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## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the “**Board**”) of directors (the “**Directors**”) of BAIOO Family Interactive Limited (“**BAIOO**” or the “**Company**” or “**we**”) is pleased to announce the audited consolidated results of the Company, its subsidiaries and its controlled entities in the People’s Republic of China (“**PRC**”) (the “**Group**”) for the year ended 31 December 2024 together with the comparative figures of last year, as follows:

### Financial Summary

#### INCOME STATEMENT HIGHLIGHT

	For the year ended 31 December		
	2024	2023	Year-over-year
	RMB’000	RMB’000	change %
Revenue	545,294	782,764	(30.3%)
Gross profit	252,062	318,054	(20.7%)
Operating loss	(42,845)	(55,126)	(22.3%)
Non-International Financial			
Reporting (“ <b>IFRS</b> ”) Accounting Standards			
Measures			
— Adjusted Net Loss <sup>(1)</sup> (unaudited)	(21,102)	(10,081)	109.3%
— Adjusted EBITDA <sup>(2)</sup> (unaudited)	(23,070)	(12,279)	87.9%

Notes:

- Adjusted net loss consists of loss for the year 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 IFRS Accounting Standards. 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 year.
- Adjusted EBITDA means adjusted net loss less finance income-net, plus income tax expense, depreciation of property and equipment, right-of-use assets and amortization of intangible assets.

## BALANCE SHEET HIGHLIGHT

	As of 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Assets</b>		
Non-current assets	<b>819,906</b>	585,242
Current assets	<b>1,055,145</b>	1,334,857
<b>Total assets</b>	<b>1,875,051</b>	1,920,099
<b>Equity and Liabilities</b>		
Total equity	<b>1,599,085</b>	1,651,035
Non-current liabilities	<b>11,330</b>	29,846
Current liabilities	<b>264,636</b>	239,218
<b>Total liabilities</b>	<b>275,966</b>	269,064
<b>Total equity and liabilities</b>	<b>1,875,051</b>	1,920,099

# Management Discussion and Analysis

## BUSINESS OVERVIEW

### Keeping abreast of market demands and focusing on core content optimization and innovation

For the year ended 31 December 2024 (the “Year”), BAIOO continued to focus on developing in its advantageous niche game genres, namely female-oriented games, pet collection and raising games. Leveraging keen insights into user needs and utilizing cutting-edge technologies such as artificial intelligence (“AI”), BAIOO made every effort to reduce costs and enhance efficiency while driving iterative innovation in gameplay and content, delivering an unparalleled, immersive, and diverse high-quality gaming experiences to users.

During the Year, BAIOO remained closely aligned with user needs, conducting comprehensive and in-depth exploration across multiple dimensions, including game content, innovative gameplay, and intellectual property (“IP”) collaborations, while actively driving continuous advancements in gameplay and content. Our core mobile game Legend of Aoqi (「奧奇傳說」), which has been in operation for over three years, achieved continuous year-on-year revenue growth during the Year, driven by its relentless pursuit of excellence in game content. The mobile game Aobi Island: Dreamland (「奧比島：夢想國度」), which has been in operation for more than two years, consistently introduced high-quality and unique version content throughout the Year. It conducted cross-border collaboration with ten well-known IPs, including the Forbidden City Palace Culture IP “The World of the Palace” (「宮裡的世界」), trend toy IP ShinWoo, EMMA, and Laura, as well as animation IP Flying MOCO, which successfully integrated IP content with gameplay, earning user appreciation and recognition. “Xinghai Anniversary” (「星海週年」), the 2nd anniversary version of the game, was launched in July, which featured a collaboration with the popular TV IP “Balala the Fairies” (「巴啦啦小魔仙」), introducing a brand new underwater exploration and fishing gameplay that delivered outstanding performance. The web game Legend of Aoqi (「奧奇傳說頁遊」), which has been in operation for more than twelve years, has continuously innovated the gameplay mechanism based on player experience needs, focusing on enhancing artistic quality. With increasingly refined content, core user engagement remained stable.

