

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2100



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Dai Jian (*Chairman*)

Mr. Wu Lili

Mr. Li Chong

Independent Non-executive Directors

Ms. Liu Qianli

Dr. Wang Qing

Mr. Ma Xiaofeng

Mr. Wei Kevin Cheng

AUDIT COMMITTEE

Ms. Liu Qianli (*Chairperson*)

Dr. Wang Qing

Mr. Ma Xiaofeng

Mr. Wei Kevin Cheng

NOMINATION COMMITTEE

Mr. Dai Jian (*Chairperson*)

Mr. Ma Xiaofeng

Ms. Liu Qianli

REMUNERATION COMMITTEE

Dr. Wang Qing (*Chairperson*)

Mr. Ma Xiaofeng

Mr. Wu Lili

CHIEF EXECUTIVE OFFICER

Mr. Dai Jian

ACTING CHIEF FINANCIAL OFFICER

Ms. Chen Xiao Hong

COMPANY SECRETARY

Ms. Lau Yee Wa

AUTHORIZED REPRESENTATIVES

Mr. Wu Lili

Mr. Dai Jian

AUDITOR

PricewaterhouseCoopers

Certified Public Accountants and Registered PIE Auditor

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COMPANY'S WEBSITE

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STOCK CODE

2100

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Cayman Islands

HONG KONG SHARE REGISTRAR

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REGISTERED OFFICE

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PRINCIPAL BANKS

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China Merchants Bank Guangzhou
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30/F, Goldlion Centre, No. 138 Ti Yu Dong Road
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PRC

The Hongkong and Shanghai Banking Corporation Limited
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INVESTOR RELATIONS

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Company Profile

Founded in 2009 and listed on the Hong Kong Stock Exchange in 2014, BAIOO Family Interactive Limited is a leading internet content and service provider in China. BAIOO focuses on diversified niche game genres such as female-oriented games, IP-oriented games and innovation-oriented games, as well as continues to deepen its development in advantageous areas. BAIOO has achieved a leading position in its targeted niche game segments in China and built a gaming brand that is popular among Generation Z users.

Since its establishment, BAIOO has been committed to developing and operating online content of various types, and has successfully launched a number of major self-developed products with cumulative registered users exceeding 100 million. Baioo deepened its presence in the niche game market through its differentiated thematic settings and narrative style, with its established product matrix that focused on parallel development across diversified game genres such as IP-oriented games and innovation-oriented games, while steadily expanding the Company's brand influence in both domestic and overseas markets.

Looking ahead, BAIOO will continue to deepen its presence in the core segments of female-oriented games and IP-oriented games, while actively exploring innovative game categories. Leveraging its self-development capabilities accumulated throughout the years and carefully cultivated brand assets, BAIOO will continue to launch a series of innovative, differentiated and attractive products, provide young users with differentiated upgrade experiences and services, and become a platform that brings great joy to young people.

Financial Summary

INCOME STATEMENT HIGHLIGHT

	Unaudited		Period
	Six months ended 30 June		over-period
	2026	2025	change
	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:

- 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.
- 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

Chairman Letter

Dear Shareholders,

In the first half of 2026, China's game industry continued to achieve a steady growth. The normalization of policy and regulatory environment and the steady continuance of game licence approvals have provided a solid foundation for the launch of new products. Benefiting from the continuous launch of high-quality content and the improvement in players' spending demand, both the client-based games and self-developed games recorded an encouraging growth in overseas markets, reflecting the continued enhancement of the innovation capabilities and global competitiveness of Chinese gaming companies. Against the backdrop of a continuously improving industry environment and an increasingly diversified product supply, BAIOO has adhered to its long-term development philosophy, proactively captured structural opportunities within the industry and continuously enhanced product competitiveness and IP value.

The female-oriented game market gradually recovered during the first half of the year. Following a period of relatively subdued market supply in recent years, players continued to demonstrate a strong demand for high-quality content and long-term operation products. The positive market response towards various new products once again demonstrated the significant growth potential of the female-oriented game segment and created new growth opportunities for the industry. However, as the industry matures, players' expectations for products have evolved beyond mere storytelling and now seek experience with deeper emotional resonance and of being genuinely respected. These high standards and strict requirements are reshaping the fundamental dynamics of the industry. In BAIOO's view, female-oriented games represent not only a commercial endeavour, but also an emotional commitment that requires dedication and care, which serve as a deep connection between users and brands. Facing the extremely high R&D and operational barriers, we will continue to adhere to a long-term approach, allocating resources towards the long-term cultivation of our core IPs and the enhancement of content quality. We firmly believe that only companies that truly understand and respect their users can navigate through industry cycles and achieve sustainable, high-quality growth in this high-entry-barrier segment.

Against this backdrop, BAIOO will continue to implement its long-term IP life cycle operational strategy, continuously deepen the value of its core IPs while steadily advancing product innovation and refined operational upgrades. Through these efforts, the Company will constantly strengthen its brand influence and market competitive advantages across its various niche game segments.

STEADY DEVELOPMENT OF PRODUCT MATRIX WITH CORE IPS CONTINUING TO UNLOCK LONG-TERM VALUE

In the first half of the year, BAIOO made encouraging progress in its new product development. The new female-oriented game "Reign the Nightfall" (「夜幕之下」) was officially launched and received widespread market attention and strong engagement from its core players. The new innovation-oriented product "Color the World" (「亂塗！彩世界」) was successfully launched and, with its differentiated product positioning, laid a solid foundation for the Company's expansion into innovation-oriented game genres. In response to players' strong expectation for high-quality content, BAIOO adopted a long-term approach, transformed authentic player feedback into a driving force for continuous optimization, and carried out refined long-term enhancements to its new products, thereby building a sustainable momentum for future commercialization and long-term operations.

Chairman Letter

In its core IP-oriented segment, BAIOO continued to unlock the long-term value of its classic IPs. The web games “Aobi Island” (「奥比島」), “Aola Star” (「奥拉星」) and “Legend of Aoqi” (「奥奇傳說」) maintained a steady development, demonstrating the enduring vitality of these classic IPs. Leveraging long-term refined operations, the mobile games “Aobi Island: Dreamland” (「奥比島：夢想國度」), “Legend of Aoqi” and “Aola Star” continued to drive player engagement and commercial performance through version content innovation and cross-sector linkage. Through continuous gameplay iterations, content enhancement and brand partnerships, the Company continuously enhanced user stickiness and the commercial value of its IPs, providing a solid support for its overall business development.

DEEPENING THE “INNOVATION + DIFFERENTIATION” STRATEGY AND EMBARKING ON A NEW CHAPTER OF HIGH-QUALITY DEVELOPMENT

Looking ahead to the second half of 2026, BAIOO will continue to adhere to its player-centric product philosophy and implement its “innovation + differentiation” development strategy. The Company will continue to deepen its presence in diversified niche game genres such as female-oriented games, IP-oriented games and innovation-oriented games, and deliver richer and higher-quality gaming experiences to players through continuous product innovation, content iterations and refined operations.

