primarily consist of net foreign exchange gains/(losses) and net gain on repurchase of convertible bonds.

We recorded other gains, net, of RMB12.6 million for the year ended December 31, 2025, compared to other losses, net, of RMB9.8 million for the corresponding period in 2024. Our net foreign exchange gains were RMB15.6 million for the year ended December 31, 2025, compared to foreign exchange net losses of RMB19.7 million for the year ended December 31, 2024. We did not record any gain on repurchase of convertible bonds for the year ended December 31, 2025, compared to a net gain on repurchase of convertible bonds of RMB5.0 million for the corresponding period of 2024.

Income Tax Expenses

We recorded income tax expenses of RMB62.4 million for the year ended December 31, 2025, compared to income tax expenses of RMB44.9 million for the corresponding period in 2024. Among which, we recorded a current income tax expense of RMB64.1 million and a deferred income tax credit of RMB1.7 million in relation to the movement of deferred tax liability we recognized in previous years.

Profit for the Year

Our net profit for the year was RMB1,656.5 million for the year ended December 31, 2025, compared with a net profit of RMB890.5 million for the year ended December 31, 2024.

Profit for the Year Attributable to Equity Holders of the Company

Our net profit for the year attributable to equity holders of the Company was RMB1,535.3 million for the year ended December 31, 2025, compared to RMB811.5 million for the corresponding period of 2024.

Our net profit for the year attributable to non-controlling interests was 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 year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Operating profit	1,679,908	914,789
Adjustments:		
Other income	(49,722)	(28,574)
Other (gains)/losses, net	(12,615)	9,774
Depreciation of property, plant and equipment	15,359	21,768
Depreciation of right-of-use assets	38,211	39,558
Amortization of intangible assets	24,252	39,893
	<hr/>	<hr/>
EBITDA	1,695,393	997,208
Share-based compensation expenses	92,483	59,235
	<hr/>	<hr/>
Adjusted EBITDA	<u>1,787,876</u>	<u>1,056,443</u>

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 year and adjusted profit attributable to equity holders of the Company as an additional financial measure which is 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 year and adjusted profit attributable to equity holders of the Company indicated to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards:

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the year	1,656,509	890,491
Add:		
Fair value changes on long-term investments measured at fair value through profit or loss	7,933	7,963
Share-based compensation expenses	92,483	59,235
Less:		
Income tax effects	—	(1,004)
Adjusted profit for the year	<u>1,756,925</u>	<u>956,685</u>

	For the year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to equity holders of the Company	1,535,274	811,530
Add:		
Fair value changes on long-term investments measured at fair value through profit or loss	7,933	7,310
Share-based compensation expenses	85,356	58,847
Less:		
Income tax effects	<u>—</u>	<u>(841)</u>
Adjusted profit attributable to equity holders of the Company	<u>1,628,563</u>	<u>876,846</u>

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 December 31, 2025 and December 31, 2024 are as follows:

	As at December 31, 2025	As at December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cash and cash equivalents	3,689,375	2,781,173
Short-term investments		
— Term deposits with initial terms over three months	<u>—</u>	50,000
— Wealth management products	81,033	78,984
	<u>3,770,408</u>	<u>2,910,157</u>

As at December 31, 2025, our short-term investments 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 of our cash positions was primarily due to the net cash flows generated from operating activities of RMB1,712.6 million for the year ended December 31, 2025, and partially offset by cash payments for (i) purchase of the IP rights of Torchlight series games and other intangible assets of RMB311.9 million; (ii) dividend for the year ended December 31, 2024 paid to shareholders of RMB179.4 million; (iii) acquisition of additional non-controlling interests in subsidiaries of RMB143.3 million; (iv) repurchase of shares for the purpose of the 2024 RSU Scheme at the aggregate consideration of RMB105.1 million and (v) long-term investments of RMB104.4 million.

As of December 31, 2025, we did not have any borrowings or unutilized banking facilities.

Gearing Ratio

Our gearing ratio was 22.5% as at December 31, 2025, compared to a gearing ratio of 30.8% as at December 31, 2024. This ratio was calculated as total liabilities divided by total assets.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Reference is made to the announcements of the Company dated November 26, 2025, December 29, 2025 and January 16, 2026 (collectively, the “**Announcements**”).

