百奧家庭互動有限公司
BAIOO Family Interactive Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2100)

2026 INTERIM RESULTS ANNOUNCEMENT

The board (the "**Board**") of directors (the "**Directors**") of BAIOO Family Interactive Limited ("**BAIOO**" or the "**Company**" or "**we**") is pleased to announce the unaudited consolidated results of the Company, its subsidiaries and its controlled entity in the People's Republic of China ("**PRC**") (the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") together with the comparative figures of last year, as follows:

Financial Summary

INCOME STATEMENT HIGHLIGHT

	Unaudited six months ended 30 June		Period over-period change
	2026	2025	
	RMB'000	*RMB'000*	%
Revenue	**482,021**	302,706	59.2%
Gross profit	**290,583**	149,172	94.8%
Operating (loss)/profit	**(23,680)**	4,051	(684.5%)
Non-IFRS Accounting Standards Measures			
— Adjusted Net (Loss)/Profit(1)	**(23,521)**	6,446	(464.9%)
— Adjusted EBITDA(2)	**(14,342)**	10,632	(234.9%)

Notes:

1. Adjusted net (loss)/profit consists of (loss)/profit for the period plus share-based compensation. Adjusted net (loss)/profit eliminates the effect on non-cash share-based compensation expenses. The term of adjusted net (loss)/profit is not defined under the IFRS Accounting Standards. The use of adjusted net (loss)/profit has material limitations as an analytical tool, as adjusted net (loss)/profit does not include all items that impact our net (loss)/profit for the periods.

2. Adjusted EBITDA consists of adjusted net (loss)/profit less finance income-net, plus income tax expense, depreciation of property and equipment and right-of-use assets and amortization of intangible assets.

BALANCE SHEET HIGHLIGHT

	Unaudited As of 30 June 2026 *RMB'000*	Audited As of 31 December 2025 *RMB'000*
Assets		
Non-current assets	**579,964**	597,436
Current assets	**1,177,333**	1,161,066
Total assets	**1,757,297**	1,758,502
Equity and Liabilities		
Total equity	**1,438,641**	1,494,802
Non-current liabilities	**571**	18,353
Current liabilities	**318,085**	245,347
Total liabilities	**318,656**	263,700
Total Equity and Liabilities	**1,757,297**	1,758,502

Management Discussion and Analysis

BUSINESS OVERVIEW AND IN-DEPTH ANALYSIS OF RESULTS OF OPERATIONS

Industry environment insights

In the first half of 2026, the game industry in China continued to maintain a steady development trend, with the market size sustaining its growth. As users' expectations for game quality and content experience continued to increase, industry competition gradually shifted from traffic acquisition to the creation of premium content and competition in long-term operational capabilities. The provision of high-quality content, the exploration of intellectual property ("**IP**") value and refined operations became important directions for companies to enhance their competitiveness. According to data from the Game Publications Committee (GPC) of the China Audio-video and Digital Publishing Association, in the first quarter of 2026, the actual sales revenue of China's game market reached RMB97.172 billion, representing a year-on-year increase of 13.38%; while the actual sales revenue of self-developed Chinese games in overseas markets reached US$6.331 billion, representing a year-on-year increase of 31.76%, indicating that both the domestic market and overseas expansion continued to release growth potential. In terms of policy, the National Press and Publication Administration continues to advance the approval process for domestically produced online games, maintaining a regular issuance of game licences, thereby providing a solid foundation for stable industry supply and the development of new products by companies. At the same time, the State continues to promote the digital development of culture and the high-quality development of the cultural industry, driving innovative development in the digital content sector and supporting high-quality cultural products to expand into overseas markets, providing policy support for gaming companies to strengthen IP value development and enhance the international competitiveness of their products. However, competition within the industry has become increasingly intense, the global supply of new games has experienced explosive growth, the traffic acquisition costs have continued to rise, the market revenue remains highly concentrated among leading products, the users' expectations for game quality and content experience have continued to increase, the industry competition gradually shifted from traffic acquisition to the creation of premium content and competition in long-term operational capabilities. In addition, with the continuous development of artificial intelligence technologies, technologies such as AIGC have gradually been applied to various stages of game research and development ("**R&D**") and operations, creating opportunities for companies to improve efficiency while also placing higher demands on their technological application capabilities.

In the face of the above-mentioned industry environment, the Group adheres to a long-term perspective, continuously strengthening its R&D investment, deepening its refined operations and actively embracings technological changes. During the Reporting Period, the Group focused on niche segments including female-oriented games, IP-oriented games and innovative games, while continuing to advance the diversified development of its product portfolio. On the IP operational front, leveraging more than a decade of operational experience accumulated through classic IPs such as Aobi Island (「奥比島」), Aola Star (「奥拉星」) and Legend of Aoqi (「奥奇傳説」), the Group continued to strengthen the emotional connection with cross-generational users through high-frequency content iterations, brand collaborations and user community building. In respect of new products, two self-developed new products, "Color the World" (「亂塗！彩世界」) and "Reign the Nightall" (「夜幕之下」), were launched during the Reporting Period injecting new growth momentum into the Group's product portfolio. In terms of technology application, the Group continued to explore the practical application of cutting-edge technologies such as AIGC, effectively enhancing production efficiency.

Deepening Core IP Value and Expanding the New Product Matrix

Based on its continuous efforts to strengthen compliance operations and enhance product R&D capabilities, centering on the changes of users' demands, the Company continued to advance the long-term operation of its core IPs and the R&D of new products. Through diversified approaches including content innovation, cross-border collaborations and refined operations, we have continuously explored the commercial value of IPs while enhancing user engagement and brand influence. During the Reporting Period, the core IPs maintained stable operations. Meanwhile, the Company actively expanded its new product matrix, explored new growth opportunities through differentiated gameplay and innovative content, further strengthening the sustainable development capabilities of its product portfolio.

Aobi Island (「奧比島」) IP

"Aobi Island" is the Group's first social product targeting Generation Z and is a representative core classic IP. With community raising and simulation operation at its core, this IP has accumulated over 300,000 sets of themed outfits since the launch of its web game in September 2008, establishing deep emotional connections with users and strong content barriers. During the Reporting Period, the Group continued to deepen the exploration of the IP value based on users' demands. On the mobile end, the mobile game "Aobi Island: Dreamland", which was launched in July 2022, introduced the "Intangible Cultural Heritage Splendor" (「非遺風華」) version during the Spring Festival, innovatively integrating intangible cultural heritage crafts, such as cloisonne and shadow puppetry, into game scenarios and fashion gameplay, significantly enriching the user experience through the cross-sector integration of "gaming + intangible cultural heritage". Meanwhile, the Group continued to promote IP cross-sector linkages and the expansion of its offline ecosystem, effectively enhancing IP influence and user stickiness. On the PC end, the "Aobi Island" web game continued to record improvement in user activity and popularity through optimized version content, enhanced operational activities and strengthened community interaction, demonstrating the enduring vitality of a classic IP. During the Reporting Period, revenue generated from the mobile game "Aobi Island: Dreamland" contributed 22.9% of the Group's total revenue, representing a year-on-year increase of 45%, fully demonstrating the IP's outstanding long-term operating capabilities.