In the first half of 2026, the Group further deepened the application of artificial intelligence technologies in the full life cycle of games, extending technological empowerment beyond cost reduction and efficiency enhancement to gameplay innovation and organizational transformation: 1) Continuous improvement in R&D efficiency: leveraging its developed AIGC integrated platform, the Group further optimized the automated conversion process from 2D to 3D resources. Through the adoption of the latest AI video motion capture technology, the development cost of basic actions was effectively reduced, thus enabling the R&D team to produce higher-quality animation content with fewer manpower resources and significantly improving R&D productivity on a year-on-year basis; 2) Reshaped player interaction experience: the Group actively explored the in-depth application of AI in core gameplay. Multimodal AI technology has enabled NPCs to exhibit more natural response logic, significantly enhancing the social attributes and immersion of games. Meanwhile, AI-driven operational decision support system has been deployed in the data analytics process, providing a precise support for personalized content recommendations and effectively improving user retention rate and engagement level; 3) Intelligent service upgrades: AI customer service system continued to evolve through iterations. Newly launched projects have been equipped with 24-hour intelligent customer service functions capable of accurately responding to and addressing players’ immediate needs. This initiative has effectively alleviated the workload of customer service personnel, thus enabling the team to focus on handling more complex user issues and further enhancing overall service quality; and 4) Business intelligence agents: the Company has gradually established business intelligence agents covering all functional positions. Through deep reconstruction of workflow with AI, the Company has addressed the problem of “repetitive tasks consume creative time” in traditional R&D, achieving a shift from a “manual operation” model to a “human-machine collaboration” model. This has not only significantly shortened R&D cycles, but, more importantly, it enabled the Company to concentrate its talent resources on high-value decision-making and innovation activities.

With the continuous improvement in self-development capabilities and constant strengthening of product competitiveness, the Company will also further deepen cross-sector collaborations and the integration of traditional Chinese cultural elements, while accelerating its global expansion. Through localization efforts and differentiated product strategies, the Company will further expand into overseas markets, enabling BAIOO's IP matrix to reach a broader global user base and continue to create new growth momentum for the Company.

Looking further ahead, the competition in the gaming industry is gradually shifting from competition among single products to comprehensive competition in IP operation capabilities, content innovation capabilities and technological strength. Only by continuously building IPs with long-term value and consistently enhancing R&D and operation capabilities can companies maintain long-term competitive advantages throughout the industry's development. By continue leveraging its well-established IP matrix and continuously innovation in R&D capabilities, BAIOO will continue to capture development opportunities in the industry and move steadfastly towards a future of high-quality and sustainable development.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express my heartfelt appreciation to our Shareholders, players and business partners for their continued trust and support of BAIOO. I would also like to extend my sincere gratitude to all employees for their dedication, hard work and professionalism. It is through the collective efforts of our team that the Company has been able to maintain steady development in an ever-changing market environment.

Looking ahead, BAIOO will continue to adhere to its long-term development philosophy, remain committed to quality R&D and long-term operations, and continue to enhance game quality, IP value and global competitiveness, while striving to deliver higher-quality gaming experiences to our players and continue to create long-term value for our Shareholders.

DAI Jian

Chairman, Chief Executive Officer and Executive Director

BAIOO Family Interactive Limited

27 August 2026

Definitions and Glossaries

DEFINITIONS

“2023 RSU Scheme”	the Company’s restricted share unit plan adopted by the Company on 3 March 2023 and approved by the Shareholders by passing an ordinary resolution at the AGM held on 27 June 2023
“AGM”	the annual general meeting of the Company to be convened and held in accordance with the Articles of Association
“AI”	artificial intelligence
“Articles of Association”	the articles of association of the Company as amended, supplemented or revised from time to time
“associate”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of Directors
“BVI”	the British Virgin Islands
“CEO” or “Chief Executive Officer”	the chief executive officer of the Company
“Chairman”	the chairman of the Board
“Company” or “us” or “our Company”	BAIOO Family Interactive Limited (百奧家庭互動有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 25 September 2009 with its Shares listed on the Main Board of the Stock Exchange on 10 April 2014
“Company Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Contractual Arrangements”	a series of agreements entered into among Guangzhou WFOE, Guangzhou Baitian and the Registered Shareholders on 4 December 2013 and amended on 20 March 2014
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise, collectively refers to Mr. DAI Jian and Stmoritz Investment Limited
“Corporate Governance Code” or “CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules

Definitions and Glossaries

“DAE Trust”	a discretionary trust set up by Mr. DAI Jian for which TMF (Cayman) Ltd. acts as the trustee, and the beneficiaries of which are Mr. DAI and his family members
“Director(s)” or “our Director(s)”	the director(s) of our Company or any one of them
“ESG”	Environmental, Social and Governance
“Group” or “our Group” or “BAIOO”	our Company, its subsidiaries and the PRC Operating Entity (the financial results of which have been consolidated and accounted for as a subsidiary of our Company by virtue of the Contractual Arrangements), or, where the context so requires, in respect of the period before our Company became the holding company of its current subsidiaries, our Company’s current subsidiaries or the business operated by such subsidiaries or their predecessors (as the case may be)
“Guangzhou Baitian” or “PRC Operating Entity”	Guangzhou Baitian Information Technology Ltd.* (廣州百田信息科技有限公司), a company incorporated on 2 June 2009 and existing under the laws of the PRC. As of the date of this annual report, Mr. DAI Jian, Mr. WU Lili, Mr. LI Chong, Mr. CHEN Ziming and Mr. WANG Xiaodong hold 46.92%, 28.37%, 12.9%, 7.08% and 4.73% equity interests in Guangzhou Baitian, respectively
“Guangzhou Tianti”	Guangzhou Tianti Network Technology Co., Ltd.* (廣州天梯網絡科技有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Guangzhou Baitian
“Guangzhou WFOE”	Baiduo (Guangzhou) Information Technology Limited* (百多(廣州)信息科技有限公司), a company incorporated on 29 October 2013 under the laws of the PRC, an indirect wholly-owned subsidiary of the Company
“Independent third party”	any entity or party which is not connected (as defined in the Listing Rules) to any of our Directors, substantial shareholders or chief executives of our Company or its subsidiaries, or any of their respective associates
“IP”	intellectual property
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange on 10 April 2014
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company

*** the English names of the PRC entities marked with *** are translations of their Chinese names, and are included herein for identification purposes only.

Definitions and Glossaries

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules
“Nomination Committee”	the nomination committee of the Company
“Option(s)”	an option or right to purchase Shares under the Pre-IPO Share Option Scheme
“PC(s)”	personal computer(s)
“Post-IPO RSU Scheme”	the post-IPO restricted share unit scheme adopted by the Company on 18 March 2014, which took effect on 10 April 2014 (as amended on 19 June 2015 and 17 December 2020) and was terminated by the Board’s resolution passed on 3 March 2023, effective on 27 June 2023 following the adoption of the 2023 RSU Scheme
“PRC” or “China”	the People’s Republic of China
“Pre-IPO RSU Scheme”	the restricted share unit plan approved and adopted by the Company on 30 September 2013 and was terminated by the Board’s resolution passed on 3 March 2023, effective on 27 June 2023 following the adoption of the 2023 RSU Scheme
“Pre-IPO Share Option Scheme”	the share option plan approved and adopted by the Company on 18 June 2010, details of which are set out in the prospectus of the Company dated 28 March 2014, and expired on 18 June 2020
“Prospectus”	the prospectus of the Company dated 28 March 2014
“R&D”	research and development
“Register of Members”	the register of members of the Company
“Registered Shareholders”	the registered shareholders of Guangzhou Baitian, namely Mr. DAI Jian, Mr. WU Lili, Mr. LI Chong, Mr. CHEN Ziming and Mr. WANG Xiaodong
“Remuneration Committee”	the remuneration committee of the Company
“Reporting Period” or “Period”	the six months ended 30 June 2026
“RSU(s)”	restricted share unit(s), being a contingent right to receive Shares which is granted pursuant to the Pre-IPO RSU Scheme and/or the Post-IPO RSU Scheme and/or the 2023 RSU Scheme