On November 26, 2025, the Group entered into a facilities agreement (the “**Facilities Agreement**”) with Project Golden Arc, Inc. (the “**Golden Arc**”), pursuant to which the Group agreed to provide and has provided term loan facilities of USD40,000,000 in aggregate to Golden Arc. On December 29, 2025, the Group entered into an asset transfer agreement with Runic Games Inc. and Arc Games, Inc. (together the “**Sellers**”) and Golden Arc (the parent company of the Sellers), pursuant to which the Group acquired from the Sellers all right, title and interest in and to the assigned assets, including the Torchlight series games, technology, documentation, IP and etc. with total consideration USD37,180,000. The consideration was satisfied in full by way of credit and set-off against the Group’s rights as lender under the Facilities Agreement in respect of the corresponding amount (i.e. USD37,180,000) of outstanding loan and accrued but unpaid interest thereunder. Please refer to the Announcements for further details.

Save for the acquisition mentioned above, for the year ended December 31, 2025, the Company had no material acquisition and disposal of subsidiaries, associated companies and joint ventures.

Pledge of Assets

As of December 31, 2025, we did not pledge any of our assets.

Future Plans for Material Investments or Capital Assets

As of December 31, 2025, we did not have any future plans for material investments or capital assets.

Foreign Exchange Risk Management

We generate revenue from overseas markets in relation to our international business, and therefore, we are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars and Hong Kong dollars. We also pay licensing fees for foreign game developers and intellectual property providers, which are primarily in US dollars. We currently do not adopt any long-term contracts, currency borrowings or other means to hedge our foreign currency exposure.

Contingent Liabilities

As of December 31, 2025, we did not have any material contingent liabilities.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

		Year ended December 31,	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenues	3	5,763,739	5,012,107
Cost of revenues	3, 4	(1,509,184)	(1,533,577)
Gross profit		4,254,555	3,478,530
Selling and marketing expenses	4	(1,435,931)	(1,397,251)
Research and development expenses	4	(981,400)	(919,446)
General and administrative expenses	4	(212,639)	(266,917)
Net impairment (losses)/reversal on financial assets	4	(7,014)	1,073
Other income	5	49,722	28,574
Other gains/(losses), net	6	12,615	(9,774)
Operating profit		1,679,908	914,789
Finance income		46,668	38,219
Finance costs		(7,823)	(24,084)
Finance income, net	7	38,845	14,135
Share of results of investments accounted for using equity method		163	6,458
Profit before income tax		1,718,916	935,382
Income tax expenses	8	(62,407)	(44,891)
Profit for the year		1,656,509	890,491
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss</i>			
— Currency translation differences		(13,259)	1,646
<i>Items that may not be reclassified to profit or loss</i>			
— Currency translation differences		(51,048)	27,413
Total comprehensive income for the year		1,592,202	919,550

		Year ended December 31,	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
Profit for the year attributable to:			
Equity holders of the Company		1,535,274	811,530
Non-controlling interests		121,235	78,961
		<u>1,656,509</u>	<u>890,491</u>
Total comprehensive income for the year attributable to:			
Equity holders of the Company		1,472,200	840,986
Non-controlling interests		120,002	78,564
		<u>1,592,202</u>	<u>919,550</u>
Earnings per share for profit for the year attributable to the equity holders of the Company			
Basic earnings per share (RMB)	9	3.19	1.71
Diluted earnings per share (RMB)	9	3.07	1.69

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025

		As at December 31,	
		2025	2024
	Notes	RMB'000	RMB'000
ASSETS			
Non-current assets			
Property, plant and equipment		19,661	24,987
Right-of-use assets		104,865	143,793
Intangible assets		511,588	228,113
Deferred tax assets		31,301	32,795
Investments accounted for using the equity method		91,891	111,039
Long-term investments measured at fair value through profit or loss		107,346	10,879
Prepayments, deposits and other assets		40,165	24,916
		<u>906,817</u>	<u>576,522</u>
Current assets			
Trade receivables	10	411,198	333,413
Prepayments, deposits and other assets		131,214	103,109
Short-term investments		81,033	128,984
Cash and cash equivalents		3,689,375	2,781,173
		<u>4,312,820</u>	<u>3,346,679</u>
Total assets		<u>5,219,637</u>	<u>3,923,201</u>

