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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2100)

2023 INTERIM RESULTS ANNOUNCEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of BAIOO Family Interactive Limited (“**BAIOO**” or the “**Company**” or “**we**”) is pleased to announce the unaudited consolidated results of the Company, its subsidiaries and its controlled entity in the People’s Republic of China (“**PRC**”) (the “**Group**”) for the six months ended 30 June 2023 (the “**Reporting Period**”) together with the comparative figures of last year, as follows:

Financial Summary

INCOME STATEMENT HIGHLIGHT

	Unaudited		Period over-period change %
	six months ended 30 June		
	2023	2022	
	RMB’000	RMB’000	
Revenue	450,609	289,641	55.6%
Gross profit	169,229	117,738	43.7%
Operating loss	(38,905)	(61,884)	(37.1%)
Non-international Financial Reporting Standards (“ IFRSs ”) Measures			
— Adjusted Net Loss ⁽¹⁾	(3,153)	(7,834)	(59.8%)
— Adjusted EBITDA ⁽²⁾	(10,485)	(18,002)	(41.8%)

Notes:

1. Adjusted net loss consists of loss for the period plus share-based compensation. Adjusted net loss eliminates the effect on non-cash share-based compensation expenses. The term of adjusted net loss is not defined under the IFRSs. The use of adjusted net loss has material limitations as an analytical tool, as adjusted net loss does not include all items that impact our net loss for the period.
2. Adjusted EBITDA consists of adjusted net loss less finance income-net, plus income tax expense/(credit), depreciation of property and equipment and right-of-use assets and amortization of intangible assets.

BALANCE SHEET HIGHLIGHT

	Unaudited As of 30 June 2023 <i>RMB'000</i>	Audited As of 31 December 2022 <i>RMB'000</i>
Assets		
Non-current assets	463,364	476,709
Current assets	1,538,949	1,579,558
Total assets	2,002,313	2,056,267
Equity and Liabilities		
Total equity	1,657,964	1,698,084
Non-current liabilities	42,564	52,574
Current liabilities	301,785	305,609
Total liabilities	344,349	358,183
Total Equity and Liabilities	2,002,313	2,056,267

Management Discussion and Analysis

BUSINESS OVERVIEW

BAIOO grew steadily, responding to industry headwinds with an active and innovative campaign to revitalize older titles

During the first half of 2023, BAIOO continued to practice its three core values of intellectual property (“IP”) companionship, immersive experiences, and casual socializing, and remained focused on developing differentiated hit games in three major niche subcategories, namely female-oriented games, pet collection and raising games, and “nijigen” (「二次元」) games. The Company successfully consolidated its reputation and leading position in these subcategories, and remained committed to bringing more high-quality IP games to global users.

In the Reporting Period, BAIOO’s core mobile games and web games enjoyed stable operations. In particular, BAIOO’s core web game Legend of Aoqi (「奧奇傳說」), which has been in operation for 11 years, bucked the wider industry trend by recording year-on-year (“YOY”) revenue growth. In the mobile games portfolio, BAIOO’s signature titles, namely Aobi Island: Dreamland (「奧比島: 夢想國度」), Legend of Aoqi Mobile (「奧奇傳說手遊」) and Shiwuyu (「食物語」), experienced a natural decline in revenue performance as their life cycles progressed. BAIOO continued to cultivate a positive reputation among users and broad popularity in the market through high-frequency content output and by deeply integrating elements of Chinese traditional culture into its games.

To provide our users with creative and engaging new gaming experiences, BAIOO actively cooperates with various cultural groups, new cultural spaces, and brands favored by Generation Z. Through these efforts, BAIOO caters to the new generation’s cultural interests and aesthetic sensibility, significantly enhancing the brand reputation of its IP. In particular, Shiwuyu (「食物語」) promoted a special New Year game edition featuring Guangcai (The Canton Famille Rose Porcelain) Making Technique, an intangible cultural heritage property. Shiwuyu (「食物語」) also carried out a series of crossover activities with Fang Suo Commune, during which the hashtag #Shiwuyu X Fang Suo Commune# appeared on Weibo Hot Search after amassing nearly 10 million views, generating animated discussion among players. Legend of Aoqi Mobile (「奧奇傳說手遊」) cooperated with the Guangdong Lingnan Folk Art Institute to launch a new game edition integrating elements of Guangdong Lion Dance, which generated intense interest among players while promoting traditional Guangdong culture. Meanwhile, Aobi Island: Dreamland (「奧比島: 夢想國度」) jointly produced a series of short films with CCTV Animation Group, including “Journey to the West”, “Legend of Nezha” and “The Adventures of Little Carp”, which garnered two million views in three days, while Aobi Island topics readership rose to nearly 200 million in a week and gained wide attention in the market.