Legend of Aoqi (「奧奇傳説」) IP

The "Legend of Aoqi" IP centers on collecting spirits and battling. The web game officially was launched in April 2012, while the mobile game was launched on 15 April 2021 and was once ranked among the top 10 on the free game charts in Mainland China and received an S-rated editorial recommendations from multiple channels. In the first half of 2026, the IP continued to focus on enhancing content quality and refining its operations. On the mobile end, the "Legend of Aoqi" mobile game launched the "Genesis Finale" (「創世終章」) New Year version, enhancing user engagement and payment experience by introducing new characters, New Year-themed events and storyline content. Meanwhile, the mobile game collaborated with the classic IP Armor Hero (「鎧甲勇士」), launching collaborated spirits, limited-edition skins and mounts, significantly boosting game and community activities. On the PC end, the "Legend of Aoqi" web game continued to optimize its game framework and experience, driving a gradual recovery in daily active users and daily active VIP users through measures such as lowering game entry barriers and reducing the burden on players. During the Reporting Period, revenue generated from the "Legend of Aoqi" mobile game and the "Legend of Aoqi" web game contributed 10.6% and 13.4% to the Group's total revenue, respectively, demonstrating the strong operational resilience of the IP in its mature stage.

Aola Star (「奧拉星」) IP

"Aola Star" is the Company's classic pet raising IP. The web game was officially launched in July 2010, while the mobile game was officially launched in September 2019. The mobile game once received editors' recommendations from multiple platforms and won the Best New Game Award from the Hardcore Platform. In the first half of 2026, the "Aola Star" IP continued to advance its long-term operation and content innovation. On the PC end, the "Aola Star" web game maintained stable operations, continued to carry out commercial iterations and artistic innovations. On the mobile end, leveraging its long-established core user base, the "Aola Star" mobile game demonstrated stable operational performance of a mature product. During the Reporting Period, the mobile game collaborated with popular IPs such as Capybara PIMOO (「卡皮巴拉小黃豚」), achieving mutual empowerment at both the content and brand levels, further enriching the user experience, continuously enhancing the influence of IPs and demonstrating the enduring vitality of this classic IP.

Color the World (「亂塗！彩世界」)

"Color the World" is a new product launched by the Group as part of its efforts to expand into diversified game categories and innovative market segments. This new bullet-hell dyeing card mobile game, which was launched in April 2026, successfully created a differentiated and lightweight gaming experience by leveraging its unique "dyeing mechanism" and trendy visual style, precisely catering to the aesthetic preferences and short-session entertainment needs of younger players. In terms of publishing and operations, the game recorded over 6 million pre-registrations across all platforms prior to its launch. On the first day of its release, it topped the Apple App Store Games Free Chart, the TapTap Trending Chart and the Bilibili Popularity Chart, and reached as high as the 19th place on the Apple App Store Games Grossing Chart. At the same time, the Company actively explored youth-oriented content operation models, collaborating with the highly popular virtual singer Luo Tianyi (「洛天依」) to launch the "Worldwide Dyeing Tour" (「環球巡染」) campaign, and partnering with leading content creators such as "Xiaochao Yuanzhang" (「小潮院長」). Related videos ranked third on Bilibili's overall chart, effectively enhancing the product's exposure and user engagement, contributing new growth momentum to the Group's product matrix. During the Reporting Period, the revenue generated from the "Color the World" mobile game contributed 21.6% to the total revenue of the Group, successfully validating the Company's capability to expand into innovative market segments and injecting new growth momentum into the Group's product matrix.

Reign of Nightfall (「夜幕之下」)

"Reign of Nightfall" is a new product launched by the Group in June 2026 targeting the female-oriented game segment. Leveraging its differentiated thematic setting and exquisite art style, the game attracted significant market attention prior to launch, with pre-registrations exceeding 10 million across all platforms, and on the first day of its release, it ranked first on both the Bilibili Popularity Chart and the TapTap Chart, while achieving a peak ranking of the 25th on the iOS Games Grossing Chart. In terms of promotion and operations, the game continued to gain traction across multiple platforms during its launch period, generating over 3 billion views across online topics and repeatedly ranking on Weibo Hot Search and Douyin trending charts. Meanwhile, the Company actively promoted cross-sector collaborations and diversified marketing initiatives by partnering with brands including JUST.FOTO, iFLYTEK Input Method (「訊飛輸入法」), QQ Music (「QQ音樂」) and Wanda Plaza (「萬達廣場」), effectively broadening the product's exposure. We firmly believe that the key to success in the female-oriented game segment lies in delivering long-term emotional companionship and a high-quality user experience. As of the date of this announcement, the game has accumulated a substantial core user base, while community activity and player engagement remain strong. In response to players' expectations for high-quality content, the project team remains committed to a long-term approach, transforming every piece of genuine user feedback into motivation for continuous improvement, with a comprehensive focus on refining core content, enhancing the combat experience and improving its long-term operational. We believe that, with the steady enhancement of product quality and the continued advancement of refined operations, "Reign of Nightfall" will further unleash its long-term IP value and contribute sustainable growth momentum to the Group.

Strengthening the Protection of Minors and Continuously Enhancing the Compliance Framework

With the continued advancement of relevant policies such as the Regulations on the People's Republic of China on the Protection of Minors in Cyberspace and the Guidelines for the Establishment of Minors' Modes for the Mobile Internet, requirements for the protection of minors in the online gaming industry have been further elevated, with regulatory oversight gradually extending beyond anti-addiction management to areas including content safety, spending management and user services. In response, the Group continues to closely monitor relevant regulatory requirements and has integrated the protection of minors throughout the entire operation process of its game products. Through technological applications, content management and service optimisation, the Group continuously enhances its compliance framework.

During the Reporting Period, the Group continued to enhance its account management and anti-addiction measures for minors. All of the Group's game products have been connected to the national real-name authentication system, with stringent implementation of requirements relating to gaming time restrictions, age-appropriate reminders and spending management for minors. At the same time, the Group continued to disable guest mode-related functions, implement minor user identification and behavioural management measures, and enforce corresponding spending restrictions based on the characteristics of users in different age groups. Through these measures, the Group sought to reduce the risks of irrational gaming and spending by minors from multiple dimensions, including account management, gaming time and consumption behaviour.

In terms of game content safety management, the Group continued to strengthen its content review capabilities through the combination of "AI intelligent recognition + professional manual review", conducting real-time monitoring of in-game chat messages, user-generated interactive content and other disseminable content. By integrating its self-developed sensitive word filtering system with third-party security services (such as Netease's shield), the Group enhanced its risk identification capabilities for text, image and voice content, enabling the timely detection and handling of non-compliant content. Meanwhile, the Group continued to conduct internal content safety inspections and cooperated with relevant special governance initiatives in accordance with regulatory requirements, thereby safeguarding a healthy and stable gaming ecosystem.

In addition to technology and content management, the Group also continued to strengthen its communication mechanisms with users and parents. The Group continued to operate the "Parent Monitoring Program for Juveniles in Online Games", providing application channels and related support services for parental monitoring through its official website, assisting parents in understanding and monitoring minors' gaming activities. At the same time, the Group continuously optimised relevant service procedures based on user feedback, enhancing the responsiveness and effectiveness of its minor protection initiatives.