		As at December 31,	
		2025	2024
	<i>Notes</i>	RMB'000	RMB'000
EQUITY			
Share capital	<i>11</i>	339	336
Share premium	<i>11</i>	7,341,217	7,217,458
Treasury shares	<i>11</i>	(153,682)	(48,561)
Other reserves		(4,756,466)	(4,699,016)
Retained earnings		1,379,813	43,602
		<hr/>	<hr/>
Equity attributable to equity holders of the Company		3,811,221	2,513,819
Non-controlling interests		234,834	200,800
		<hr/>	<hr/>
Total equity		4,046,055	2,714,619
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Non-current liabilities			
Lease liabilities		77,606	115,419
Deferred tax liabilities		10,641	13,755
		<hr/>	<hr/>
		88,247	129,174
		<hr/>	<hr/>
Current liabilities			
Trade payables	<i>12</i>	194,382	186,340
Advance from customers		58,927	48,165
Other payables and accruals		423,330	382,501
Contract liabilities		248,156	321,872
Current income tax liabilities		115,768	96,777
Lease liabilities		44,772	43,753
		<hr/>	<hr/>
		1,085,335	1,079,408
		<hr/>	<hr/>
Total liabilities		1,173,582	1,208,582
		<hr/> <hr/>	<hr/> <hr/>
Total equity and liabilities		5,219,637	3,923,201
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED 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 January 25, 2019 and was listed on the Stock Exchange of Hong Kong Limited on December 12, 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.

2 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB (“**IFRS Accounting Standards**”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

**Effective for
accounting year
beginning on or after**

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 commencing an assessment of 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 mainly has impacts on 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 significant effect on the consolidated financial statements of the Group.

3 Segment information and revenue

The Group's business activities, for which discrete financial information is available, are regularly reviewed and evaluated by the 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 leading game community and platform. Revenues from the 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 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 benefits expenses; and (c) amortization of intangible assets.

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

As at December 31, 2024 and 2025, 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 consolidated statement of comprehensive income.

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

	Year ended December 31, 2025		
	Game segment	TapTap platform segment	Total
	RMB'000	RMB'000	RMB'000
Game operating revenues			
— Online Games (free-to-play)	3,596,400	—	3,596,400
— Premium Games (pay-to-play)	128,019	—	128,019
Subtotal	3,724,419	—	3,724,419
Online marketing service revenue	—	1,910,806	1,910,806
Others	71,648	56,866	128,514
Total revenues	3,796,067	1,967,672	5,763,739
Cost of revenues	(1,237,147)	(272,037)	(1,509,184)
Gross profit	2,558,920	1,695,635	4,254,555
Gross margin	67%	86%	74%
Amortization of intangible assets	(16,799)	(2,618)	(19,417)
Depreciation of right-of-use assets	(338)	(5,816)	(6,154)
Depreciation of property, plant and equipment	(205)	(3,080)	(3,285)

	Year ended December 31, 2024		
	Game	TapTap	Total
	segment	platform	
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Game operating revenues			
— Online Games (free-to-play)	3,316,789	—	3,316,789
— Premium Games (pay-to-play)	110,731	—	110,731
Subtotal	3,427,520	—	3,427,520
Online marketing service revenue	—	1,527,168	1,527,168
Others	6,541	50,878	57,419
Total revenues	3,434,061	1,578,046	5,012,107
Cost of revenues	(1,285,876)	(247,701)	(1,533,577)
Gross profit	2,148,185	1,330,345	3,478,530
Gross margin	63%	84%	69%
Amortization of intangible assets	(31,073)	(4,756)	(35,829)
Depreciation of right-of-use assets	(753)	(4,993)	(5,746)
Depreciation of property, plant and equipment	(117)	(2,268)	(2,385)

Revenues of approximately RMB1,522 million and RMB2,311 million for the years ended December 31, 2024 and 2025, respectively, were from five largest single external customers.