While continuing to grow domestically, BAIOO has also been actively expanding in overseas markets, introducing more and more overseas users to the Company’s IP. During the Reporting Period, Shiwuyu (「食物語」) launched multilingual versions in Korean, English and Traditional Chinese, topping the iOS free card game rankings in five countries and making the top 10 list in 10 countries. In addition, BAIOO has also leveraged AIGC technology to assist in product development and distribution, which has improved its research and development (“R&D”) efficiency and reduced manufacturing costs.

INDUSTRY TRENDS

China’s game industry is gradually rebounding from its low point and picking up momentum

In the first half of 2023, the social and macroeconomic impact of the pandemic continued to subside, but the high inflation, a significant global tightening of monetary policy, and the lingering effects of geopolitical tensions and the energy crisis continued to create uncertainty for the global economic recovery. According to the China Game Industry Report January-June 2023 (the “**Report**”), China’s domestic game market from January to June 2023 recorded sales revenues of RMB144.26 billion, a YoY decline of 2.39%. Of this, sales revenues of China’s self-developed games in the domestic market amounted to RMB121.784 billion, a YoY decrease of 2.25%. Sales revenue of self-developed games in the overseas market totalled USD8.21 billion, a YoY decrease of 8.72%. In major overseas markets, the economic downturn affected users’ willingness and ability to consume, and increasingly fierce market competition drove a significant rise in overseas marketing costs.

Despite the challenging external environment, under the leadership of the government of the PRC and the concerted efforts of the public, the domestic economy and consumer market rebounded and showed positive growth momentum, with GDP growing by 5.5% YoY in the first half of the year. According to the Report, China’s domestic game market showed sales revenue increase by 22.16% in January-June 2023 compared to the same period of 2022. China’s game industry recovered quickly in the first half of 2023, with the number of users hitting a new high of 668 million, up 0.35% YoY. Based on this trend, it is expected that the second half of the year will see a strong rebound, with the domestic game industry gradually emerging from its low point and sustaining positive momentum against the backdrop of the overall downturn in the global game market.

OUTLOOK FOR THE SECOND HALF OF 2023

Actively enriching our product pipeline to prepare for industry rebound

As China’s game industry heats up, BAIOO will continue to focus on its three core value propositions, leverage its three core niche game segments, and invest in R&D to strengthen its engineering capabilities and build out its pipeline of high-quality games. BAIOO will also continue to explore the latest breakthroughs in AIGC technology and their potential applications to the field of game R&D, so as to continuously enhance its competitive edge in its core segments.

BAIOO has a wealth of products in the pipeline that it plans to launch in various global markets in the coming period. Among these, Aola Star 2 (「奧拉星2」) (originally code-named “project bn”) was officially introduced to the public and opened for pre-registration in the first half of this year, following which it earned a pre-registration recommendation from bilibili.com and was shortlisted for the second phase of the 2023 Superstar Game Gathering. In addition, Aola Star Mobile (「奧拉星手遊」) has been in operation for more than three years and its reputation among players continues to improve. Loved by tens of millions of fans, the mobile game has steadily grown in popularity throughout its lifecycle, with its TapTap score increasing from 5.2 point to a peak of 8.8 points. We are also actively preparing for the launch of oversea version of Aobi Island: Dreamland (「奧比島：夢想國度」).

In the future, BAIIO will continue to improve its ecosystem layout, remain committed to its values, faithfully fulfill its social responsibilities, continue to practice corporate social responsibility, actively promote Chinese traditional culture, and organize more cross-border partnerships to integrate traditional Chinese culture into games. In addition, it will continue to actively respond to various challenges in international market competition, promote the values of standardization, excellence, diversification and internationalization in China’s game industry and strive to create a vibrant Chinese cultural experience for global users.

OPERATION INFORMATION

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

	For the six months ended		Period-over-period Change
	30 June 2023 ⁽¹⁾	30 June 2022	
average QAA ⁽²⁾	7.5	6.3	19.0%
average QPA ⁽³⁾	1.2	1.0	20.0%
average quarterly ARQPA ⁽⁴⁾	188.7	149.1	26.6%

Notes:

- (1) As of 30 June 2023, our online virtual worlds under commercial operation included Aobi Island, Aola Star, Dragon Knights, Light of Aoya, Legend of Aoqi, Helix Waltz, Shiwuyu (「食物語」), Aola Star Mobile (「奧拉星手遊」), Legend of Aoqi Mobile and Aobi Island Mobile (「奧比島手遊」).
- (2) The average QAA for online virtual worlds was approximately 7.5 million for the six months ended 30 June 2023, representing an increase of approximately 19.0% compared with the same period last year. The increase was primarily due to new mobile game Aobi Island Mobile launched in the second half of 2022 and still maintains high popularity in the first half of 2023.
- (3) The average QPA for online virtual worlds was approximately 1.2 million for the six months ended 30 June 2023, representing an increase of approximately 20.0% compared with the same period last year. This was primarily due to outstanding performance of successful new game Aobi Island Mobile launched in July 2022.
- (4) The average quarterly ARQPA for online virtual worlds was approximately RMB188.7 for the six months ended 30 June 2023, representing an increase of approximately 26.6% compared with the same period last year. The increase was primarily due to the existing games’ successful operation and increased willingness of users paying.