The specific impacts of the continued enhancement of the aforesaid regulatory requirements on the financial performance and business prospects of the Group are analysed below:

In terms of revenue structure, the revenue contribution from minor users remained at an extremely low level during the Reporting Period, with the Group's user revenue structure becoming further concentrated on its core adult user base. This structural characteristic is highly consistent with the direction of healthy industry development advocated by regulatory authorities. Although such adjustment had an impact on certain revenue contributions, it effectively reduced the Group's revenue exposure to minor users and significantly mitigated potential compliance risks, thereby laying a solid foundation for the long-term and stable operation of the business.

In terms of operating costs, in order to continuously meet and exceed regulatory requirements, the Group further increased its investment in the iterative enhancement of its review systems, building a professional compliance team and developing its content safety inspection mechanisms during the Reporting Period. While such investments had a certain impact on the cost base in the short term, the Group regards them as necessary strategic investments to safeguard business continuity and maintain brand trust, effectively mitigating the risks of potential operational disruptions and regulatory penalties.

In terms of long-term strategy, the Group believes that increasingly stringent compliance requirements will contribute to industry clearing and raise the overall competitive threshold of the industry. Through the continuous optimisation of user services such as the "Parent Monitoring Program", the Group has further strengthened its image as a responsible brand among family user groups and successfully transformed its compliance capabilities into a brand trust advantage. Such achievements are aligned with the Group's long-term strategy of "content refinement" and provide support for the sustainable growth of its business.

Social Responsibility

While pursuing business growth, BAIOO has always integrated social responsibility into every aspect of its corporate development. Centering on gaming and focusing on the development of a new "Gaming+" ecosystem, the Company has continued to contribute to cultural heritage preservation, educational support, rural revitalisation, environmental protection initiatives and assistance for disadvantaged groups, fostering a brand ecosystem that delivers mutual benefits to the Company, its products, users and society.

In terms of cultural heritage preservation, BAIOO has remained committed to promoting the digital dissemination of China's excellent traditional culture. In the first half of 2026, "Aobi Island: Dreamland" (「奧比島：夢想國度」), one of the Company's products, collaborated with various intangible cultural heritage elements, including cloisonne, shadow puppetry, tile cats and velvet flowers, launching exquisite intangible cultural heritage-themed fashion items, furniture and a series of Chinese New Year-themed gaming content. Through the gaming platform, traditional craftsmanship, folk customs and regional cultural treasures have been presented in an engaging manner, revitalising traditional culture in the digital era.

In respect of education support, BAIOO Charity continued to advance the "BAIOO Encouragement Grant" project. In the first half of 2026, the project provided financial assistance to underprivileged students in Wengyuan County, Shaoguan and organised charitable educational support activities in rural primary schools, helping students to pursue their educational aspirations. In terms of environmental protection, BAIOO Charity continued to organise tree-planting initiatives during the first half of 2026, mobilising employee volunteers to establish the "BAIOO loving forests (百奧愛心林)" and actively promoting low-carbon and environmentally friendly practices.

The Group will continue to deepen its charitable initiatives and further expand the breadth and depth of its social responsibility efforts. Leveraging gaming as a platform to spread warmth and goodwill, the Group will work together with various sectors of society to create a brighter future characterised by the coordinated development of both the enterprise and the society.

OUTLOOK FOR THE SECOND HALF OF 2026

Looking ahead to the second half of 2026, BAIOO will continue to leverage its established IP strengths and extensive experience in game development and operations, while capturing the strategic opportunities arising from the recovery of the industry and technological advancement, to move towards a new stage of high-quality development. The Company will steadily advance its overseas market layout with dual themes of "cultivation of IP value" and "breakthroughs in global markets".

In terms of product development and content innovation, BAIOO will continue to deepen its presence in diversified niche game genres, including female-oriented games, IP-oriented games and innovative games. On the one hand, leveraging its long-term operational experience with classic IPs such as "Aobi Island" (「奧比島」), "Aola Star" (「奧拉星」) and "Legend of Aoqi" (「奧奇傳說」), the Company will continue to unlock the IP vitality and strengthen the emotional connections of cross-generational users through version iterations, brand collaborations and user co-creation initiatives. On the other hand, the Company will steadily advance the refined optimisation and long-term operation of "Color the World" (「亂塗！彩世界」) and "Reign of Nightfall" (「夜幕之下」), building momentum for future business growth. In response to technological transformation in the field of content creation, BAIOO will maintain a proactive yet prudent approach and continue to deepen the application of cutting-edge technologies such as AIGC throughout the entire production process. While upholding product quality and preserving a human touch, the Company will substantially enhance industrialised production efficiency through human-machine collaboration, thereby unlocking the full potential of content productivity.

In terms of overseas expansion, BAIOO will steadily advance the global launch plans of multiple products. Our new product "Color the World" is scheduled to be launched successively in Hong Kong, Macau, Taiwan and other overseas markets. Leveraging its unique dyeing gameplay and trendy visual style, the game aims to enter the global casual gaming segment and bring the Group's self-developed products to a broader international user base. Through refined localisation efforts and culturally adaptive strategies, the Company is committed to transforming high-quality content into long-term cross-regional competitiveness and building growth momentum that transcends geographical boundaries.

OPERATION INFORMATION

The following table sets out average quarterly active accounts ("**QAA**"), average quarterly paying accounts ("**QPA**") and average quarterly average revenue per quarterly paying accounts ("**ARQPA**") for our online virtual worlds for the periods indicated below (Notes):

	For the six months ended		Period-
	30 June 2026[1]	30 June 2025	over-period Change
	(QAA & QPA in millions, ARQPA in RMB)		
average QAA[2]	**10.2**	7.2	41.7%
average QPA[3]	**1.4**	0.9	55.6%
average quarterly ARQPA[4]	**172.9**	175.9	(1.7%)

Notes:

(1) As of 30 June 2026, our online virtual worlds under commercial operation included Aobi Island, Aola Star, Dragon Knights, Light of Aoya, Legend of Aoqi, Shiwuyu (「食物語」), Aola Star Mobile (「奥拉星手游」), Legend of Aoqi Mobile, Aobi Island Mobile (「奥比島手遊」), Color the World (「亂塗！彩世界」) and Reign of Nightfall (「夜幕之下」).

(2) The average QAA for online virtual worlds was approximately 10.2 million for the six months ended 30 June 2026, representing an increase of approximately 41.7% compared with the same period last year. The increase was primarily due to new games was launched in first half of the year, which drove the expansion of the number of the game users.

(3) The average QPA for online virtual worlds was approximately 1.4 million for the six months ended 30 June 2026, representing an increase of approximately 55.6% compared with the same period last year. The increase was primarily due to the increase of QAA.

(4) The average quarterly ARQPA for online virtual worlds was approximately RMB172.9 for the six months ended 30 June 2026, representing a decrease of approximately 1.7% compared with the same period last year. The decrease was primarily due to additional free virtual items were given to the user while the new game were launched to ensure game experience.