The following table summarizes the percentage of revenue from a single customer individually exceeding 10% of the Group's revenue during the year ended December 31, 2024 and 2025, respectively.

	Year ended December 31,	
	2025	2024
Online marketing service revenue		
Customer A	<u>18%</u>	<u>14%</u>

The table below sets forth a breakdown of the Group's revenue by timing of recognition for the years ended December 31, 2024 and 2025, respectively:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Over time	2,676,134	2,485,719
At a point of time	<u>3,087,605</u>	<u>2,526,388</u>
	<u>5,763,739</u>	<u>5,012,107</u>

The table below sets forth a breakdown of the Group's revenue by geographical areas for the years ended December 31, 2024 and 2025, respectively:

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Game operating revenues		
Chinese mainland	1,965,410	2,134,300
Other areas (<i>Note a</i>)	<u>1,759,009</u>	<u>1,293,220</u>
Total	<u>3,724,419</u>	<u>3,427,520</u>
Online marketing service revenue		
Chinese mainland	<u>1,910,806</u>	<u>1,527,168</u>

(a) Other areas revenue mainly include game revenue from local versions operated in Southeast Asia, Hong Kong, Macao, Taiwan, North America, Japan and South Korea.

4 Expenses by nature

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Promotion and advertising expenses	1,237,172	1,265,727
Employee benefits expenses	1,225,609	1,195,894
Commissions charged by Payment Channels and Distribution Channels	606,259	668,947
Cloud service, bandwidth and server custody fee	299,643	249,765
Sharing of proceeds to game developers	283,738	329,216
Professional and technical services fee	257,616	193,625
Tax surcharges	65,665	39,713
Office expenses	45,815	38,729
Depreciation of right-of-use assets	38,211	39,558
Amortization of intangible assets	24,252	39,893
Depreciation of property, plant and equipment	15,359	21,768
Net impairment losses/(reversal) on financial assets	7,014	(1,073)
Impairment of non-financial assets	5,895	6,816
Auditor's remuneration		
— Audit service	3,500	3,520
— Non-audit service	2,190	870
Others	28,230	23,150
Total	<u>4,146,168</u>	<u>4,116,118</u>

5 Other income

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Government subsidies	48,042	28,574
Interest income from loan receivable	1,355	—
Interest income from term deposits above three months	325	—
Total	49,722	28,574

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

6 Other gains/(losses), net

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Net foreign exchange gains/(losses)	15,611	(19,662)
Fair value changes of wealth management products issued by commercial banks	1,947	4,767
Net gain on disposal of non-current assets	1,674	2,686
Gains on disposal of investments accounted for using the equity method	1,300	—
Net gain on repurchase of convertible bonds	—	4,975
Fair value changes of long-term investments measured at fair value through profit or loss	(7,933)	(7,963)
Others	16	5,423
Total	12,615	(9,774)

7 Finance income, net

	Year ended December 31,	
	2025	2024
	RMB'000	RMB'000
Finance income		
Interest income from bank deposits	46,668	38,219
Finance costs		
Interest expenses on lease liabilities	(6,711)	(8,505)
Bank charges	(1,112)	(5,360)
Interest expenses on convertible bonds	—	(8,701)
Interest expenses on borrowing	—	(1,518)
	<u> </u>	<u> </u>
Finance income, net	<u>38,845</u>	<u>14,135</u>

8 Income tax

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

Singapore profits tax rate is 17%.

PRC corporate income tax (“CIT”)

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 years ended December 31, 2024 and 2025.

Certain subsidiaries of the Group in the PRC, accordingly, are qualified as “high and new technology enterprise” and entitled to a preferential income tax rate of 15% during the years ended December 31, 2024 and 2025.

Certain subsidiaries are accredited as “software enterprises” under the relevant PRC laws and regulations. They are exempt from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years, commencing from the first year of profitable operation after offsetting tax losses generating from prior years (the “**tax holiday**”).

According to the relevant laws and regulations promulgated by the State Tax Bureau 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 was 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 all the years presented.

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 January 1, 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.