OVERALL BUSINESS AND FINANCIAL PERFORMANCE

The following table sets forth our consolidated statements of comprehensive income for the six months ended 30 June 2023 and 2022, respectively:

	(Unaudited)			
	For the six months ended			
	30 June 2023 <i>RMB'000</i>	% of Revenue	30 June 2022 <i>RMB'000</i>	% of Revenue
Revenue	450,609	100	289,641	100
Online entertainment business	450,527	100	289,565	100
Other businesses	82	0	76	0
Cost of revenue	(281,380)	(62)	(171,903)	(59)
Gross profit	169,229	38	117,738	41
Selling and marketing costs	(40,454)	(9)	(31,481)	(11)
Administrative expenses	(41,946)	(9)	(46,687)	(16)
Research and development expenses	(126,427)	(28)	(104,963)	(36)
Net impairment (loss on)/reversal of financial assets	(312)	0	1	0
Other income	1,340	0	1,786	1
Other (loss)/gain — net	(335)	0	1,722	1
	<u>(38,905)</u>	<u>(9)</u>	<u>(61,884)</u>	<u>(21)</u>
Operating loss	(38,905)	(9)	(61,884)	(21)
Finance income — net	21,060	5	19,991	7
	<u>(17,845)</u>	<u>(4)</u>	<u>(41,893)</u>	<u>(14)</u>
Loss before income tax	(17,845)	(4)	(41,893)	(14)
Income tax (expense)/credit	(2,068)	(0)	2,042	1
	<u>(19,913)</u>	<u>(4)</u>	<u>(39,851)</u>	<u>(14)</u>
Loss for the period	(19,913)	(4)	(39,851)	(14)

The following table sets forth our consolidated statement of comprehensive income for the six months ended 30 June 2023 and 2022 respectively:

	(Unaudited)			
	For the six months ended		For the six months ended	
	30 June 2023 RMB'000	% of Revenue	30 June 2022 RMB'000	% of Revenue
Loss for the period	<u>(19,913)</u>	<u>(4)</u>	<u>(39,851)</u>	<u>(14)</u>
Other comprehensive income, net of tax	—	—	—	—
Total comprehensive loss for the period	<u>(19,913)</u>	<u>(4)</u>	<u>(39,851)</u>	<u>(14)</u>
Other financial data				
Adjusted net loss ⁽¹⁾ (unaudited)	(3,153)	(1)	(7,834)	(3)
Adjusted EBITDA ⁽²⁾ (unaudited)	<u>(10,485)</u>	<u>(2)</u>	<u>(18,002)</u>	<u>(6)</u>

Notes:

- Adjusted net loss consists of loss for the period plus share-based compensation. Adjusted net loss eliminates the effect on non-cash share-based compensation expenses. The term of adjusted net loss is not defined under the IFRSs. The use of adjusted net loss has material limitations as an analytical tool, as adjusted net loss does not include all items that impact our net loss for the period.
- Adjusted EBITDA consists of adjusted net loss less finance income-net, plus income tax expense/(credit), 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 2023 was RMB450.6 million, representing a 55.6% increase from RMB289.6 million for the six months ended 30 June 2022.

Online Entertainment Business: Our online business revenue for the six months ended 30 June 2023 was RMB450.5 million, a 55.6% increase from RMB289.6 million for the six months ended 30 June 2022. This was primarily due to the new mobile game Aobi Island Mobile (「奧比島手遊」) was launched in the second half of 2022 and made excellent performance at its debut and partly offset by the existing games which has a usual decline as a result of life cycle.

Other Businesses: Revenue from other businesses for the six months ended 30 June 2023 was RMB0.08 million, the same with the six months ended 30 June 2022.

Cost of Revenue

Our cost of revenue for the six months ended 30 June 2023 was RMB281.4 million, representing a 63.7% increase from RMB171.9 million for the six months ended 30 June 2022.

Online Entertainment Business: Our cost of revenue on online entertainment business for the six months ended 30 June 2023 was RMB281.3 million, representing a 63.6% increase from RMB171.9 million for the six months ended 30 June 2022. The increase was mainly due to the increase of third-party revenue sharing.

Other Businesses: Our cost of revenue on other businesses for the six months ended 30 June 2023 was RMB0.04 million, comparing with the cost of nil for the six months ended 30 June 2022. The increase primarily reflected an increase of derivative products expenses.

