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(Incorporated in the Cayman Islands with limited liabilities)

(Stock code: 2100)

PROFIT ALERT — REDUCTION IN LOSS

This announcement is made by BAIOO Family Interactive Limited (the “**Company**”, together with its subsidiaries and its controlled entities in the People’s Republic of China, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the Company’s unaudited consolidated management accounts for the six months ended 30 June 2023 (the “**period under review**”) and information currently available to the Board, the Group is expected to record a net loss in the range of approximately RMB17.0 million to RMB22.0 million for the period under review as compared to the net loss of approximately RMB39.9 million for the six months ended 30 June 2022.

Such expected reduction in net loss of the Group is mainly attributable to the following reasons:

1. the Group continued to increase its investment in research and development during the period under review to improve its development capabilities and enhance user experience, leading to the Group’s increased revenue as compared to that of the corresponding period in 2022; and
2. the increase of selling and marketing expenses of the Group during the period under review was partly offset by the decrease of the Group’s administration expenses during the same period.

Due to the above reasons, the Group is expected to record a reduction in net loss during the period under review as compared to the six months ended 30 June 2022. The Group is also pleased to announce the pre-registration opening of its highly anticipated new mobile game “Aola Star 2”, which garnered recommendations from game pre-registration centers of bilibili.com, Xiaomi Game Center and other leading platforms. Meanwhile, the Group continues to capitalize on international growth prospects, leveraging the upcoming oversea version of “Aobi Island: Dreamland”. The Board believes that the continuous investment in the enhancement of the Group’s development capabilities and user experience will benefit its long-term performance and sustainable development. The Board remains confident in the Group’s development prospects.

The Company is still in the process of finalizing the interim results of the Group for the period under review. The information contained in this announcement is only based on a preliminary review of the Company's unaudited consolidated management accounts for the period under review and the information currently available to the Board. It is not based on any figures or information that have been audited or reviewed by the Company's auditor, or reviewed by the audit committee of the Board. The interim results of the Group for the period under review are expected to be published by the end of August 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 August 2023

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