OVERALL BUSINESS AND FINANCIAL PERFORMANCE

The following table sets forth our consolidated statements of comprehensive income for the six months ended 30 June 2026 and 2025, respectively:

	(Unaudited) For the six months ended			
	30 June 2026 *RMB'000*	**% of Revenue**	30 June 2025 *RMB'000*	% of Revenue
Revenue	**482,021**	**100**	302,706	100
Online entertainment business	**476,440**	**99**	300,954	99
Other businesses	**5,581**	**1**	1,752	1
Cost of revenue	**(191,438)**	**(40)**	(153,534)	(51)
Gross profit	**290,583**	**60**	149,172	49
Selling and marketing expenses	**(166,719)**	**(35)**	(25,891)	(9)
Administrative expenses	**(29,059)**	**(6)**	(28,888)	(10)
Research and development expenses	**(115,954)**	**(24)**	(88,222)	(29)
Net impairment loss on financial assets	**(2,063)**	**(0)**	(765)	(0)
Other income	**—**	**0**	150	0
Other loss — net	**(468)**	**(0)**	(1,505)	(0)
Operating (loss)/profit	**(23,680)**	**(5)**	4,051	1
Finance income — net	**2,078**	**0**	8,369	3
Share of loss of an associate	**—**	**0**	(6,677)	(2)
(Loss)/Profit before income tax	**(21,602)**	**(4)**	5,743	2
Income tax expense	**(2,286)**	**(0)**	(94)	(0)
(Loss)/Profit for the period	**(23,888)**	**(5)**	5,649	2

The following table sets forth our consolidated statement of comprehensive income for the six months ended 30 June 2026 and 2025 respectively:

	(Unaudited) For the six months ended			
	30 June 2026 *RMB'000*	**% of Revenue**	30 June 2025 *RMB'000*	% of Revenue
(Loss)/Profit for the period	**(23,888)**	**(5)**	5,649	2
Other comprehensive income, net of tax	**—**	**0**	—	0
Total comprehensive (loss)/income for the period	**(23,888)**	**(5)**	5,649	2
Other financial data				
Adjusted net (loss)/profit[1] (unaudited)	**(23,521)**	**(5)**	6,446	2
Adjusted EBITDA[2] (unaudited)	**(14,342)**	**(3)**	10,632	4

Notes:

1. Adjusted net (loss)/profit consists of (loss)/profit for the period plus share-based compensation. Adjusted net (loss)/profit eliminates the effect on non-cash share-based compensation expenses. The term of adjusted net (loss)/profit is not defined under the IFRS Accounting Standards. The use of adjusted net (loss)/profit has material limitations as an analytical tool, as adjusted net (loss)/profit does not include all items that impact our net (loss)/profit for the period.

2. Adjusted EBITDA consists of adjusted net (loss)/profit less finance income-net, plus income tax expense, depreciation of property and equipment and right-of-use assets and amortization of intangible assets.

Revenue

Our revenue for the six months ended 30 June 2026 was RMB482.0 million, representing a 59.2% increase from RMB302.7 million for the six months ended 30 June 2025.

Online Entertainment Business: Our online entertainment business revenue for the six months ended 30 June 2026 was RMB476.4 million, representing a 58.3% increase from RMB301.0 million for the six months ended 30 June 2025. This was primarily due to the launch of two new games in April and June 2026.

Other Businesses: Revenue from other businesses for the six months ended 30 June 2026 was RMB5.6 million, representing an increase of 211.1% from RMB1.8 million for the six months ended 30 June 2025. This increase primarily due to sales of peripheral products.

Cost of Revenue

Our cost of revenue for the six months ended 30 June 2026 was RMB191.4 million, representing a 24.7% increase from RMB153.5 million for the six months ended 30 June 2025.

Online Entertainment Business: Our cost of revenue on online entertainment business for the six months ended 30 June 2026 was RMB188.5 million, representing a 23.0% increase from RMB153.2 million for the six months ended 30 June 2025. The increase was mainly due to the increase of revenue.

Other Businesses: Our cost of revenue on other businesses for the six months ended 30 June 2026 was RMB2.9 million, comparing with the cost of RMB0.4 million for the six months ended 30 June 2025.

Gross Profit

As a result of the foregoing, our gross profit for the six months ended 30 June 2026 was RMB290.6 million, compared with RMB149.2 million for the six months ended 30 June 2025. Gross profit margin was 60.3% for the six months ended 30 June 2026, compared with 49.3% for the six months ended 30 June 2025. The gross profit margin increased mainly due to the proportion of revenue from entrusted third parties mobile games with high revenue sharing decreased.

Selling and Marketing Expenses

Our selling and marketing expenses for the six months ended 30 June 2026 were RMB166.7 million, a 543.6% increase from RMB25.9 million for the six months ended 30 June 2025. This was mainly due to higher marketing expenses for new game launches.

Administrative Expenses

Our administrative expenses for the six months ended 30 June 2026 were RMB29.1 million, remain roughly flat from the same period last year.

Research and Development Expenses

Our research and development expenses for the six months ended 30 June 2026 were RMB116.0 million, a 31.5% increase from RMB88.2 million for the six months ended 30 June 2025. This was primarily driven by increase in investment in R&D.

Net Impairment Loss on Financial Assets

We recorded net impairment loss of financial assets of RMB2.1 million for the six months ended 30 June 2026, compared with net impairment loss of financial assets of RMB0.8 million for the six months ended 30 June 2025.

Other Income

The Company recognized nil other income for the six months ended 30 June 2026, compared with RMB0.2 million for the six months ended 30 June 2025. The other income was generated from our fulfillment of certain performance conditions related to government grants.

Other Loss — net

The Company recognized net other loss of RMB0.5 million for the six months ended 30 June 2026, compared with net other loss of RMB1.5 million for the six months ended 30 June 2025, primarily due to losses on termination of lease contracts.

Operating (Loss)/Profit

As a result of the foregoing, our operating loss for the six months ended 30 June 2026 was RMB23.7 million, compared with operating profit of RMB4.1 million for the six months ended 30 June 2025.

Finance Income — net

We had net finance income of RMB2.1 million for the six months ended 30 June 2026, compared with net finance income of RMB8.4 million for the six months ended 30 June 2025. Net finance income was primarily consisted of interest income on term deposits and cash and bank balance, which was partly offset by exchange losses on cash and bank balance.

Share of Loss of an Associate

The Company recognized nil share of loss of an associate for the six months ended 30 June 2026, compared with RMB6.7 million for the six months ended 30 June 2025.

(Loss)/Profit before Income Tax

As a result of the foregoing, we had a loss of RMB21.6 million for the six months ended 30 June 2026, compared with a gain of RMB5.7 million for the six months ended 30 June 2025.

Income Tax Expense

Our income tax expense for the six months ended 30 June 2026 was RMB2.3 million, compared with income tax expense of RMB0.09 million for the six months ended 30 June 2025.

(Loss)/Profit for the Period

We had a loss of RMB23.9 million for the six months ended 30 June 2026, compared with a profit of RMB5.6 million for the six months ended 30 June 2025.