Gross Profit

As a result of the foregoing, our gross profit for the six months ended 30 June 2023 was RMB169.2 million, compared with RMB117.7 million for the six months ended 30 June 2022. Gross profit margin was 37.6% for the six months ended 30 June 2023, compared with 40.6% for the six months ended 30 June 2022. The gross profit margin decreased mainly due to the proportion of revenue from entrusted third parties mobile games with high revenue sharing increased.

Selling and Marketing Expenses

Our selling and marketing expenses for the six months ended 30 June 2023 were RMB40.5 million, a 28.6% increase from RMB31.5 million for the six months ended 30 June 2022. This increase was mainly driven by the increase in promoting and advertising expenses.

Administrative Expenses

Our administrative expenses for the six months ended 30 June 2023 were RMB41.9 million, a 10.3% decrease from RMB46.7 million for the six months ended 30 June 2022. The decrease was mainly driven by the decrease in staff benefit expenses relating to as restricted shares units (“RSUs”) granted to employees.

Research and Development Expenses

Our research and development expenses for the six months ended 30 June 2023 were RMB126.4 million, a 20.4% increase from RMB105.0 million for the six months ended 30 June 2022. This was primarily driven by the Group’s strategy to enhance in-house game development capabilities and improve user experience through continuous investment in the Group’s R&D team.

Net Impairment (Loss on)/Reversal of Financial Assets

We recorded net impairment loss of financial assets of RMB0.3 million for the six months ended 30 June 2023, compared with net impairment reversal of financial assets of RMB0.001 million for the six months ended 30 June 2022.

Other Income

The Company recognized RMB1.3 million in other income for the six months ended 30 June 2023, compared with RMB1.8 million for the six months ended 30 June 2022. The other income was generated from our fulfillment of certain performance conditions related to government grants.

Other (Loss)/Gain — net

The Company recognized net other loss of RMB0.3 million primarily due to foreign exchange gain and the interest income of structural deposits for the six months ended 30 June 2023 compared with net other gain of RMB1.7 million for the six months ended 30 June 2022.

Operating Loss

As a result of the foregoing, our operating loss for the six months ended 30 June 2023 was RMB38.9 million, compared with operating loss of RMB61.9 million for the six months ended 30 June 2022.

Finance Income — net

We had net finance income of RMB21.1 million for the six months ended 30 June 2023, compared with net finance income of RMB20.0 million for the six months ended 30 June 2022. Net finance income was primarily consisted of interest income on term deposits and cash and bank balance, as well as exchange gains on cash and bank balance, which was partly offset by interest expenses on lease liabilities.

Loss before Income Tax

As a result of the foregoing, we had a loss of RMB17.8 million for the six months ended 30 June 2023, compared with a loss of RMB41.9 million for the six months ended 30 June 2022.

Income Tax (Expense)/Credit

Our income tax expense for the six months ended 30 June 2023 was RMB2.1 million, compared with income tax credit of RMB2.0 million for the six months ended 30 June 2022.

Loss for the Period

We had a loss of RMB20.0 million for the six months ended 30 June 2023, compared with a loss of RMB39.9 million for the six months ended 30 June 2022.

Non-IFRSs Measure — Adjusted Net Loss/EBITDA

Our adjusted net loss for the six months ended 30 June 2023 was RMB3.2 million, representing a 59.0% decrease from net loss of RMB7.8 million for the six months ended 30 June 2022. Our adjusted EBITDA for the six months ended 30 June 2023 was loss of RMB10.5 million, representing a 41.7% decrease from loss of RMB18.0 million for the six months ended 30 June 2022.

The following table reconciles our adjusted net loss and adjusted EBITDA for the periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRSs, which is net loss:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Loss for the period	(19,913)	(39,851)
Add:		
Share-based compensation	16,760	32,017
Adjusted net loss	(3,153)	(7,834)
Add:		
Depreciation and amortization	11,660	11,865
Finance income — net	(21,060)	(19,991)
Income tax expense/(credit)	2,068	(2,042)
Adjusted EBITDA	(10,485)	(18,002)

LIQUIDITY AND CAPITAL RESOURCES

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

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

	Unaudited	Audited
	As of	As of
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
Total liabilities	344,349	358,183
Total assets	2,002,313	2,056,267
Gearing ratio ⁽¹⁾	17%	17%

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 2023, our cash and cash equivalents consisted of cash in bank and cash on hand, which amounted to RMB1,244.1 million, compared with RMB1,303.7 million as of 31 December 2022. We had short-term deposits of RMB163.7 million as of 30 June 2023, compared with RMB110.0 million as of 31 December 2022, representing bank deposits which we intend to hold for over three months but less than one year. We had long-term deposits of RMB45.0 million as of 30 June 2023, compared with RMB95.0 million long-term deposit as of 31 December 2022, representing bank deposits which we intend to hold for over one year but less than three years.

