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(Incorporated in the Cayman Islands with limited liabilities)

(Stock code: 2100)

PROFIT WARNING

This announcement is made by BAIOO Family Interactive Limited (“**BAIOO**” or the “**Company**”, together with its subsidiaries and its controlled entities in the PRC, 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 2022 (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 RMB36 million to RMB44 million for the six months ended 30 June 2022 as compared to the net profit of approximately RMB46 million for the six months ended 30 June 2021.

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

- a) BAIOO launched Legend of Aoqi Mobile (“**奧奇傳說手遊**”), a pet collection and raising game that was adapted from the Company’s web game intellectual property, in the first half of 2021 and carried out various promotional activities to attract users and stimulate the game’s performance during the launch period;
- b) BAIOO’s existing games have entered into the normal decline phase of their life cycles; and
- c) the Group continued to increase its investment in research and development (“**R&D**”) during the period under review to improve its proprietary game development capabilities and enhance user experience, even though such increase in R&D expenses was offset by a decrease in marketing expenses.

Due to the above reasons, the Group is expected to record a net loss for the six months ended 30 June 2022. However, the Group launched its mobile game Aobi Island: Dreamland (“奧比島：夢想國度”) in Mainland China in July 2022, and the game has been well received and recognized by users and the market after its launch. In the meantime, the Group plans to launch new mobile games every year going forward to continuously enrich its product portfolio. The Board believes that the continuous enhancement of the Group’s proprietary game 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 finalising the interim results of the Group for the six months ended 30 June 2022. The information contained in this announcement is only based on a preliminary review of the Company’s unaudited consolidated management accounts for the six months ended 30 June 2022 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 six months ended 30 June 2022 are expected to be published by the end of August 2022.

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, 5 August 2022

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 and Mr. MA Xiaofeng.