Non-IFRS Accounting Standards — Adjusted Net (Loss)/Profit/EBITDA

Our adjusted net loss for the six months ended 30 June 2026 was RMB23.5 million, representing a 464.9% decrease from an adjusted net profit of RMB6.4 million for the six months ended 30 June 2025. Our adjusted EBITDA for the six months ended 30 June 2026 was loss of RMB14.3 million, representing a 234.9% decrease from gain of RMB10.6 million for the six months ended 30 June 2025.

The following table reconciles our adjusted net (loss)/profit and adjusted EBITDA for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS Accounting Standards, which is net (loss)/profit:

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(Loss)/Profit for the period	**(23,888)**	5,649
Add:		
Share-based compensation	**367**	797
Adjusted net (loss)/profit	**(23,521)**	6,446
Add:		
Depreciation and amortization	**8,971**	12,461
Finance income-net	**(2,078)**	(8,369)
Income tax expense	**2,286**	94
Adjusted EBITDA	**(14,342)**	10,632

LIQUIDITY AND CAPITAL RESOURCES

During the Period, we met our working capital and other capital requirements principally from cash flow generated from our operating activities.

The Group's gearing ratios as of the dates below were as follows:

	Unaudited As of 30 June 2026	Audited As of 31 December 2025
	RMB'000	*RMB'000*
Total liabilities	**318,656**	263,700
Total assets	**1,757,297**	1,758,502
Gearing ratio[1]	**18%**	15%

Note:

(1) Gearing ratio is calculated by dividing total liabilities by total assets.

Cash and Cash Equivalents, Restricted Cash, Short-Term Deposits and Long-Term Deposits

As of 30 June 2026, our cash and cash equivalents consisted of cash in bank and cash on hand, which amounted to RMB763.5 million, compared with RMB490.3 million as of 31 December 2025. We had short-term deposits of RMB250.0 million as of 30 June 2026, compared with RMB551.0 million as of 31 December 2025, representing bank deposits which we intend to hold for over three months but less than one year. We had long-term deposits of RMB50.0 million as of 30 June 2026, compared with RMB60.0 million long-term deposit as of 31 December 2025, representing bank deposits which we intend to hold for over one year but less than three years.

As of 30 June 2026, the Group had no restricted cash.

The effective interest rate per annum for cash in bank balances and deposits as of 30 June 2026 was 1.29%, compared with 1.64% as of 31 December 2025. Our policy is to place our cash in interest-bearing principal-protected call or deposits with reputable domestic or international banks.

Our cash and cash equivalents and term deposits are denominated in the following currencies:

Group	**Unaudited As of 30 June 2026** *RMB'000*	Audited As of 31 December 2025 *RMB'000*
RMB	**885,836**	922,349
US$	**115,080**	108,088
HK$	**62,443**	70,755
Others	**102**	109
	1,063,461	1,101,301

Bank Loans and Other Borrowings

The Group had no bank loans and other borrowings as of 30 June 2026.

Treasury Policies

As of 30 June 2026, the Group had conservative treasury policies in terms of cash and financial management. The Group does not use any financial instruments for hedging purposes.

Foreign Currency Risk

As of 30 June 2026, RMB177.6 million of our financial resources were held in deposits in non-RMB currencies. Since there are no cost-effective hedges against the fluctuations of the RMB, there is a risk that we may experience a loss as a result of any foreign currency exchange rate fluctuations in connection with our cash in bank balances.

Capital Expenditures and Investments

Our capital expenditures consist of purchases of property and equipment, such as servers, computers and construction in progress and intangible assets, such as computer software and license. For the six months ended 30 June 2026, our total capital expenditures were RMB12.5 million, compared with RMB34.8 million for the six months ended 30 June 2025. The following table sets out our expenditures for the periods indicated:

	Unaudited For the six months ended	
	2026	2025
	RMB'000	*RMB'000*
Capital Expenditures		
— Payment for purchase of property and equipment, including construction in progress	**10,516**	26,787
— Purchase of intangible assets	**1,960**	8,008
Total	**12,476**	34,795

Contingent Liabilities

As of 30 June 2026, the Group did not have any material contingent liabilities, guarantees or litigation against it.

Charges on Assets

As of 30 June 2026, there were no charges on the Group's assets.

Material Acquisitions and Future Plans for Major Investment

The Group had no major acquisition and disposal relating the subsidiaries, associates and joint ventures during the Reporting Period. The Group had no significant investment activity during the Reporting Period.

The Group currently has no specific plan for other major investments or acquisitions for significant capital assets or other businesses. However, the Group will continue to look for new opportunities for business development.

Employees and Staff Costs

As of 30 June 2026, the Group had 803 full-time employees. The following table sets forth the number of full-time employees by function as of 30 June 2026:

	As of 30 June 2026	
	Number of Employees	**% of Total**
Operations	**34**	**4.2**
R&D operations	**168**	**21.0**
Development and research	**474**	**59.0**
Sales and Marketing	**67**	**8.3**
General and administration	**60**	**7.5**
Total	**803**	**100**

In addition to salary, we also provide various incentives, including share-based awards, such as restricted share units ("**RSU**") granted pursuant to the share incentive schemes of the Company, and performance-based bonuses to better motivate our employees. As required by the PRC law, we contribute to housing funds and maintain mandatory social insurance plans for our employees, covering pension, medical, unemployment, work injury and maternity leave. We are required by the PRC law to make contributions to these social insurance plans at specified percentages of the compensation of each employee, up to a maximum amount as may be specified by the local government from time to time. Such social insurance plans include defined contribution retirement benefit plans organized by the relevant governmental authorities. Forfeited contributions by the Group to these plans may not be used by the Group to reduce the existing level of contributions. The total amount of contributions we made for employee social insurance plans in the first half of 2026 were approximately RMB37.4 million, compared with RMB29.1 million in the first half of 2025. We incurred staff costs of approximately RMB166.6 million and RMB135.4 million, for the six months ended 30 June 2026 and 2025, representing 34.6% and 44.7% of our revenue for those periods respectively.

We will continue to grant RSUs to our employees to incentivize them pursuant to the 2023 RSU Scheme. The maximum number of the Shares which we may grant pursuant to the 2023 RSU Scheme and all other share scheme as adopted by the Company from time to time shall not exceed 286,717,400 shares, representing approximately 10% of our share capital as of the date of the annual general meeting in 2026.

Under the previous restricted share unit plan which was terminated on 27 June 2023, there were a total of 1,215,000 RSUs outstanding as of 30 June 2026.

During the Reporting Period, there were no RSUs granted under the 2023 RSU Scheme. As of 30 June 2026, there was no outstanding RSU under the 2023 RSU Scheme.

Dividend

At the Company's annual general meeting on 26 June 2026, shareholders of the Company (the "**Shareholders**") approved the Board recommended special dividend of HK$0.012 (equivalent to approximately RMB0.010) per share for the year ended 31 December 2025. The special dividend was paid to the Shareholders on 30 July 2026.

The Board did not propose any interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

CHANGES SINCE 31 DECEMBER 2025

Save as disclosed in this interim results announcement, there were no other significant changes in the Group's financial position or from the information disclosed under management discussion and analysis in the annual report for the year ended 31 December 2025.