As of 30 June 2023, the Group had no restricted cash.

The effective interest rate per annum for cash in bank balances and deposits as of 30 June 2023 was 2.7%, compared with 2.3% as of 31 December 2022. Our policy is to place our cash in interest-bearing principal-protected call or deposits with reputable domestic or international banks.

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

Group	Unaudited	Audited
	As of	As of
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
RMB	1,299,800	1,364,918
US\$	82,365	77,203
HK\$	70,572	66,505
Others	81	85
	1,452,818	1,508,711

Bank Loans and Other Borrowings

The Group had no bank loans and other borrowings as of 30 June 2023.

Treasury Policies

As of 30 June 2023, 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 2023, RMB153.0 million of our financial resources were held in deposits in non-RMB currencies. Since there are no cost-effective hedges against the fluctuations of the RMB, there is a risk that we may experience a loss as a result of any foreign currency exchange rate fluctuations in connection with our cash in bank balances.

Capital Expenditures and Investments

Our capital expenditures consist of payment of construction in progress and purchases of property and equipment, such as servers and computers, and intangible assets, such as computer software. For the six months ended 30 June 2023, our total capital expenditures were RMB52.6 million, compared with RMB5.0 million for the six months ended 30 June 2022. The following table sets out our expenditures for the periods indicated:

	Unaudited	
	For the six months ended	
	2023	2022
	RMB'000	RMB'000
Capital Expenditures		
— Payment for construction in progress and other long-term assets	50,300	2,949
— Purchase of intangible assets	1,253	1,085
— Purchase of property and equipment	1,067	930
	<hr/>	<hr/>
Total	52,620	4,964
	<hr/> <hr/>	<hr/> <hr/>

Contingent Liabilities

As of 30 June 2023, the Group did not have any material contingent liabilities, guarantees or litigation against it.

Charges on Assets

As of 30 June 2023, there were no charges on the Group's assets.

Material Acquisitions and Future Plans for Major Investment

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 2023, the Group had 955 full-time employees. The following table sets forth the number of full-time employees by function as of 30 June 2023:

	As of 30 June 2023	
	Number of Employees	% of Total
Operations	25	2.6
R&D operations	220	23.0
Development and research	557	58.4
Sales and Marketing	92	9.6
General and administration	61	6.4
Total	955	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 2023 were approximately RMB37.3 million, compared with RMB30.8 million in the first half of 2022. We incurred staff costs of approximately RMB206.4 million and RMB201.0 million, for the six months ended 30 June 2023 and 2022, representing 45.8% and 69.4% of our revenue for those periods respectively.

We will continue to grant RSUs to our employees to incentivize them pursuant to the Post-IPO RSU Scheme. The maximum aggregate number of the Shares from time to time for a three-year period from the date of the Company's annual general meeting ("AGM") in 2023, underlying all the RSUs which we may grant pursuant to the Post-IPO RSU Scheme is no more than 282,284,400 shares, representing approximately 10% of our share capital as of the date of the AGM. Pursuant to the Post-IPO RSU Scheme, there were a total of 97,548,750 RSUs outstanding as of 30 June 2023.

Dividend

At the Company's AGM on 27 June 2023, shareholders approved the Board recommended special dividend of HK\$0.015 (equivalent to approximately RMB0.014) per share for the year ended 31 December 2022. The special dividend was paid to shareholders of the Company on 20 July 2023.

The Board did not propose any interim dividend for the six months ended 30 June 2023 (for the six months ended 30 June 2022: nil).

CHANGES SINCE 31 DECEMBER 2022

Save as disclosed in this interim results announcement, there were no other significant changes in the Group's financial position or from the information disclosed under management discussion and analysis in the annual report for the year ended 31 December 2022.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Unaudited	
		Six months ended 30 June	
		2023	2022
		RMB'000	RMB'000
Revenue	5	450,609	289,641
Cost of revenue		<u>(281,380)</u>	<u>(171,903)</u>
Gross profit		169,229	117,738
Selling and marketing expenses		(40,454)	(31,481)
Administrative expenses		(41,946)	(46,687)
Research and development expenses		(126,427)	(104,963)
Net impairment (loss on)/reversal of financial assets		(312)	1
Other income		1,340	1,786
Other (loss)/gain — net		<u>(335)</u>	<u>1,722</u>
Operating loss	6	(38,905)	(61,884)
Finance income		22,538	21,911
Finance costs		<u>(1,478)</u>	<u>(1,920)</u>
Finance income — net		<u>21,060</u>	<u>19,991</u>
Loss before income tax		(17,845)	(41,893)
Income tax (expense)/credit	7	<u>(2,068)</u>	<u>2,042</u>
Loss for the period		<u>(19,913)</u>	<u>(39,851)</u>
Loss attributable to:			
— Shareholders of the Company		(19,988)	(39,928)
— Non-controlling interests		<u>75</u>	<u>77</u>
		<u>(19,913)</u>	<u>(39,851)</u>
Loss per share for loss attributable to shareholders of the Company (expressed in RMB per share)	8		
Basic and diluted loss per share		<u>(0.0075)</u>	<u>(0.0152)</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the period	(19,913)	(39,851)
Other comprehensive income	<u>—</u>	<u>—</u>
Total comprehensive loss for the period	<u>(19,913)</u>	<u>(39,851)</u>
Loss attributable to:		
— Shareholders of the Company	(19,988)	(39,928)
— Non-controlling interests	<u>75</u>	<u>77</u>
	<u>(19,913)</u>	<u>(39,851)</u>