During the Year, BAIOO consistently drove version innovation while creating fresh experiences for users through diverse online and offline activities, continually enhancing its brand influence and market competitiveness. The core mobile game Legend of Aoqi (「奧奇傳說手遊」) successively launched the New Year version “Advent of the Apocalyptic Holy Dragon” (「降臨，終焉之聖龍！」), the 3rd anniversary version “Blazing Flames Return to Heart” (「熾炎歸心」) and the National Day version “Sun and Moon Coronation” (「日月華冕」) during the Year, all of which delivered outstanding results. Rich new gameplay features such as script murder, home-themed match-three puzzles, and King’s Arena received widespread acclaim from players. The mobile game Aobi Island: Dreamland (「奧比島：夢想國度」) launched the crossover version “Majestic Forbidden Splendor” (「紫禁風華」) in collaboration with “The World of the Palace” (「宮裡的世界」) during the Year. This version featured a large-scale recreation of the scene of Forbidden City, a “Riverside Scene at Qingming Festival” (「清明上河圖 • 幻景」) virtual landscape, and imperial court cats, with exquisite themed outfits designed using the colors and elements of cultural relics, consistently promoting the integration of Chinese cultural elements into gaming and enriching the game’s cultural

depth. Additionally, three distinctive updates in the fourth quarter (v3.4 “Doll Manor” (「人偶莊園」), v3.5 “Mistmoon Encounter” (「霧月逢妖」) and v3.6 “Winter Wonderland” (「凜冬綺夢」)) during the Year further stabilized user activity and boosted player confidence. To precisely meet user needs, BAIOO leveraged offline activities such as clock in offline, themed restaurants, and player meetups, to seamlessly integrate diverse online and offline promotional strategies to generate viral UGC content, heighten player enthusiasm, and create an immersive gaming experience for our players.

## INDUSTRY TRENDS

### **A demand-driven long-term strategy focusing on quality refinement and efficiency optimization through technology empowerment**

In 2024, China’s game industry demonstrated robust growth alongside the steady recovery of the macroeconomy. According to the “China Game Industry Report 2024” (《2024 年中國遊戲產業報告》), the ecosystem of the Chinese game industry continued to improve, driven by the intensive promotion of supportive policies at various government levels. In 2024, the Chinese game market recorded actual sales revenue of RMB325.783 billion, representing a year-on-year increase of 7.53% and hitting a historical high. The number of game users was 674 million, representing a year-on-year increase of 0.94%, which also achieving a record high. At the same time, as products have become increasingly homogenized, industry competition has further intensified. Gaming companies have shifted toward differentiated and quality-focused business strategies, prioritizing user gaming experiences as a key focus in their strategic planning and product development. By continuously advancing research and development innovation, they aim to deliver game content with depth, more creative, and higher quality. The concept of long-term operations has emerged as a significant trend in the industry’s current development.

The surge of the digital and intelligent transformation wave has brought rapid and profound changes to the game industry, driving its development to new heights. AI tools have been rapidly implemented across various key areas of the game industry, offering extensive applications in content creation and gameplay optimization. These tools have significantly enhanced game development efficiency, making the creative process more flexible and efficient, while further raising the game industry’s potential and market capacity. During the Year, BAIOO seized the opportunities presented by this digital and intelligent transformation, continuously exploring and applying cutting-edge technologies such as AI-generated content (“AIGC”) in the latest application scenarios. By leveraging such technology, BAIOO introduced richer and more diverse gameplays and experiences for users, further strengthening its brand influence. At the same time, the Company continuously improved its game development and operational efficiency, effectively achieving cost reduction and efficiency enhancement in its business operations.