SIGNIFICANT EVENTS AFTER 30 JUNE 2026

To the best knowledge of the Board, the Group did not have any significant events which have occurred after 30 June 2026.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
Revenue	*6*	**482,021**	302,706
Cost of revenue		**(191,438)**	(153,534)
Gross profit		**290,583**	149,172
Selling and marketing expenses		**(166,719)**	(25,891)
Administrative expenses		**(29,059)**	(28,888)
Research and development expenses		**(115,954)**	(88,222)
Net impairment loss on financial assets		**(2,063)**	(765)
Other income		**—**	150
Other losses — net		**(468)**	(1,505)
Operating (loss)/profit	*7*	**(23,680)**	4,051
Finance income		**7,488**	10,028
Finance costs		**(5,410)**	(1,659)
Finance income — net		**2,078**	8,369
Share of loss of an associate		**—**	(6,677)
(Loss)/profit before income tax		**(21,602)**	5,743
Income tax expense	*8*	**(2,286)**	(94)
(Loss)/profit for the period		**(23,888)**	5,649
(Loss)/profit attributable to:			
— Shareholders of the Company		**(23,746)**	5,655
— Non-controlling interests		**(142)**	(6)
		(23,888)	5,649
(Loss)/earnings per share for (loss)/profit attributable to shareholders of the Company (expressed in RMB cents per share)			
Basic (loss)/earnings per share	*9*	**(0.865)**	0.207
Diluted (loss)/earnings per share		**(0.865)**	0.206

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
(Loss)/profit for the period	**(23,888)**	5,649
Other comprehensive income	**—**	—
Total comprehensive (loss)/income for the period	**(23,888)**	5,649
Total comprehensive (loss)/income attributable to:		
— Shareholders of the Company	**(23,746)**	5,655
— Non-controlling interests	**(142)**	(6)
	(23,888)	5,649

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited As at 30 June 2026** *RMB'000*	Audited As at 31 December 2025 *RMB'000*
ASSETS			
Non-current assets			
Property and equipment		**260,324**	263,963
Right-of-use assets		**233,041**	235,669
Intangible assets		**6,839**	6,902
Prepayments and other receivables		**22,135**	21,150
Long-term bank deposits		**50,000**	60,000
Deferred tax assets		**3,764**	5,891
Financial assets at fair value through profit or loss		**3,861**	3,861
		579,964	597,436
Current assets			
Inventories		**245**	538
Contract costs		**49,960**	54,159
Trade receivables	*11*	**86,116**	39,339
Prepayments and other receivables		**27,551**	25,729
Term deposits		**250,000**	551,000
Cash and cash equivalents		**763,461**	490,301
		1,177,333	1,161,066
Total assets		**1,757,297**	1,758,502
EQUITY			
Share capital		**8**	8
Share premium		**1,067,119**	1,094,462
Treasury shares		**(4,104)**	—
Reserves		**11,644**	12,269
Retained earnings		**356,837**	380,784
Equity attributable to shareholders of the Company		**1,431,504**	1,487,523
Non-controlling interests		**7,137**	7,279
Total equity		**1,438,641**	1,494,802

	Note	Unaudited As at 30 June 2026 *RMB'000*	Audited As at 31 December 2025 *RMB'000*
LIABILITIES			
Non-current liabilities			
Contract liabilities		**571**	18,353
		571	18,353
Current liabilities			
Trade payables	*12*	**13,275**	18,521
Other payables and accruals		**150,108**	74,082
Advances from distributors		**13,901**	15,777
Contract liabilities		**140,674**	136,931
Income tax liabilities		**127**	36
		318,085	245,347
Total liabilities		**318,656**	263,700
Total equity and liabilities		**1,757,297**	1,758,502

1 General information

BAIOO Family Interactive Limited (the "**Company**" or "**BAIOO**") was incorporated in the Cayman Islands on 25 September 2009 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Hutchins Drive, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies.

The Company and its subsidiaries and the PRC operating entities (collectively the "**Group**") are principally engaged in the development and operation of online virtual world business in the People's Republic of China (the "**PRC**") and some other off-line businesses.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 10 April 2014.

The interim condensed consolidated financial information is presented in Renminbi ("**RMB**"), unless otherwise stated, and have been approved for issue by the Board of the Directors of the Company on 27 August 2026.

The interim condensed consolidated financial information has not been audited.

2 Basis of preparation of the interim report

This interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard ("**IAS**") 34, 'Interim financial reporting'. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below.

3.1 Amended IFRS Accounting Standards adopted by the Group

The Group has applied the following amendments for the first time from 1 January 2026.

Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature dependent Electricity
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards — Volume 11

The Group has assessed the impact of the adoption of the amended standards that are effective for the first time for this interim period and there was no material impact on the Group.

3.2 Impact of IFRS Accounting Standards issued but not yet applied by the Group

Certain amendments to standards have been issued but are not yet effective and have not been early adopted by the Group during the period. The Group has already commenced an assessment of the impact of these new and amended standards and has concluded on a preliminary basis that adoption of these new and amended standards is not expected to have significant impacts on the financial performance and positions of the Group when they become effective, except for IFRS 18, which will mainly impact the presentation of consolidated financial statements.

		Effective for accounting periods beginning on or after
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 and Amendments	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Amendments to IAS 28	Fair value option for investments in associates and joint ventures	January 1, 2027
IFRS 20	Regulatory Assets and Regulatory Liabilities	January 1, 2029

4 Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025, except for change in accounting estimate as set out below.

The Group uses paying players' relationship with the Group on an individual online virtual world basis ("Player Relationship Period"), as the best estimate to approximate the period during which paying players use durable virtual items, and thus the revenue was recognised over such period. During the six months ended 30 June 2026, management reassessed the estimated Player Relationship Periods for online entertainment business based on newly available paying players information, considering historical players' churn rates, and playing patterns of paying players for durable virtual items, and concluded to revise with effect from the beginning of current period to better reflect the contract cost and contract liabilities from sales of durable virtual items. The effect of the change in accounting estimate using the prospective application method upon the change was decrease in contract costs and contract liabilities, resulting in a decrease in net loss and an increase in shareholders' equity of RMB26,713,000.

5 Financial risk management and financial instruments

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (mainly representing currency risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

There have been no changes in the risk management department or in any risk management policies since 31 December 2025.

5.2 Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents for daily operations. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate cash and cash equivalents.

The table below analyses the Group's financial liabilities into the relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
As at 30 June 2026						
Trade payables	13,275	—	—	—	13,275	13,275
Other payables and accruals (excluding other tax liabilities and staff costs and welfare accruals)	114,681	—	—	—	114,681	114,681
	127,956	—	—	—	127,956	127,956

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Over 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
At 31 December 2025						
Trade payables	18,521	—	—	—	18,521	18,521
Other payables and accruals (excluding other tax liabilities and staff costs and welfare accruals)	19,674	—	—	—	19,674	19,674
	38,195	—	—	—	38,195	38,195

5.3 Fair value estimation

(a) Financial instruments are carried at fair value within a fair value hierarchy that categorizes, into three levels, inputs to valuation techniques used to measure the fair value. The three different levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The quoted market price incorporates the market's assumptions with respect to changes in economic climate such as rising interest rates and inflation, as well as changes due to environmental, social and governance (ESG) risk. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where ESG risk gives rise to a significant unobservable adjustment.