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited As at 30 June 2023 RMB'000	Audited As at 31 December 2022 RMB'000
	<i>Note</i>		
ASSETS			
Non-current assets			
Right-of-use assets		267,177	276,304
Property and equipment		117,186	71,816
Intangible assets		4,561	2,820
Prepayments and other receivables		4,073	4,090
Long-term bank deposits		45,000	95,000
Deferred income tax assets		20,367	21,679
Financial assets at fair value through profit or loss		5,000	5,000
		<u>463,364</u>	<u>476,709</u>
Current assets			
Inventories		169	207
Contract costs		61,058	71,633
Trade receivables	10	43,559	71,807
Prepayments and other receivables		26,345	22,200
Short-term bank deposits		163,729	110,000
Cash and cash equivalents (excluding bank overdrafts)		1,244,089	1,303,711
		<u>1,538,949</u>	<u>1,579,558</u>
Total assets		<u><u>2,002,313</u></u>	<u><u>2,056,267</u></u>
EQUITY			
Share capital		8	8
Share premium		1,080,649	1,099,859
Reserves		74,037	75,034
Retained earnings		496,005	515,993
Capital and reserves attributable to shareholders of the Company		<u>1,650,699</u>	<u>1,690,894</u>
Non-controlling interests		7,265	7,190
Total equity		<u>1,657,964</u>	<u>1,698,084</u>

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2023	2022
	<i>Note</i>	RMB'000	RMB'000
LIABILITIES			
Non-current liabilities			
Lease liabilities		28,496	37,148
Contract liabilities		14,068	15,426
		<u>42,564</u>	<u>52,574</u>
Current liabilities			
Trade payables	<i>11</i>	19,309	8,199
Other payables and accruals		103,440	93,498
Advances from distributors		18,602	25,342
Lease liabilities		19,292	18,828
Contract liabilities		141,082	159,684
Income tax liabilities		59	52
Bank overdrafts		1	6
		<u>301,785</u>	<u>305,609</u>
Total liabilities		<u>344,349</u>	<u>358,183</u>
Total equity and liabilities		<u>2,002,313</u>	<u>2,056,267</u>

1 Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2023 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 2022, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board.

2 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.

2.1 The following new standards and amendments to existing standards are mandatory for adoption for the financial year beginning 1 January 2023 for the Group:

IFRS 17	Insurance Contracts
IFRS 17 (Amendment)	Amendments to IFRS 17
IAS 8 (Amendment)	Definition of Accounting Estimates
IAS 12 (Amendment)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
IAS 1 and IFRS Practice Statement 2 (Amendment)	Disclosure of Accounting Policies

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

2.2 The following new standards and amendments to existing standards have been issued but are not effective for the financial year beginning 1 January 2023 and have not been early adopted:

		Effective for accounting periods beginning on or after
IAS 1 (Amendment)	Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1 (Amendment)	Non-current liabilities with covenants	1 January 2024
IFRS 16 (Amendment)	Lease liability in sale and leaseback	1 January 2024
IFRS 10 and IAS 28 (Amendment)	Sale or Contribution of Assets between An Inventory and its Associate or Joint Venture	To be determined

The above new standards, amendments to existing standards are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing this interim condensed consolidated financial information. None of these is expected to have a significant effect on the interim condensed consolidated financial information of the Group.

3 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 2022.

4 Financial risk management and financial instruments

4.1 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 2022.

There have been no changes in the risk management department or in any risk management policies since 31 December 2022.