	Year ended December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax	64,063	14,959
Deferred income tax	(1,656)	29,932
	<hr/>	<hr/>
Total income tax expenses	<u>62,407</u>	<u>44,891</u>

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended December 31, 2024 and 2025, being the tax rate of the major subsidiaries of the Group.

9 Earnings per share

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

	Year ended December 31,	
	2025	2024
Earnings attributable to equity holders of the Company (RMB'000)	1,535,274	811,530
Weighted average number of shares in issue (thousands)	480,865	474,249
	<hr/>	<hr/>
Basic earnings per share (in RMB)	<u>3.19</u>	<u>1.71</u>

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 year ended December 31, 2024, the Group had potential dilutive ordinary shares arising from convertible bonds, share options and restricted share units.

For the year ended December 31, 2025, the Group had potential dilutive ordinary shares arising from share options and restricted share units.

	Year ended December 31, 2025	Year ended December 31, 2024
Profit attributable to equity holders of the Company (RMB'000)	1,535,274	811,530
Interest cost savings on convertible bonds (RMB'000)	<u>—</u>	<u>3,756</u>
Profit attributable to equity holders of the Company for the calculation of diluted earnings per share (RMB'000)	1,535,274	815,286
Weighted average number of shares in issue (thousands)	480,865	474,249
Adjustments for convertible bonds (thousands)	<u>—</u>	<u>5,744</u>
Adjustments for share options and restricted share units (thousands)	18,908	<u>3,237</u>
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share (thousands)	<u>499,773</u>	<u>483,230</u>
Diluted earnings per share (in RMB)	<u>3.07</u>	<u>1.69</u>

10 Trade receivables

	As at December 31, 2025	2024
	RMB'000	RMB'000
Distribution Channels and game publishers	212,701	214,598
Online marketing service customers	205,366	120,283
Others	<u>—</u>	<u>21</u>
	418,067	334,902
Less: allowance for impairment	<u>(6,869)</u>	<u>(1,489)</u>
	<u>411,198</u>	<u>333,413</u>

- (a) Distribution Channels and game publishers and online marketing service customers usually settle the amounts within 30–120 days. Related parties are granted with 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 are as follows:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	384,905	291,499
3 months to 6 months	28,341	41,300
6 months to 1 year	4,226	1,992
1 to 2 years	489	106
Over 2 years	106	5
	<u>418,067</u>	<u>334,902</u>

11 Share capital, share premium and shares held for share award schemes

	Number of shares '000	Nominal value of shares USD'000	Equivalent nominal value of shares RMB'000	Share premium RMB'000	shares held for share award schemes ^(a) RMB'000
Authorized					
Ordinary shares of USD0.0001 each; January 25, 2019 (date of incorporation)	<u>1,000,000</u>	<u>100</u>	<u>—</u>	<u>—</u>	<u>—</u>
As at December 31, 2024 and 2025	<u>1,000,000</u>	<u>100</u>	<u>—</u>	<u>—</u>	<u>—</u>
Issued and fully paid					
As at January 1, 2024	480,453	48	329	7,036,290	(6)
Exercise of share options	996	—*	1	17,083	—
Transaction with non-controlling interests	9,600	—*	6	164,085	—
Repurchase of shares	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(48,555)</u>
As at December 31, 2024	<u>491,049</u>	<u>49</u>	<u>336</u>	<u>7,217,458</u>	<u>(48,561)</u>

	Number of shares '000	Nominal value of shares USD'000	Equivalent nominal value of shares RMB'000	Share premium RMB'000	shares held for share award schemes ^(a) RMB'000
As at January 1, 2025	491,049	49	336	7,217,458	(48,561)
Exercise of share options	3,841	—*	3	107,964	—
Vesting of awarded restricted share units	—	—	—	15,795	—*
Repurchase of shares	—	—	—	—	(105,121)
As at December 31, 2025	<u>494,890</u>	<u>49</u>	<u>339</u>	<u>7,341,217</u>	<u>(153,682)</u>

* The amount is less than 1,000

(a) On June 17, 2019, the Company allotted and issued an aggregate of 8,437,540 shares to Heart Assets Limited, which holds shares on trust for and on behalf of the Company. As at December 31, 2025, 1,597,136 shares have been granted by the Group for share-based compensation to employees.