Definitions and Glossaries

“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)” or “Ordinary Share(s)”	ordinary share(s) in the share capital of our Company with par value US\$0.0000005 each (or of such other nominal amount as shall result from capitalization, subdivision, consolidation, re-classification or re-construction of the share capital of the Company from time to time) with the rights ascribed in the Articles of Association
“Shareholder(s)”	holder(s) of our Share(s)
“Stock Exchange” or “Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“The Zhen Family Trust”	a discretionary trust set up by Mr. LI Chong for which TMF (Cayman) Ltd. acts as the trustee, and the beneficiaries of which are Mr. LI and his family members
“Treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“WHZ Trust”	a discretionary trust set up by Mr. WU Lili for which TMF (Cayman) Ltd. acts as the trustee, and the beneficiaries of which are Mr. WU and his family members
“WSW Family Trust”	a discretionary trust set up by Mr. WANG Xiaodong for which TMF (Cayman) Ltd. acts as the trustee, and the beneficiaries of which are Mr. WANG and his family members

Definitions and Glossaries

GLOSSARY

“ARQPA”	average revenue per QPA, which is revenue from our virtual worlds in a particular quarter divided by the number of quarterly paying accounts in that quarter
“Average quarterly ARQPA”	average quarterly average revenue per QPA, which is revenue from our virtual worlds in a particular period divided by the total number of QPA in that period
“QAA”	quarterly active accounts, which is the number of active accounts for our virtual worlds in the relevant quarter. A quarterly active account is defined as a registered account that was accessed at least once during a quarter. An account that logged into two virtual worlds in the same quarter is counted as two QAA. Average QAA for a particular period is the average of the QAA in each quarter during that period
“QPA”	quarterly paying accounts, which is the number of paying accounts in the relevant quarter. An account that paid subscription fees or for virtual items in two virtual worlds in the same quarter is counted as two QPA. Average QPA for a particular period is the average of the QPA in each quarter during that period

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 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 AI technologies, technologies such as AIGC have gradually been applied to various stages of game 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 embracing 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 (「奧比島」), Aola Star (「奧拉星」) and Legend of Aoqi (「奧奇傳說」), 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 Nightfall” (「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.

Management Discussion and Analysis

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 (「奧奇傳說」) IP

The “Legend of Aoqi” IP centers on collecting spirits and battling. The web game was officially 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 13.4% and 10.6% 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.

Management Discussion and Analysis

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 report, 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 PRC 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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”.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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		
	30 June	30 June	Period-
	2026 ⁽¹⁾	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 (「奥比岛手游」), 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	% of Revenue	30 June 2025	% of Revenue
	RMB'000		RMB'000	
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

Management Discussion and Analysis

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	% of	30 June	% of
	2026	Revenue	2025	Revenue
	RMB'000		RMB'000	
(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:

- 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.
- 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.

Management Discussion and Analysis

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

Management Discussion and Analysis

LIQUIDITY AND CAPITAL RESOURCES

During the Reporting 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 RMB'000	Audited As of 31 December 2025 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.

Management Discussion and Analysis

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.

Management Discussion and Analysis

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 RSUs 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 282,284,400 Shares, representing approximately 10% of our share capital as of the date of the AGM in 2023.

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.

Management Discussion and Analysis

Dividend

At the Company's AGM on 26 June 2026, Shareholders of the Company 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 report, 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.

Report on Review of Interim Financial Information



羅兵咸永道

To the Board of Directors of BAIOO Family Interactive Limited
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 34 to 62, which comprises the interim condensed consolidated balance sheet of BAIOO Family Interactive Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2026 and the interim condensed consolidated income statement, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended, and selected explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting”. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 August 2026

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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

The notes on pages 40 to 62 form an integral part of this interim condensed consolidated financial information.

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

The notes on pages 40 to 62 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Balance Sheet

		Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
	Note		
ASSETS			
Non-current assets			
Property and equipment	11	260,324	263,963
Right-of-use assets	11	233,041	235,669
Intangible assets	11	6,839	6,902
Prepayments and other receivables		22,135	21,150
Long-term bank deposits	14	50,000	60,000
Deferred tax assets		3,764	5,891
Financial assets at fair value through profit or loss	13	3,861	3,861
		579,964	597,436
Current assets			
Inventories		245	538
Contract costs		49,960	54,159
Trade receivables	12	86,116	39,339
Prepayments and other receivables		27,551	25,729
Term deposits	14	250,000	551,000
Cash and cash equivalents	14	763,461	490,301
		1,177,333	1,161,066
Total assets		1,757,297	1,758,502
EQUITY			
Share capital	15	8	8
Share premium	15	1,067,119	1,094,462
Treasury shares	15	(4,104)	—
Reserves	16	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

Interim Condensed Consolidated Balance Sheet

		Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
	Note		
LIABILITIES			
Non-current liabilities			
Contract liabilities		571	18,353
		571	18,353
Current liabilities			
Trade payables	17	13,275	18,521
Other payables and accruals	18	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

The notes on pages 40 to 62 form an integral part of this interim condensed consolidated financial information.

Li Chong

Wu Lili

Interim Condensed Consolidated Statement of Changes in Equity

	Note	Unaudited Attributable to shareholders of the Company						Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Reserves	Retained earnings	Subtotal		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2025		8	1,110,449	—	25,201	456,087	1,591,745	7,340	1,599,085
Comprehensive income									
Profit for the period		—	—	—	—	5,655	5,655	(6)	5,649
Total comprehensive income		—	—	—	—	5,655	5,655	(6)	5,649
Transactions with owners, recognized directly in equity									
Restricted Share Unit ("RSU") Scheme:									
— Value of employee services	16	—	—	—	797	—	797	—	797
— Vesting of RSUs	16	—	9,754	—	(9,754)	—	—	—	—
Special dividend of 2024	10	—	(29,973)	—	—	—	(29,973)	—	(29,973)
Total transactions with owners, recognized directly in equity		—	(20,219)	—	(8,957)	—	(29,176)	—	(29,176)
Balance at 30 June 2025		8	1,090,230	—	16,244	461,742	1,568,224	7,334	1,575,558
Balance at 1 January 2026		8	1,094,462	—	12,269	380,784	1,487,523	7,279	1,494,802
Comprehensive income									
Profit for the period		—	—	—	—	(23,746)	(23,746)	(142)	(23,888)
Total comprehensive income		—	—	—	—	(23,746)	(23,746)	(142)	(23,888)
Transactions with owners, recognized directly in equity									
RSU Scheme:									
— Value of employee services	16	—	—	—	367	—	367	—	367
— Vesting of RSUs	16	—	1,193	—	(1,193)	—	—	—	—
Special dividend of 2025	10	—	(28,536)	—	—	—	(28,536)	—	(28,536)
Repurchase of treasury shares	15	—	—	(4,104)	—	—	(4,104)	—	(4,104)
Profit appropriations to statutory reserves		—	—	—	201	(201)	—	—	—
Total transactions with owners, recognized directly in equity		—	(27,343)	(4,104)	(625)	(201)	(32,273)	—	(32,273)
Balance at 30 June 2026		8	1,067,119	(4,104)	11,644	356,837	1,431,504	7,137	1,438,641

The notes on pages 40 to 62 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows

	Note	Unaudited Six months ended 30 June	
		2026 RMB'000	2025 RMB'000
Cash flows from operating activities			
Cash (used in)/generated from operations		(22,929)	300
Interest received from cash and cash equivalents		1,556	2,444
Income tax paid		(159)	(128)
Net cash (outflow)/inflow from operating activities		(21,532)	2,616
Cash flows from investing activities			
Purchase of property and equipment		(10,516)	(26,787)
Purchase of intangible assets		(1,960)	(8,008)
Proceeds for disposals of fixed assets		—	80
Investment in term bank deposits		—	(256,000)
Maturity of term bank deposits		311,000	339,000
Interest received from term bank deposits		5,682	11,389
Net cash inflow from investing activities		304,206	59,674
Cash flows from financing activities			
Payment of share repurchase		(4,104)	—
Principal elements of lease payments		—	(6,027)
Interest elements of lease payments		—	(189)
Net cash outflow from financing activities		(4,104)	(6,216)
Net increase in cash and cash equivalents		278,570	56,074
Cash and cash equivalents at beginning of the period		490,301	495,675
Foreign exchange losses, net on cash and cash equivalents		(5,410)	(1,470)
Cash and cash equivalents at end of the period	14	763,461	550,279

The notes on pages 40 to 62 form an integral part of this interim condensed consolidated financial information.

Notes to the Interim Condensed Consolidated Financial Information

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.

Notes to the Interim Condensed Consolidated Financial Information

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

Notes to the Interim Condensed Consolidated Financial Information

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.

Notes to the Interim Condensed Consolidated Financial Information

5 Financial risk management and financial instruments (continued)

5.2 Liquidity risk (continued)

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 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
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 Financial risk management and financial instruments (continued)

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.

5 Financial risk management and financial instruments (continued)

5.3 Fair value estimation (continued)

- (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: (continued)

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 (Note 13)

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 investment was classified as a level 3 financial instrument.

Notes to the Interim Condensed Consolidated Financial Information

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.

Notes to the Interim Condensed Consolidated Financial Information

6 Segment information (continued)

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	Other	
	entertainment business RMB'000	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	Other	
	entertainment business RMB'000	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

Notes to the Interim Condensed Consolidated Financial Information

6 Segment information (continued)

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	2025
	RMB'000	RMB'000
Mainland China	471,575	280,631
Outside Mainland China	10,446	22,075
	482,021	302,706

Revenue of the Group is mainly derived from online virtual worlds of online entertainment business operations and the Group depends on the success of a limited number of online virtual worlds to generate revenue. 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.

Notes to the Interim Condensed Consolidated Financial Information

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)

8 Income tax expense (continued)

(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).

Notes to the Interim Condensed Consolidated Financial Information

8 Income tax expense (continued)

(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).

Notes to the Interim Condensed Consolidated Financial Information

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.

Notes to the Interim Condensed Consolidated Financial Information

9 (Loss)/earnings per share (continued)

(b) Diluted (continued)

	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).

Notes to the Interim Condensed Consolidated Financial Information

11 Property and equipment, intangible assets and right-of-use assets

	Property and equipment RMB'000	Unaudited Intangible assets RMB'000	Right-of-use assets RMB'000
Six months ended 30 June 2026			
Opening net book amount	263,963	6,902	235,669
Additions	681	1,960	—
Depreciation and amortization charge	(4,320)	(2,023)	(2,628)
Closing net book amount	260,324	6,839	233,041
Six months ended 30 June 2025			
Opening net book amount	257,118	2,878	238,354
Additions	15,137	7,217	—
Land use right transferred	(14,413)	—	14,413
Disposals	(2,435)	—	—
Termination of lease contracts	—	—	(7,613)
Depreciation and amortization charge	(4,185)	(1,831)	(6,857)
Closing net book amount	251,222	8,264	238,297

Notes to the Interim Condensed Consolidated Financial Information

12 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

Notes to the Interim Condensed Consolidated Financial Information

13 Financial assets at fair value through profit or loss

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Investment in the Fund	3,861	3,861

As at 30 June 2026, the amount comprised the Group's investment in the Fund carrying at fair value within a fair value hierarchy level 3 (31 December 2025: same). Please refer to Note 5.3 for information about the methods used in determining fair value of the investment in the Fund.

14 Cash and cash equivalents and term bank deposits

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Included in non-current assets:		
Long-term bank deposits (Note a)	50,000	60,000
Included in current assets:		
Short-term bank deposits (Note a)	235,000	406,000
Current portion of long-term bank deposits (Note a)	15,000	145,000
Cash and cash equivalents		
— Cash at banks and on hand	763,461	490,301
	1,063,461	1,101,301
Maximum exposure to credit risk (Note c)	1,063,399	1,101,262

- (a) Term deposits represent the Group's deposits placed in banks with an initial maturity of over three months. For those long-term banks deposits, they represented banks deposits with initial maturity of over one year but less than three years.
- (b) The effective interest rate per annum for all term deposits as at 30 June 2026 was approximately 1.75% (31 December 2025: 1.89%).

Notes to the Interim Condensed Consolidated Financial Information

14 Cash and cash equivalents and term bank deposits (continued)

- (c) As at 30 June 2026, substantially all the Group's bank deposits included in cash and bank balances were deposited with major reputable financial institutions incorporated in the PRC (31 December 2025: same). There has been no recent history of default in relation to these financial institutions.

15 Share capital and share premium and treasury shares

As at 30 June 2026, the total number of issued ordinary shares of the Company was 2,867,174,000 shares (31 December 2025: 2,867,174,000 shares) which included 121,417,641 shares (31 December 2025: 124,434,037 shares) held under the RSU Scheme and 10,592,000 shares (31 December 2025: nil) as treasury shares.

	Number of shares	Nominal value of shares US\$'000	Unaudited				Total RMB'000
			Share capital RMB'000	Share premium RMB'000	Treasury shares RMB'000 (Note a)		
As at 1 January 2026	2,867,174,000	2	8	1,094,462	—	1,094,470	
RSU Scheme:							
— Vesting of RSUs	—	—	—	1,193	—	1,193	
2025 special dividend payable to equity holders of the Company (Note 10)	—	—	—	(28,536)	—	(28,536)	
Repurchase of treasury shares	—	—	—	—	(4,104)	(4,104)	
As at 30 June 2026	2,867,174,000	2	8	1,067,119	(4,104)	1,063,023	

Notes to the Interim Condensed Consolidated Financial Information

15 Share capital and share premium and treasure shares (continued)

	Number of shares	Unaudited			
		Nominal value of shares	Share capital	Share premium	Total
		US\$'000	RMB'000	RMB'000	RMB'000
As at 1 January 2025	2,867,174,000	2	8	1,110,449	1,110,457
RSU Scheme:					
— Vesting of RSUs	—	—	—	9,754	9,754
2024 special dividend payable to equity holders of the Company (Note 10)	—	—	—	(29,973)	(29,973)
As at 30 June 2025	2,867,174,000	2	8	1,090,230	1,090,238

- (a) On 10 June 2026, the Board of Directors of the Company authorized a share repurchase program (“Share Repurchase Program”) under which the Company proposes to repurchase not more than 30,000,000 shares on market from 10 June 2026 to 3 July 2026 and to hold such shares in the name of the Company as treasury shares. For the six months ended 30 June 2026, the Company repurchased 10,592,000 shares for a total cash consideration of RMB4,104,000 on the open market, at a weighted average price of HKD0.45 per share. The Company accounts for the repurchased ordinary shares under the cost method and includes such treasury shares as a component of the shareholders’ equity.