4.2 Liquidity risk

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

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

	Less than 1 year RMB'000	Between 1 and 2 years RMB'000	Between 2 and 5 years RMB'000	Total contractual cash flows RMB'000	Carrying amount RMB'000
As at 30 June 2023					
Trade payables	19,309	—	—	19,309	19,309
Other payables and accruals (excluding other tax liabilities and staff costs and welfare accruals)	61,713	—	—	61,713	61,713
Lease liabilities	19,815	20,805	10,656	51,276	47,788
Bank overdraft	1	—	—	1	1
	<u>100,838</u>	<u>20,805</u>	<u>10,656</u>	<u>132,299</u>	<u>128,811</u>
As at 31 December 2022					
Trade payables	8,199	—	—	8,199	8,199
Other payables and accruals (excluding other tax liabilities and staff costs and welfare accruals)	30,544	—	—	30,544	30,544
Lease liabilities	19,331	20,298	21,312	60,941	55,976
Bank overdraft	6	—	—	6	6
	<u>58,080</u>	<u>20,298</u>	<u>21,312</u>	<u>99,690</u>	<u>94,725</u>

4.3 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 is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

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

There were no changes in valuation techniques.

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

Investment in a private equity fund (“the Fund”)

The Group invested in the Fund which was valued based on the net asset value. As at 30 June 2023 and 31 December 2022, the Fund was financial instruments in level 3.

Structure deposits

The Group invested in short-term structural deposits that contained derivatives which are financial instruments in level 3. As these structural deposits were not traded in an active market, their fair values have been determined using various applicable valuation techniques, including comparable transactions approaches, equity allocation model and other option pricing models, etc.

5 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 of each operating segment. The selling and marketing expenses, administrative expenses, research and development expenses, net impairment (loss on)/reversal of financial assets, other income, other gains — 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 2023 and 2022, respectively. The revenues from external customers reported to CODM are measured as segment revenue.

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

The segment revenue provided to the Group's CODM for the reportable segments for the six months ended 30 June 2023 and 2022, respectively, are as follows:

	Unaudited		
	Six months ended 30 June 2023		
	Online entertainment business RMB'000	Other businesses RMB'000	Total RMB'000
Timing of revenue recognition			
— At a point in time	89,901	50	89,951
— Over time	360,626	32	360,658
Total	450,527	82	450,609

	Unaudited		
	Six months ended 30 June 2022		
	Online	Other	Total
	entertainment	businesses	
	business		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Timing of revenue recognition			
— At a point in time	88,725	—	88,725
— Over time	200,840	76	200,916
	<u>289,565</u>	<u>76</u>	<u>289,641</u>
Total	<u>289,565</u>	<u>76</u>	<u>289,641</u>

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 2023 and 2022, the geographical information on the total revenue is as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
— Mainland China	425,220	262,946
— Outside Mainland China	25,389	26,695
	<u>450,609</u>	<u>289,641</u>
Total	<u>450,609</u>	<u>289,641</u>

As summarized in the table below, the online virtual worlds revenue contributing more than 10% of the Group's total revenue account for 81.7% and 92.2% of the total revenue for the six months ended 30 June 2023 and 2022, respectively.

	Six months ended 30 June	
	2023	2022
Aobi Island Mobile	38.8%	**
Shiwuyu	17.3%	26.8%
Legend of Aoqi	15.4%	18.2%
Legend of Aoqi Mobile	10.2%	15.3%
Aola Star Mobile	*	17.0%
Aola Star	*	14.9%

*: Game revenue is less than 10% of total revenue.

** : Game has not launched in the particular period.

As at 30 June 2023, the total non-current assets, other than financial instruments and deferred tax assets, located in Mainland China and Hong Kong were RMB388,828,000 (31 December 2022: RMB350,878,000) and RMB96,000 (31 December 2022: RMB239,000), respectively.

6 Operating loss

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

	Unaudited	
	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Distribution cost and payment handling fees	210,369	93,972
Employee benefit expenses	206,397	200,960
Promotion and advertising expenses	22,742	16,737
Depreciation of property and equipment and right-of-use assets and amortization of intangible assets	11,660	11,865
Net impairment loss on/(reversal of) financial assets	312	(1)

7 Income tax (expense)/credit

The income tax (expense)/credit of the Group for the six months ended 30 June 2023 and 2022 is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense		
— Current year	(754)	(1,246)
— Under provision in prior year	(2)	(1,397)
Deferred income tax (expense)/credit	(1,312)	4,685
	<u>(2,068)</u>	<u>2,042</u>

(a) PRC corporate income tax

Guangzhou Baitian Information Technology Ltd. (“Guangzhou Baitian”) and Guangzhou Tianti Internet Technology Ltd. (“Guangzhou Tianti”)

Guangzhou Baitian and Guangzhou Tianti were qualified as “High and New Technology Enterprise” in 2023 and were entitled to a preferential income tax rate of 15% on its estimated assessable profits for the six months ended 30 June 2023 (2022: same).