Specific valuation techniques used to value financial instruments include:

— Quoted market prices or dealer quotes for similar instruments
— Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate
— The latest round financing, i.e. the prior transaction price or the third-party pricing information
— A combination of observable inputs and unobservable inputs, including discount rate, risk-free interest rate, expected volatility and market multiples

There were no changes in valuation techniques.

(b) Fair value of financial assets at fair value through profit or loss

Investment in a private equity fund ("**the Fund**")

The Group invested in the Fund which was valued based on the net asset value. As at 30 June 2026 and 31 December 2025, the Fund was financial instruments in level 3.

6 Segment information

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 segment, has been identified as the executive directors of the Company that make strategic decisions.

The Group determined that it has operating segments as follows:

— Online entertainment business
— Other businesses

The Group's online entertainment business involves development, operation and exclusive distribution of online virtual world business through its own web-based platform and mobile platforms. Other businesses mainly include sales of peripheral products and other services.

The CODM assesses the performance of the operating segments mainly based on segment revenue and gross profit of each operating segment. The selling and marketing expenses, administrative expenses, research and development expenses, net impairment loss on financial assets, other income, other loss — net, finance income — net and income tax expense are not included in the measure of the segments' performance.

There were no material inter-segment sales during six months ended 30 June 2026 and 2025, respectively. The revenues from external customers reported to CODM are measured as segment revenue.

Other information, together with the segment information, provided to the CODM, is measured in a manner consistent with that applied in the financial information. There was no separate segment assets and segment liabilities information provided to the CODM.

The segment revenue and gross profit provided to the Group's CODM for the reportable segments for the six months ended 30 June 2026 and 2025, respectively, are as follows:

	Unaudited Six months ended 30 June 2026		
	Online entertainment business *RMB'000*	**Other businesses** *RMB'000*	**Total** *RMB'000*
Revenues			
— At a point in time	**284,264**	**5,581**	**289,845**
— Over time	**192,176**	**—**	**192,176**
Total revenues	**476,440**	**5,581**	**482,021**
Cost of revenues	**(188,537)**	**(2,901)**	**(191,438)**
Gross profit	**287,903**	**2,680**	**290,583**

	Unaudited Six months ended 30 June 2025		
	Online entertainment business *RMB'000*	Other businesses *RMB'000*	Total *RMB'000*
Revenues			
— At a point in time	117,179	1,752	118,931
— Over time	183,775	—	183,775
Total revenues	300,954	1,752	302,706
Cost of revenues	(153,150)	(384)	(153,534)
Gross profit	147,804	1,368	149,172

The Company is domiciled in the Cayman Islands while the Group mainly operates its business in the Mainland China. For six months ended 30 June 2026 and 2025, the geographical information on the total revenue is as follows:

	Unaudited Six months ended 30 June	
	2026 *RMB'000*	2025 *RMB'000*
Mainland China	**471,575**	280,631
Outside Mainland China	**10,446**	22,075
	482,021	302,706

As summarized in the table below, the online virtual worlds revenue contributing more than 10% of the Group's total revenue account for 68.3% and 81.3% of the total revenue for the six months ended 30 June 2026 and 2025, respectively.

	Six months ended 30 June	
	2026	2025
Aobi Island Mobile	**22.9%**	25.6%
Color the World	**21.6%**	—
Legend of Aoqi Mobile	**13.4%**	20.0%
Legend of Aoqi	**10.6%**	25.1%
Aola Star	*	10.6%

* less than 10% of total revenues of the Group.

As at 30 June 2026, the total non-current assets, other than financial assets and tax-related assets, located in Mainland China were RMB500,504,000 (31 December 2025: RMB506,536,000).

Contract liabilities primarily consists of the unamortized revenue from sales of virtual items of online virtual worlds, where there is still an implied obligation to be fulfilled by the Group over time.

Contract costs are mainly related to the distribution costs charged by third party platforms.

7 Operating expenses

An analysis of the amounts presented as operating items in the financial information is given below.

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Employee benefit expenses	**166,595**	135,375
Promotion and advertising expenses	**150,133**	14,502
Distribution cost and payment handling fees	**131,442**	100,906
Content expenses	**23,253**	13,105
Depreciation of property and equipment and right-of-use assets and amortization of intangible assets	**8,971**	12,461
Net impairment loss on financial assets	**2,063**	765

8 Income tax expense

The income tax expense of the Group for the six months ended 30 June 2026 and 2025 is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current income tax expense	**(159)**	(88)
Deferred income tax expense	**(2,127)**	(6)
	(2,286)	(94)

(a) PRC corporate income tax

Guangzhou Baitian Information Technology Ltd. ("**Guangzhou Baitian**")

Guangzhou Baitian was qualified as "High and New Technology Enterprise" and was entitled to a preferential income tax rate of 15% on its estimated assessable profits for the six months ended 30 June 2026 (2025: same).

Guangzhou WFOE, Juyu (Guangzhou) Internet Technology Limited ("**Juyu**") and Guangzhou Xiaoyunxiong Information Technology Limited ("**Xiaoyunxiong**")

Guangzhou WFOE, Juyu and Xiaoyunxiong were qualified as "Small Low-Profit Enterprise" and the provision for income tax was calculated in accordance with the two-tiered tax rates regime.

In 2023, the State Tax Bureau of the PRC issued the Public Notice [2023] No.6 with respect to the change of preferential tax rate for the profits for Small Low-Profit Enterprise under the two-tiered tax rate regime. The tax rate of profits below RMB3 million is 5% and profits above RMB3 million were taxed at 20% for the six months ended 30 June 2026 (2025: same).

Other Subsidiaries

Except for subsidiaries of the Group mentioned above, the Group's subsidiaries in mainland China are subject to corporate income tax at the rate of 25%.

Super Deduction

On 26 March 2023, the State Tax Bureau of the PRC issued the Public Notice [2023] No.7, announcing that the enterprises engaging in research and development activities are entitled to claim 200% of their research and development expenses incurred as tax deductible expenses in determining tax assessable profits from 2023 onwards ("**Super Deduction**"). Certain qualified subsidiaries of the Group have claimed such Super Deduction in ascertaining its tax assessable profits/(losses) for the six months ended 30 June 2026 (2025: same).

(b) Cayman Islands income tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

(c) Hong Kong profits tax

The provision for Hong Kong profits tax for the six months ended 30 June 2026 are calculated in accordance with the two-tiered profits tax rates regime (2025: same). Under the two-tiered profits tax rates regime, the first Hong Kong Dollar ("**HKD**") 2 million of profit of a qualifying corporation is taxed at 8.25%, and profit above HKD2 million is taxed at 16.5%.

(d) 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. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between mainland China and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

For the six months ended 30 June 2026, the Group did not have any plan to require its PRC subsidiaries to distribute their retained earnings to the Company or its Hong Kong subsidiaries. Accordingly, no deferred income tax liability on WHT was accrued as at end of each of the reporting periods (2025: Same).