During the years ended 31 December 2024 and 2025, the Trustee bought back a total of 2,785,400 and 3,060,600 ordinary shares that are listed on the Stock Exchange, with considerations of RMB49 and RMB105 million, respectively, and such shares are accounted and recorded as “Shares held for share award schemes”.

12 Trade payables

	As at December 31,	
	2025	2024
	RMB'000	RMB'000
Trade payables	<u>194,382</u>	<u>186,340</u>

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 are as follows:

	As at December 31,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 3 months	189,882	170,902
Over 3 months	4,500	15,438
	<u>194,382</u>	<u>186,340</u>

13 Dividends distribution

In June 2025, pursuant to the resolution of the shareholders' meetings of the Company held in May 2025, a total dividend of HKD196,670,095 (equivalent to approximately RMB179,353,293) was approved and paid.

In April 2024, pursuant to the resolution of the shareholders' meetings of X.D. Global (HK) Limited, a subsidiary of the Group, a total dividend of USD6.5 million was approved and paid, USD2.3 million (equivalent to RMB16 million) of which was paid to non-controlling shareholders.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

As at December 31, 2025, the Company did not hold any treasury shares for the purpose of the Listing Rules.

Subsequent to the Reporting Period and up to the latest practicable date (i.e., March 26, 2026), the Company repurchased a total of 2,867,600 Shares on the Stock Exchange for an aggregate consideration of approximately HK\$210,560,303 before expenses, and the Shares so repurchased by the Company will be cancelled. The particulars of the Shares repurchased subsequent to the Reporting Period and up to the date of this announcement are as follows:

Trading Month in 2026	Number of Shares purchased	Price paid per Share		Aggregate consideration paid (HK\$)
		Highest price paid (HK\$)	Lowest price paid (HK\$)	
January	233,400	89.35	77.8	19,289,221
February	646,200	90.65	73.5	50,716,951
March	1,988,000	75.65	63.85	140,554,131
Total	2,867,600			210,560,303

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 optimising the capital structure through the repurchase of Shares is expected to enhance the Shareholders’ return.

Save as disclosed above, during the Reporting Period and up to the date of this announcement, 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.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the year ended December 31, 2025 (for the year ended December 31, 2024: HK\$0.4).

ANNUAL GENERAL MEETING

The Company will notify the shareholders of the Company on a later date about the date of the coming annual general meeting of the Company and the corresponding arrangement for closure of register of members.

EMPLOYEE, REMUNERATION AND PENSION SCHEME

We had 1,554 employees as of December 31, 2025 (December 31, 2024: 1,400 employees), substantially all of whom were based in Shanghai. Employee benefits expenses (including the Directors' remunerations) were approximately RMB1,225.6 million for the year ended December 31, 2025, which was an increase of approximately 2.5% as compared to approximately RMB1,195.9 million for the year ended December 31, 2024. The increase was mainly due to the increase of the number of employees and the rise in annual bonuses, as the business performance improved during the year ended December 31, 2025.

We offer our employees competitive compensation packages and a collaborative working environment and as a result, we have generally been able to attract and retain qualified personnel and maintain a stable, core management team. We compensate our employees with basic salaries, subsidies, and performance-based and annual bonuses, and pay, on behalf of our employees, monthly social insurance premiums covering basic pension insurance, basic medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing reserve fund. We also adopted a share option plan on June 25, 2021 and the 2024 RSU Scheme for the purpose of providing incentives and rewards to the participants for their contributions to the Group.

We design and implement in-house training programs tailored to each job function and a set of responsibilities to enhance performance. Specific training is provided during orientation for new employees to familiarize them with our working environment and operational procedures. We also provide professional on-the-job training to our existing employees on various topics such as channel management, marketing and promotion strategies, product operations and operational support. We believe our training offers employees sustainable, organized and target-oriented quality training, which can enhance the productivity of our employees.