Notes to the Interim Condensed Consolidated Financial Information

16 Reserves

		Unaudited		
		Statutory	Share-based	
	Other reserves	reserves	compensation	Total
	RMB'000	RMB'000	reserve	RMB'000
As at 1 January 2026	2,069	7,308	2,892	12,269
RSU Scheme:				
— Value of employee services	—	—	367	367
— Vesting of RSUs	—	—	(1,193)	(1,193)
— Profit appropriations to statutory reserves	—	201	—	201
As at 30 June 2026	2,069	7,509	2,066	11,644
As at 1 January 2025	2,069	7,059	16,073	25,201
RSU Scheme:				
— Value of employee services	—	—	797	797
— Vesting of RSUs	—	—	(9,754)	(9,754)
As at 30 June 2025	2,069	7,059	7,116	16,244

In accordance with the relevant laws and regulations in the PRC and the Articles of Association of the companies incorporated in the PRC now comprising the Group, the companies are required to appropriate 10% of the annual net profits, after offsetting any prior years' losses as determined under the PRC accounting standards, to the statutory surplus reserve fund before distributing any net profit. When the balance of the statutory surplus reserve reaches 50% of the registered capital of the companies, any further appropriation is at the discretion of shareholders. The statutory surplus reserve can be used to offset prior years' losses, if any, and may be capitalized as capital, provided that the remaining balance of the statutory surplus reserve fund after such issue is no less than 25% of registered capital.

In addition, in accordance with the Law of the PRC on Enterprises with Foreign Investments and the stipulated provisions of the articles of association of wholly owned foreign subsidiaries in the PRC, appropriation from net profits (after offsetting accumulated losses brought forward from prior years) should be made by these companies to their respective reserve funds. The percentage of net profit to be appropriated to the reserve fund is not less than 10% of the net profit. When the balance of the reserve fund reaches 50% of the registered capital, such transfer needs not be made.

Notes to the Interim Condensed Consolidated Financial Information

17 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

Notes to the Interim Condensed Consolidated Financial Information

18 Other payables and accruals

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Promotion and advertising expenses	72,285	—
Staff costs and welfare accruals	32,444	49,971
Dividend payable (Note 10)	28,536	—
Construction cost payable	4,123	13,960
Collection of game revenue share payments	3,772	—
Professional service fees payable	3,542	3,945
Other tax liabilities	2,983	4,437
Others	2,423	1,769
	150,108	74,082

19 Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Unaudited As at 30 June 2026 RMB'000	Audited As at 31 December 2025 RMB'000
Construction in progress	—	551

Notes to the Interim Condensed Consolidated Financial Information

20 Significant related party transactions

The ultimate parent and the ultimate controlling party of the Group is TMF (Cayman) Ltd. (incorporated in the Cayman Islands).

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

(a) Key management personnel compensations paid or payable for employee services

	Unaudited	
	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
Wages, salaries and bonuses	4,404	3,740
Pension costs — defined contribution plans	116	116
Other social security costs, housing benefits and other employee benefits	156	148
Share-based compensation expenses	84	863
	4,760	4,867

(b) Balance with related parties

	Unaudited	Audited
	As at 30 June	As at 31 December
	2026	2025
	RMB'000	RMB'000
Other receivable from an associate	18,444	18,444
Less: Credit loss allowances	(18,444)	(18,444)
	—	—

21 Contingencies

The Group did not have any material contingent liabilities as at 30 June 2026 and 31 December 2025.

Other Information

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

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 report. 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 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 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 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 CEO should be segregated and should not be performed by the same individual. Mr. DAI Jian 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 the 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.

Other Information

BOARD OF DIRECTORS AND BOARD COMMITTEES

The compositions of the Board, the Audit Committee, the Nomination Committee and the Remuneration Committee remain the same as set out in the annual report of the Company for the year ended 31 December 2025.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

The Company is not aware of any changes in the Directors' information which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

INTERIM DIVIDEND

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

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 AGM 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 report. 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.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVE IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Name	Position	Relevant company (including associated corporation)	Capacity/ Nature of interest	Number of Shares/ underlying Shares held	Approximate percentage of shareholding ⁽⁹⁾
DAI Jian (戴堅) ⁽¹⁾	Chairman, Executive Director and Chief Executive Officer	The Company	Founder of a discretionary trust Interest of controlled corporation	695,452,180(L) ⁽⁸⁾	24.26%(L)
		The Company	Beneficial owner	10,000,000(L)	0.35%(L)
WU Lili (吳立立) ⁽²⁾	Executive Director	The Company	Founder of a discretionary trust Interest of controlled corporation	365,596,180(L)	12.75%(L)
LI Chong (李冲) ⁽³⁾⁽⁴⁾	Executive Director	The Company	Founder of a discretionary trust Interest of controlled corporation	114,816,360(L)	4.00%(L)
		The Company	Beneficial owner	15,000,000(L)	0.52%(L)
LIU Qianli (劉千里) ⁽⁵⁾	Independent Non-executive Director	The Company	Beneficial owner	200,000(L)	0.01%(L)
WANG Qing (王慶) ⁽⁶⁾	Independent Non-executive Director	The Company	Beneficial owner	200,000(L)	0.01%(L)
MA Xiaofeng (馬肖風) ⁽⁷⁾	Independent Non-executive Director	The Company	Beneficial owner	200,000(L)	0.01%(L)

Other Information

Notes:

- (1) Mr. DAI Jian established DAE Trust on 27 December 2013 for the benefit of himself and his family members, and acts as its settlor and protector. The trustee of DAE Trust is TMF (Cayman) Ltd., and independent third party and sole shareholder of DAE Holding Investments Limited, a trust holding company owns 100% of equity interest in Stmoritz Investment Limited. In addition, 10,000,000 RSUs were granted to Mr. DAI Jian under the Pre-IPO RSU Scheme entitling him to receive 10,000,000 Shares and subject to vesting. As at 30 June 2026, all the RSUs granted to Mr. DAI Jian were vested in accordance with the vesting schedule as specified under the relevant grant letter and the rules relating to the Pre-IPO RSU Scheme.
- (2) Mr. WU Lili established WHZ Trust on 27 December 2013 for the benefit of himself and his family members, and acts as its settlor and protector. The trustee of WHZ Trust is TMF (Cayman) Ltd., and independent third party and sole shareholder of WHEZ Holding Ltd., a trust holding company owns 100% of equity interest in Bright Stream Holding Limited.
- (3) Mr. LI Chong established the Zhen Family Trust on 27 December 2013 for the benefit of himself and his family members, and acts as its settlor and protector. The trustee of The Zhen Family Trust is TMF (Cayman) Ltd., and independent third party and sole shareholder of Golden Water Management Limited, a trust holding company owns 100% of equity interest in LNZ Holding Limited.
- (4) Mr. Li Chong was interested in 15,000,000 RSUs granted to him under the Post-IPO RSU Scheme entitling him to receive 15,000,000 Shares subject to vesting. For details, please refer to the Company's announcements dated 12 April 2021 and 30 March 2022, the circulars dated 21 May 2021 and 27 April 2022 and the poll results announcements dated 25 June 2021 and 6 June 2022. As at 30 June 2026, 92.5% of the RSUs granted to Mr. Li on 12 April 2021 and 92.5% of RSUs granted to Mr. Li on 30 March 2022 under the Post-IPO RSU Scheme were vested.
- (5) Ms. LIU Qianli was interested in 200,000 RSUs granted to her under the Pre-IPO RSU Scheme entitling her to receive 200,000 Shares subject to vesting. As at 30 June 2026, all the RSUs granted to Ms. LIU were vested in accordance with the vesting schedule as specified under the relevant grant letter and the rules relating to the Pre-IPO RSU Scheme.
- (6) Dr. WANG Qing was interested in 200,000 RSUs granted to him under the Pre-IPO RSU Scheme entitling him to receive 200,000 Shares subject to vesting. As at 30 June 2026, all the RSUs granted to Dr. WANG were vested in accordance with the vesting schedule as specified under the relevant grant letter and the rules relating to the Pre-IPO RSU Scheme.
- (7) Mr. MA Xiaofeng was interested in 200,000 RSUs granted to him under the Pre-IPO RSU Scheme entitling him to receive 200,000 Shares subject to vesting. As at 30 June 2026, all the RSUs granted to Mr. MA were vested in accordance with the vesting schedule as specified under the relevant grant letter and the rules relating to the Pre-IPO RSU Scheme.
- (8) The Letter "L" denotes the person's Long position in such Shares.
- (9) These percentages are calculated on the basis of 2,867,174,000 Shares in issue (including Treasury Shares) as at 30 June 2026.