9 (Loss)/earnings per share

(a) Basic

Basic (loss)/earnings per share for (loss)/profit attributable to shareholders of the Company.

Basic (loss)/earnings per share is calculated by dividing the profit operations attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue excluding shares held for RSU Schemes and treasury shares during the period.

	Unaudited Six months ended 30 June	
	2026	2025
(Loss)/profit attributable to shareholders of the Company (RMB'000)	**(23,746)**	5,655
Weighted average number of ordinary shares in issue excluding shares held for RSU Schemes and treasury shares	**2,744,417,967**	2,734,258,314
Basic (loss)/earnings per share (in RMB cents/share)	**(0.865)**	0.207

(b) Diluted

Diluted (loss)/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, the Company had potential ordinary shares, no adjustment was made to basic loss per share to derive the diluted loss per share for the six months ended 30 June 2026 as potential ordinary shares was anti-dilutive.

For the six months ended 30 June 2025, the Company had potential ordinary shares, the RSUs, which had to be considered for calculating diluted earnings per share. A calculation is done to determine the number of shares that could have been issued at fair value (determined as the average market price per share for the year) based on the assumed exercise price of the unvested RSUs. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the RSUs are vested. The difference is added to the denominator as the number of shares issued for no consideration.

	Unaudited Six months ended 30 June 2025
Profit attributable to shareholders of the Company (RMB'000)	5,655
Weighted average number of ordinary shares in issue less shares held for RSU Schemes	2,734,258,314
Adjustments for RSUs	12,798,754
Weighted average number of ordinary shares and potential ordinary shares	2,747,057,068
Diluted earnings per share (in RMB cents/share)	0.206

10 Dividend

	Unaudited Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Special dividend of HKD0.012 (2025: HKD0.012) per ordinary share (Note a)	**29,803**	31,396
Less: dividend for shares held for the RSU Schemes	**(1,267)**	(1,423)
	28,536	29,973

(a) The 2025 special dividend of HKD0.012 (equivalent to approximately RMB0.010) per ordinary share, totaling HKD34,279,000 (equivalent to approximately RMB29,803,000), was approved at the Company's annual general meeting held on 27 June 2026. Other than the special dividend for unvested shares held under the RSU Schemes, the remaining special dividend was paid on 30 July 2026.

The 2024 special dividend of HKD0.012 (equivalent to approximately RMB0.011) per ordinary share, totaling HKD34,406,000 (equivalent to approximately RMB31,396,000), was approved at the Company's annual general meeting held on 27 June 2025. Other than the special dividend for unvested shares held under the RSU Schemes, the remaining special dividend was paid on 31 July 2025.

The Company did not declare an interim dividend for the six months ended 30 June 2026 (2025: nil).

11 Trade receivables

	Unaudited **As at** **30 June** **2026** ***RMB'000***	Audited As at 31 December 2025 *RMB'000*
Receivables from third parties	**88,263**	41,101
Less: Credit loss allowances	**(2,147)**	(1,762)
	86,116	39,339

Trade receivables mainly arose from online payment agencies and mobile platforms.

The credit period for trade receivables was generally 30 days from the date of billing. Ageing analysis based on recognition date of the gross trade receivables at the respective balance sheet dates is as follows:

	Unaudited **As at** **30 June** **2026** ***RMB'000***	Audited As at 31 December 2025 *RMB'000*
0–30 days	**38,500**	27,746
31–60 days	**33,915**	8,706
Over 60 days	**15,848**	4,649
	88,263	41,101

12 Trade payables

Trade payables primarily relate to the purchase of services for server custody and game development outsourcing fees.

The credit period for trade payables was generally 30 days from the date of billing. The ageing analysis of trade payables based on recognition date is as follows:

	Unaudited **As at** **30 June** **2026** ***RMB'000***	Audited As at 31 December 2025 *RMB'000*
0–30 days	**7,122**	11,867
Over 30 days	**6,153**	6,654
	13,275	18,521

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company (the "**Audit Committee**") has reviewed the accounting principles and practices adopted by the Group and discussed the Group's auditing, risk management, internal control and financial reporting matters. The Audit Committee has also reviewed the Group's unaudited Interim Condensed Consolidated Financial Information for the six months ended 30 June 2026 and this interim results. Based on this review and discussions with the management, the Audit Committee was satisfied that the financial statements were prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The Company's auditor has reviewed the Interim Condensed Consolidated Financial Information in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its own securities dealing code to regulate all Directors' dealings of securities in the Company and other matters as covered by the Model Code. The Company has made specific enquiry with all Directors and the Directors have confirmed that they had complied with all relevant requirements as set out in the Model Code during the Reporting Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance, the principles of which serve to uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business and to ensure that its affairs are conducted in accordance with the applicable laws and regulations. The Company has adopted the Corporate Governance Code ("**CG Code**") as set out in Appendix C1 to the Listing Rules as its own code of corporate governance.

Save as the deviation from code provision C.2.1 of Part 2 of the CG Code, the Company has applied the principles and complied with all applicable code provisions of the CG Code during the six months ended 30 June 2026.

Code provision C.2.1 of Part 2 of the CG Code provides that the responsibilities between the chairman and the chief executive officer ("**CEO**") should be segregated and should not be performed by the same individual. Mr. DAI Jian ("**Mr. DAI**") currently acts as the CEO and the Chairman. Mr. DAI, as one of the founders of the Group, is instrumental to the Group's growth and business expansion since 2009. The Board believes that vesting the roles of both the Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2026, the Company repurchased a total of 10,592,000 shares of the Company on the Stock Exchange at an aggregate consideration of approximately HK$4,706,110. The repurchase of shares was approved by the Board, pursuant to the general mandate from the Shareholders received at the annual general meeting on 27 June 2025. Details of the shares repurchased are as follows:

Month of Repurchase	Number of Shares Repurchased	Price per Share		Aggregate Consideration (HK$)
		Highest (HK$)	Lowest (HK$)	
June 2026	10,592,000	0.4650	0.4200	4,706,110

The repurchased shares were held as treasury shares as at the date of this interim results. The said treasury shares are intended to be used in accordance with the applicable rules and regulations, including but not limited to sale for cash, transfer, cancellation or for use in applicable share scheme of the Company. As at 30 June 2026, the Company has 10,592,000 treasury shares.

Save as disclosed above, the Group did not purchase, sell or redeem any of the Company's listed securities (including any treasury shares) during the six months ended 30 June 2026.

INTERIM DIVIDEND

The Directors do not recommend the payment of dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

PUBLICATION OF 2026 INTERIM RESULTS AND INTERIM REPORT

The interim results announcement is published on the Company's website (http://www.baioo.com.hk) and the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk). The 2026 interim report of the Company will be available on the above websites in due course.

By order of the Board
BAIOO Family Interactive Limited
DAI JIAN
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 August 2026

As at the date of this announcement, the executive directors of the Company are Mr. DAI Jian, Mr. WU Lili and Mr. LI Chong; the independent non-executive directors of the Company are Ms. LIU Qianli, Dr. WANG Qing, Mr. MA Xiaofeng and Mr. WEI Kevin Cheng.