Baiduo (Guangzhou) Information Technology Limited (“Guangzhou WFOE”), Guangzhou Xiaoyunxiong Interactive Education Limited (“Xiaoyunxiong”)

Guangzhou WFOE and Xiaoyunxiong was qualified as “Small Low-Profit Enterprise” in 2023 and 2022, and the provision for income tax was calculated in accordance with the two-tiered tax rates regime.

Under the two-tiered tax rates regime, the first RMB1 million of profits of qualifying corporations were taxed at 2.5% and profits above RMB1 million but within RMB3 million were taxed at 5% for the six months ended 30 June 2022.

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% for the six months ended 30 June 2023.

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

According to a policy promulgated by the State Tax Bureau of the PRC that was effective from 2018 onwards, enterprises engaging in research and development activities are entitled to claim 175% of their research and development (“R&D”) expenses incurred as tax deductible expenses in determining tax assessable profits (“**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 2022.

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 “R&D” expenses incurred as tax deductible expenses in determining tax assessable profits from 2023 onwards. 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 2023.

(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 2023 are calculated in accordance with the two-tiered profits tax rates regime (2022: 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 2023, the Group did not have any plan to require its PRC subsidiaries to distribute their retained earnings to the Company. Accordingly, no deferred income tax liability on WHT was accrued as at the end of each of the reporting periods (2022: same).

8 Loss per share

(a) Basic

Basic loss per share for loss attributable to shareholders of the Company.

Basic loss 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 less shares held for RSU Schemes during the period.

	Unaudited	
	Six months ended 30 June	
	2023	2022
Loss attributable to shareholders of the Company (RMB'000)	<u>(19,998)</u>	<u>(39,928)</u>
Weighted average number of ordinary shares in issue less shares held for RSU Schemes	<u>2,665,958,981</u>	<u>2,626,702,445</u>
Basic loss per share (in RMB/share)	<u><u>(0.0075)</u></u>	<u><u>(0.0152)</u></u>

(b) Diluted

Diluted loss 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 2023, the Company had potential ordinary shares, the RSUs, which had to be considered for calculating diluted losses per share. No adjustment was made to basic losses per share to derive the diluted losses per share for the six months ended 30 June 2023 as potential ordinary shares was anti-dilutive (2022: same).

9 Dividend

	Unaudited	
	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Special dividend of HKD0.015 (2022: HKD0.02) per ordinary share (Note a)	39,038	47,109
Less: dividend for shares held for the RSU Schemes	(2,071)	(2,022)
	<u>36,967</u>	<u>45,087</u>

- (a) The 2022 special dividend of HKD0.015 (equivalent to approximately RMB0.014) per ordinary share, totaling HKD42,343,000 (equivalent to approximately RMB39,038,000), was approved at the Company's annual general meeting held on 27 June 2023 and was paid on 20 July 2023.
- (b) The 2021 special dividend of HKD0.02 (equivalent to approximately RMB0.017) per ordinary share, totaling HKD55,424,000 (equivalent to approximately RMB47,109,000), was approved at the Company's annual general meeting held on 6 June 2022 and was paid on 28 July 2022.

The Company did not declare an interim dividend for the six months ended 30 June 2023 (2022: nil).

10 Trade receivables

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
Receivables from third parties	43,756	72,135
Less: allowance for impairment	(197)	(328)
	<u>43,559</u>	<u>71,807</u>

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	Audited
	As at	As at
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
0–30 days	25,608	62,931
31–60 days	15,832	6,056
61–90 days	2,265	3,006
91–180 days	—	40
181–365 days	—	73
Over 365 days	51	29
	<hr/> 43,756 <hr/>	<hr/> 72,135 <hr/>

11 Trade payables

Trade payables primarily relate to the purchase of services for server custody, advertising fees, 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	Audited
	As at	As at
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
0–30 days	17,245	7,220
31–60 days	1,577	308
61–180 days	315	569
181–365 days	154	42
Over 365 days	18	60
	<hr/> 19,309 <hr/>	<hr/> 8,199 <hr/>

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 2023 and this interim results. Based on this review and discussions with the management, the Audit Committee was satisfied that the financial statements were prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

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

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of the Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (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 Corporate Governance Code (“**CG Code**”) as set out in Appendix 14 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 2023.

Code provision C.2.1 of Part 2 of the CG Code provides that the responsibilities between the chairman and chief executive officer (“**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 Chairman and CEO in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises of experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

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

During the six months ended 30 June 2023, the Group did not purchase, sell or redeem any of the listed securities of the Company.

INTERIM DIVIDEND

The Directors do not recommend the payment of dividend for the six months ended 30 June 2023. (six months ended 30 June 2022: nil)

Publication of 2023 Interim Results and Interim Report

The interim results announcement is published on the Company's website (<http://www.baioo.com.hk>) and the website of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>). The 2023 interim report of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 30 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.