Save as disclosed above, as at 30 June 2026, none of the Directors and chief executive of the Company and their respective associates had registered an interest or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that are required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix C3 to the Listing Rules.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, the following persons had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding in the total issued share capital of the Company ⁽⁸⁾
TMF (Cayman) Ltd. ⁽¹⁾	Trustee of trusts	1,201,332,720(L) ⁽⁷⁾	41.90%(L)
DAE Holding Investments Limited ⁽²⁾	Trust holding company	695,452,180(L)	24.26%(L)
Stmoritz Investment Limited ⁽²⁾	Registered owner	695,452,180(L)	24.26%(L)
DAI Jian (戴堅) ⁽²⁾⁽⁵⁾	Founder of a discretionary trust Interest of a controlled corporation	695,452,180(L)	24.26%(L)
	Beneficial owner	10,000,000(L)	0.35%(L)
Bright Stream Holding Limited ⁽³⁾	Registered owner	365,596,180(L)	12.75%(L)
WHEZ Holding Ltd. ⁽³⁾	Trust holding company	365,596,180(L)	12.75%(L)
WU Lili (吳立立) ⁽³⁾	Founder of a discretionary trust Interest of a controlled corporation	365,596,180(L)	12.75%(L)
THL H Limited ⁽⁴⁾	Registered owner	326,063,280(L)	11.37%(L)
Tencent Holdings Limited ⁽⁴⁾	Interest of controlled corporation	326,063,280(L)	11.37%(L)
The Core Trust Company Limited ⁽⁶⁾	Trustee of a trust	258,349,022	9.01%(L)

Other Information

Notes:

- (1) TMF (Cayman) Ltd. is the trustee of DAE Trust, WHZ Trust, The Zhen Family Trust and WSW Family Trust.
- (2) The entire share capital of Stmoritz Investment Limited is wholly-owned by DAE Holding Investments Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the DAE Trust, which is a discretionary trust set up by Mr. DAI Jian ("**Mr. DAI**") on 27 December 2013 for the benefit of himself and his family members, and Mr. DAI is a settlor and protector. Mr. DAI (as founder of the DAE Trust), DAE Holding Investments Limited and TMF (Cayman) Ltd. are taken to be interested in 687,944,180 Shares held by Stmoritz Investment Limited (without taking into account any Shares to be issued upon exercise of any share options and/or any vesting of the RSUs under the Pre-IPO Share Option Scheme, Pre-IPO RSU Scheme and/or Post-IPO RSU Scheme) pursuant to Part XV of the SFO.
- (3) The entire share capital of Bright Stream Holding Limited is wholly-owned by WHEZ Holding Ltd. and ultimately owned by TMF (Cayman) Ltd. as the trustee of the WHZ Trust, which is a discretionary trust set up by Mr. WU Lili ("**Mr. WU**") on 27 December 2013 for the benefit of himself and his family members, and Mr. WU is a settlor and protector. Mr. WU (as founder of the WHZ Trust), WHEZ Holding Ltd. and TMF (Cayman) Ltd. are taken to be interested in 365,596,180 Shares held by Bright Stream Holding Limited (without taking into account any Shares to be issued upon exercise of any share options and/or any vesting of the RSUs under the Pre-IPO Share Option Scheme, Pre-IPO RSU Scheme and/or Post-IPO RSU Scheme) pursuant to Part XV of the SFO.
- (4) The entire share capital of THL H Limited is owned by Tencent Holdings Limited, which is a company listed on the Main Board of the Stock Exchange (stock code: 700). Tencent Holdings Limited is taken to be interested in 326,063,280 Shares held by THL H Limited pursuant to Part XV of the SFO.
- (5) 10,000,000 RSUs were granted to Mr. DAI under the Pre-IPO RSU Scheme entitling him to receive 10,000,000 Shares and subject to vesting. As at 30 June 2026, all the RSUs granted to Mr. DAI were vested in accordance with the vesting schedule as specified under the relevant grant letter and the rules relating to the Pre-IPO RSU Scheme.
- (6) The Core Trust Company Limited is the trustee to administer the Pre-IPO Share Option Scheme, the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme.
- (7) The Letter "L" denotes the person's Long position in such Shares.
- (8) These percentages are calculated on the basis of 2,867,174,000 Shares in issue (including Treasury Shares) as of 30 June 2026.

Save as disclosed above, as at 30 June 2026, the Directors and the chief executive of the Company are not aware of any other person who had an interest or short position in the Shares or underlying Shares of the Company or any associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE INCENTIVE SCHEMES

In order to incentivize the Directors, senior management and other employees of the Group for their contribution to the Group and to attract and retain suitable personnel of our Group, the Company adopted the Pre-IPO Share Option Scheme, the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme, respectively.

Summaries of the terms of the Pre-IPO Share Option Scheme, the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme have been disclosed in the sections headed “Statutory and General Information — Pre-IPO Share Option Scheme”, “Statutory and General Information — Pre-IPO RSU Scheme” and “Statutory and General Information — Post-IPO RSU Scheme” in Appendix IV to the Prospectus, the previous annual reports of the Company, the circular of the Company dated 24 April 2015, the supplementary circular of the Company dated 14 May 2015 and the circular of the Company dated 26 November 2020.

(1) Pre-IPO RSU Scheme

The eligible participants under the Pre-IPO RSU Scheme includes existing employees, Directors, or officers of the Group and any other person selected by the Board at its discretion.

Unless otherwise duly approved by the Shareholders, the total number of Shares underlying RSUs under the Pre-IPO RSU Scheme shall not exceed 188,733,600 Shares (excluding Shares underlying RSUs that have lapsed or been cancelled in accordance with this Pre-IPO RSU Scheme). There is no requirement regarding the maximum entitlement of each participant under the Pre-IPO RSU Scheme. The Board has sole discretion to determine the vesting period and vesting criteria (if any) for any grant of RSUs under the Pre-IPO RSU Scheme, which may also be adjust and re determined by the Board from time to time. The grantee(s) shall not be required to bear or pay any price or fee for the grant of RSU under the Pre-IPO RSU Scheme. Prior to its termination, the Pre-IPO RSU Scheme has been valid and effective until 30 September 2023. It was terminated by the Board’s resolution on 3 March 2023, effective on 27 June 2023 following the adoption of 2023 RSU Scheme (as defined below).