SHARE OPTION PLAN

To provide incentives and rewards to the directors and employees of the Group for their contributions to, and continuing efforts to promote the interest of, the Company, on April 30, 2021, the Board resolved to propose the adoption of the share option plan of the Company for the approval by the shareholders of the Company (the “**Share Option Plan**”). On June 25, 2021 (“**Adoption Date**”), the Share Option Plan was considered and approved by the shareholders of the Company at the annual general meeting of the Company which will be valid and effective for a period of 10 years commencing on the Adoption Date. As at December 31, 2025, a total of 22,523,497 share options (the “**Options**”) were granted by the Company under the Share Option Plan to certain eligible participants to subscribe for ordinary shares of US\$0.0001 each of the Company, including 1,957,404 Options granted to Mr. Huang Yimeng, an executive Director, and 980,304 Options granted to Mr. Dai Yunjie, an executive Director. For further details of the Share Option Plan and grant of Options, please refer to the announcements of the Company dated April 30, 2021, June 25, 2021, July 12, 2021, October 11, 2021, January 10, 2022, April 11, 2022, July 5, 2022, October 10, 2022, October 14, 2022, January 11, 2023, April 12, 2023, July 6, 2023, October 16, 2023, January 12, 2024, April 15, 2024, July 8, 2024, October 17, 2024, January 13, 2025, April 16, 2025, July 9, 2025, October 20, 2025 and the circular of the Company dated May 21, 2021, respectively.

THE 2024 RSU SCHEME

The Company has adopted the 2024 RSU Scheme on May 7, 2024, to, among others, recognise the contributions by the participants 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 engaged by the Company for the purpose of the 2024 RSU Scheme (“**Trustee**”) on the market.

During the Reporting Period, the Trustee has purchased in total 3,060,600 shares on the Stock Exchange at the total consideration of HK\$115.9 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, the Trustee has not purchased any Share.

EVENTS AFTER THE REPORTING PERIOD

On January 14, 2026, a total of 151,021 Options were granted by the Company under the Share Option Plan to certain eligible participants to subscribe for ordinary shares of US\$0.0001 each of the Company, including 122,500 Options granted to Mr. Huang Yimeng, an executive Director. For details, please refer to the announcement of the Company dated January 14, 2026.

Subsequent to the Reporting Period, 228,602 Options were exercised by certain eligible participants to subscribe for 228,602 ordinary shares of the Company.

Save as disclosed above, there are no material subsequent events undertaken by the Group after December 31, 2025 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 year ended December 31, 2025 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 officer should be separate and should not be performed by the same individual.

Mr. Huang Yimeng is currently the chairman 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 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. The Board currently 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 own code of conduct regarding securities transactions by the Directors. All Directors have confirmed, following specific enquiries by the Company that they have complied with the Model Code during the year ended December 31, 2025.

REVIEW OF ANNUAL 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, including Mr. Xin Quandong, Mr. Pei Dapeng and Ms. Liu Qianli and is currently chaired by Mr. Xin Quandong, who possesses suitable professional qualifications.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended December 31, 2025 and confirmed that it has complied with all applicable accounting principles, standards and requirements, and made sufficient disclosures. The Audit Committee has also discussed the matters of audit and financial reporting.

AUDITOR'S PROCEDURES PERFORMED ON THIS RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended December 31, 2025 as set out in the announcement have been agreed by the Auditor to the amounts set out in the Group's audited consolidated financial statements for the year ended December 31, 2025. The work performed by the Auditor in this respect did not constitute an audit, review or other assurance engagement, and consequently no assurance has been expressed by the Auditor on this announcement.

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

The annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and that of the Company (2400.hk). The annual report 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;
“ARPG”	action role playing game;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“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, the shares of which are listed on the Stock Exchange under stock code 2400 on December 12, 2019;
“Director(s)”	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”	International Financial Reporting 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;
“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;
“MPUs”	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, the Macau Special Administrative Region of the People’s Republic of China and Taiwan, China;
“Reporting Period”	the financial period for the year ended December 31, 2025;
“RMB”	Renminbi, the lawful currency of the PRC;
“RSU(s)”	restricted share unit(s);
“SGD”	Singapore dollars, the lawful currency of Singapore;
“Share Option Plan”	the share option plan of our 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;
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America; and
“%”	percentage.

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

Shanghai, China, March 27, 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.