No more RSUs were granted after the Listing under the Pre-IPO RSU Scheme. As at 30 June 2026, there were no outstanding RSU under the Pre-IPO RSU Scheme.

Prior to the Listing on 10 April 2014, the Company appointed The Core Trust Company Limited as the trustee (the “**Pre-IPO RSU Trustee**”) and Peto Holding Limited, a company incorporated in the BVI and an independent third party, as its nominee (the “**Pre-IPO RSU Nominee**”) to administer the Pre-IPO RSU Scheme. To increase the public float, the Company further engaged The Core Services Limited, as the new trustee (the “**New RSU Trustee**”), and ZEA Holding Limited, a company incorporated in the BVI and an independent third party, as the new nominee (the “**New RSU Nominee**”), to administer certain RSUs granted to the Directors and the senior management under our Pre-IPO RSU Scheme on 10 June 2014. As at 30 June 2026, the Pre-IPO RSU Nominee holds 74,508,144 Shares and the New RSU Nominee hold 22,802,000 Shares respectively, underlying the RSUs granted under the Pre-IPO RSU Scheme for the benefit of eligible participants pursuant to the Pre-IPO RSU Scheme.

Other Information

(2) Post-IPO RSU Scheme

The eligible participants under the Post-IPO RSU Scheme includes existing and former employees, directors or officers of the Company, Guangzhou Baitian Information Technology Ltd. (廣州百田信息科技有限公司) or other companies in the Group, or any other person selected by the Board or the Remuneration Committee at its sole discretion.

The maximum number of Shares which may be awarded under the Scheme may not exceed 2% of the issued share capital of the Company as of the date of approval of the refreshed scheme limit. The maximum number of Shares which may be awarded to any one grantee under the Post-IPO RSU Scheme may not exceed 2% of the issued share capital of the Company as of the date of approval of the refreshed scheme limit. The Board or the Remuneration Committee has the sole discretion to determine the vesting schedule and vesting criteria (if any) for any grant of RSU(s) to any grantee, which may also be adjusted and re-determined by the Board from time to time. The grantee(s) shall not be required to bear or pay any price or fee for the grant of RSU under the Post-IPO RSU Scheme. Prior to its termination, the Post-IPO RSU Scheme shall be valid and effective until 1 October 2030. It was terminated by the Board's resolution on 3 March 2023, effective on 27 June 2023 following the adoption of the 2023 RSU Scheme (as defined below).

During the six months ended 30 June 2026, there were no RSUs granted under the Post-IPO RSU Scheme. No more RSUs will be granted under the Post-IPO RSU Scheme following its termination on 3 March 2023. As at 31 December 2025 and 30 June 2026, there were a total of 4,260,000 and 1,215,000 RSUs outstanding (i.e. granted but unvested) under the Post-IPO RSU Scheme, respectively.

The Company appointed The Core Trust Company Limited as the trustee and Baiduo Investment Holding Limited, a company incorporated in the BVI and an independent third party, as the nominee to administer the Post-IPO RSU Scheme pursuant to its scheme rules. On 27 May 2021, the Company further appointed Ms. Zhang Xiaoting as the trustee and Gusto Limited, a limited liability company incorporated under the laws of the BVI and an independent third party as the nominee to administer the RSUs granted to the Directors and CEO under the Post-IPO RSU Scheme. As at 30 June 2026, Baiduo Investment Holding Limited and Gusto Limited holds 161,038,878 and 40,000,000 Shares respectively, underlying the RSUs granted under the Post-IPO RSU Scheme for the benefit of eligible participants pursuant to the Post-IPO RSU Scheme.

(3) 2023 RSU Scheme

Since 1 January 2023, Chapter 17 of the Listing Rules govern both share option schemes and share award schemes.

According to their respective scheme rules, the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme (collectively, the “**Previous RSU Schemes**”) were valid and effective until 30 September 2023 and 1 October 2030, respectively, unless terminated. The Board considered that (i) the Pre-IPO RSU Scheme would expire soon; and (ii) any amendments to the Post-IPO RSU Scheme to comply with Chapter 17 of the Listing Rules would be costly and unduly burdensome and such amendments will result in the Post-IPO RSU Scheme expiring on or before 10 April 2024 under Chapter 17 of the Listing Rules. Accordingly, the Board resolved on 3 March 2023 to terminate the Previous RSU Schemes, effective upon the approval of the 2023 RSU Scheme (as defined below) by the Shareholders. The Previous RSU Schemes remain in full force and effect to the extent necessary to give effect to the exercise of any awards granted prior to its termination or otherwise as may be required in accordance with the provisions of the Previous RSU Schemes. All awards granted prior to such termination and not vested on the date of termination shall remain valid.

As approved by the Shareholders an ordinary resolution at the AGM of the Company held on 27 June 2023, the 2023 RSU Scheme was adopted. Eligible persons under the 2023 RSU Scheme include any employee participant, related entity participant or a service provider who are selected by the Board or the Remuneration Committee at its sole discretion from time to time and permissible under applicable laws and regulations (including Listing Rules), but excluding excluded persons as defined under the 2023 RSU Scheme.

The aggregate number of Shares underlying all grants made pursuant to the 2023 RSU Scheme (excluding awards that have lapsed or been cancelled in accordance with the rules of the same scheme) and all other share schemes as adopted by the Company from time to time for a three-year period from the date of approval of the limit by the Shareholders at the AGM (unless otherwise refreshed within such three-year period by the Shareholders’ prior approval) shall not exceed 282,284,400 Shares, representing 10% of the number of Shares in issue as at the same date.

The aggregate number of Shares underlying all grants made to the service providers pursuant to the 2023 RSU Scheme (excluding awards that have lapsed in accordance with the rules of the 2023 RSU Scheme) and all other share schemes adopted by the Company granting options and/or awards to the service providers as adopted by the Company from time to time for a three-year period from the date of approval of the limit by the Shareholders at the AGM in 2023 (unless otherwise refreshed within such three-year period by the Shareholders’ prior approval) shall exceed not 28,228,440 Shares, representing 1% of the number of Shares in issue as at the same date (the “**Service Provider Sub limit**”).

Other Information

The maximum number of Shares which may be awarded to any one selected person under the scheme may not exceed 1% of the issued share capital of the Company, taking into account of the Shares issued and to be issued in respect of all options and awards granted to such grantee under all share schemes as adopted by the Company in aggregate (excluding any awards lapsed in accordance with terms of the scheme) in the 12-month period up to and including the date of the relevant grant, unless such grant is otherwise separately approved by the Shareholders in general meeting, with such grantee and his close associates (or associates if the participant is a connected person) abstaining from voting.

The vesting period for the awards shall not be less than twelve (12) months, subject to the terms and conditions of the 2023 RSU Scheme. Awards granted to employee participants may be subject to a shorter vesting period at the discretion of the Board or the Remuneration Committee under circumstances as specified under the relevant scheme rules. The grantees shall not be required to bear or pay any price or fee for the application or acceptance of the grant of the awards, or the vesting of the RSUs under the 2023 RSU Scheme. The basis of determining such purchase price of the awards aligns with the purposes of the 2023 RSU Scheme as the eligible persons will receive an award at no cost, which is much more attractive than purchasing Shares in the market, thus incentivising them to contribute to the Group's development.

During the six months ended 30 June 2026, there were no RSUs granted under the 2023 RSU Scheme. As at 30 June 2026, there was no RSUs outstanding (i.e. granted but unvested) under the 2023 RSU Scheme. If all the outstanding RSUs under the 2023 RSU Scheme are vested according to the relevant vesting schedules, there would be no dilution effect on the issued share capital of the Company as at 30 June 2026.

The number of Shares underlying RSUs available for grant under the share schemes adopted by the Company and under the Service Provider Sub-limit as adopted by the Company as at 30 June 2026 were 282,284,400 and 28,228,440 respectively. The number of Shares that may be issued in respect of the RSUs granted under the share schemes adopted by the Company for the six months ended 30 June 2026, divided by the weighted average number of Shares for the six months ended 30 June 2026, is 10.29%.

Movements of the RSUs under the share schemes of the Company during the six-month ended 30 June 2026

Name of Grantees	Nature	Number of Shares underlying the RSUs as at 31 December 2025	Granted during the period (note 10)	Date of grant	Vesting Schedule	Consideration (US\$) (note 11)	Vested during the period	Lapsed during the period	Number of Shares underlying the RSUs as at 30 June 2026	Approximate percentage of issued Shares of the Company (note 9)	The exercise/ purchase price on which the RSU were exercised or vested during the period	The weighted average closing price of the shares immediately before the dates on which the RSU were exercised or vested
Post-IPO RSU Scheme (before termination)												
(a) Director												
Mr. Li Chong	RSUs	1,125,000	—	30 March 2022	Note 2	—	750,000	—	375,000	0.01%	HK\$0.00	HK\$0.41
	Sub-total	1,125,000	—	—		—	750,000	—	375,000	0.01%		
b) Senior management												
Mr. WANG Xiaodong	RSUs	2,250,000	—	30 March 2022	Note 2	—	1,500,000	—	750,000	0.03%	HK\$0.00	HK\$0.41
	Sub-total	2,250,000	—	—		—	1,500,000	—	750,000	0.03%		
c) other grantees												
11 employees	RSUs	705,000	—	12 May 2022	Note 7	—	705,000	—	—	—	HK\$0.00	HK\$0.41
1 employees	RSUs	180,000	—	9 December 2022	Note 8	—	90,000	—	90,000	0.00%	HK\$0.00	HK\$0.42
	Sub-total	885,000	—	—			795,000	—	90,000	0.00%		
	Total	4,260,000	—	—			3,045,000	—	1,215,000	0.04%		

Notes:

(1) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:

- 20% of the RSUs granted shall vest on 1 July 2022;
- 20% of the RSUs granted shall vest on 1 July 2023;
- 30% of the RSUs granted shall vest on quarterly basis from 1 July 2023 to July 2024; and
- 30% of the RSUs granted shall vest on quarterly basis from 1 July 2024 to July 2025.

(2) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:

- 20% of the RSUs granted shall vest on 1 July 2023;
- 20% of the RSUs granted shall vest on 1 July 2024;
- 30% of the RSUs granted shall vest on quarterly basis from on 1 July 2024 to July 2025; and
- 30% of the RSUs granted shall vest on quarterly basis from on 1 July 2025 to July 2026.

Other Information

- (3) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:
- 20% of the RSUs granted shall vest on 2 April 2021;
 - 20% of the RSUs granted shall vest on 2 April 2022; and
 - 7.5% of the RSUs granted shall vest on a quarterly basis commencing from 2 April 2022 to 2 April 2024.
- (4) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:
- 20% of the RSUs granted shall vest on 1 July 2021;
 - 20% of the RSUs granted shall vest on 1 July 2022; and
 - 7.5% of the RSUs granted shall vest on a quarterly basis commencing from 1 July 2022 to 1 July 2024.
- (5) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:
- 20% of the RSUs granted shall vest on 11 June 2022;
 - 20% of the RSUs granted shall vest on 11 June 2023; and
 - 7.5% of the RSUs granted shall vest on a quarterly basis commencing from 11 June 2023 to 11 June 2025.
- (6) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:
- 20% of the RSUs granted shall vest on 1 July 2022;
 - 20% of the RSUs granted shall vest on 1 July 2023; and
 - 7.5% of the RSUs granted shall vest on a quarterly basis commencing from 1 July 2023 to 1 July 2025.
- (7) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:
- 20% of the RSUs granted shall vest on 1 April 2023;
 - 20% of the RSUs granted shall vest on 1 April 2024; and
 - 7.5% of the RSUs granted shall vest on a quarterly basis commencing from 1 April 2024 to 1 April 2026.
- (8) The RSUs granted to the subjected RSU grantees under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:
- 20% of the RSUs granted shall vest on 9 December 2023;
 - 20% of the RSUs granted shall vest on 9 December 2024; and
 - 7.5% of the RSUs granted shall vest on a quarterly basis commencing from 9 December 2024 to 9 December 2026.
- (9) Approximate percentage of issued Shares of the Company is calculated by dividing the RSUs held by the relevant grantees by the issued and outstanding Shares of the Company (as enlarged by the vest in full of all the RSUs granted under the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme) as at 30 June 2026. The closing price of the Shares immediately before 30 March 2022, 12 May 2022 and 9 December 2022 are HK\$0.465, HK\$0.425 and HK\$0.435, respectively.
- (10) The grantee(s) are not required to bear or pay any price or fee for the grant of RSU under the Post-IPO RSU Scheme.
- (11) No performance targets were set out for the above grants during the six months ended 30 June 2026.
- (12) There were no RSU(s) cancelled during the six months ended 30 June 2026.

Further details of the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme are set out in note 26 to the section headed “Notes to the Consolidated Financial Statements” of the previous annual report of the Company and the Prospectus. Further details of the 2023 RSU Scheme are set out in the announcement and the circular of the Company dated 3 March 2023 and 27 April 2023, respectively.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the six months ended 30 June 2026.

PUBLIC FLOAT

As of the date of this interim report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules.

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Shares of the Company were listed on the main board of the Stock Exchange on 10 April 2014 with net proceeds from the initial public offering of approximately RMB1,121.2 million, after deducting underwriting fees and commissions and other expenses paid by the Company in connection with the initial public offering.

As of 31 December 2025, unutilised proceeds from the abovementioned issuances amounted to RMB398.5 million. During the Reporting Period, no proceeds had been utilised in accordance with the intended use as disclosed in the Prospectus. Unutilised proceeds from the aforementioned issuances as of 30 June 2026, being RMB398.5 million, are intended to be applied in the manner consistent with the intended use as disclosed in the Prospectus in the coming financial year.

COMPLIANCE WITH THE QUALIFICATION REQUIREMENT

As set out in the section headed “Contractual Arrangements — Legality of the Contractual Arrangements” in the Prospectus, a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the “**Qualification Requirement**”). Despite the lack of clear guidance or interpretation on the Qualification Requirement, we have been gradually building up our track record of overseas business operations to comply with the Qualification Requirement. We have continued to engage a local distributor in Hong Kong through whom our overseas users can purchase our physical prepaid cards. In addition, we have launched a Hong Kong website offering investor relations and other corporate information. Save as above, as of 30 June 2026, the Company has no further update to disclose in relation to the Qualification Requirement.

MATERIAL LITIGATION

As at 30 June 2026, the Company was not involved in any material litigation or arbitration. Nor were the Directors aware of any material litigation or claims that were pending or threatened against the Company.