## **OUTLOOK FOR 2025**

### **Adhering to IP refined long-term operation strategy and continuously enhancing product competitiveness**

Looking ahead to 2025, BAIOO will continue to focus on niche gaming segments, deepening IP refined operation initiatives and consistently exploring user needs to deliver exceptional gaming experiences. At the same time, BAIOO will further explore the creative integration of gaming and traditional Chinese culture, introducing fresh cultural elements into its core IPs to extend the lifecycle of its existing flagship games. Through innovative marketing approaches, BAIOO aims to provide players with more diverse and enriching gaming experiences, further consolidating its leading position in niche markets.

Meanwhile, BAIOO will focus on building a rich and varied product development matrix. Several products are currently in active preparation and are poised for launch. Looking ahead, BAIOO will continue to explore technological empowerment, strengthen its global presence, and actively seek new growth opportunities. With the successive introduction of more products worldwide, BAIOO aims to further enhance its competitive edge in niche markets and strengthen its position in the global game market.

## OPERATION INFORMATION

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

	For the year ended		
	31 December 2024 <sup>(1)</sup>	31 December 2023	Year-over-year change
	<i>(QAA &amp; QPA in millions, ARQPA in RMB)</i>		
average QAA <sup>(2)</sup>	6.3	7.3	(13.7%)
average QPA <sup>(3)</sup>	0.8	1.1	(27.3%)
average quarterly ARQPA <sup>(4)</sup>	163.0	176.1	(7.4%)

Notes:

1. As of 31 December 2024, our online virtual worlds under commercial operation mainly included Aobi Island, Aola Star, Dragon Knights, Light of Aoya, Legend of Aoqi, Shiwuyu (「食物語」), Aola Star Mobile (「奧拉星手遊」), Legend of Aoqi Mobile (「奧奇傳說手遊」) and Aobi Island Mobile (「奧比島手遊」).
2. The average QAA for online virtual worlds was approximately 6.3 million for the year ended 31 December 2024, representing a decrease of approximately 13.7% compared with the year ended 31 December 2023. The decrease was primarily due to some of the games with a longer launch period have shown a natural decline in the growth of their life cycles.
3. The average QPA for online virtual worlds was approximately 0.8 million for the year ended 31 December 2024, representing a decrease of approximately 27.3% compared with the year ended 31 December 2023. The decrease was primarily due to decrease of QAA.
4. The average quarterly ARQPA for online virtual worlds was approximately RMB163.0 for the year ended 31 December 2024, representing a decrease of approximately 7.4% compared with the year ended 31 December 2023. The decrease was primarily due to the decrease of revenue.

## OVERALL BUSINESS AND FINANCIAL PERFORMANCE

The following table sets forth the details of our consolidated income statement for the years ended 31 December 2024 and 2023, respectively:

	31 December 2024 <i>RMB'000</i>	For the year ended % of Revenue	31 December 2023 <i>RMB'000</i>	% of Revenue
<b>Revenue</b>	<b>545,294</b>	<b>100.0</b>	782,764	100.0
Online entertainment business	<b>545,130</b>	<b>100.0</b>	782,519	100.0
Other businesses	<b>164</b>	<b>—</b>	245	—
<b>Cost of revenue</b>	<b>(293,232)</b>	<b>(53.8)</b>	(464,710)	(59.4)
<b>Gross profit</b>	<b>252,062</b>	<b>46.2</b>	318,054	40.6
Selling and marketing expenses	<b>(57,508)</b>	<b>(10.5)</b>	(63,731)	(8.1)
Administrative expenses	<b>(57,762)</b>	<b>(10.6)</b>	(76,184)	(9.7)
Research and development expenses	<b>(177,042)</b>	<b>(32.5)</b>	(231,137)	(29.5)
Net impairment losses on financial assets	<b>(3,804)</b>	<b>(0.7)</b>	(3,999)	(0.5)
Other income	<b>1,106</b>	<b>0.2</b>	3,366	0.4
Other gains/(losses) — net	<b>103</b>	<b>—</b>	(1,495)	(0.2)
<b>Operating loss</b>	<b>(42,845)</b>	<b>(7.9)</b>	(55,126)	(7.0)
Finance income — net	<b>24,453</b>	<b>4.5</b>	33,000	4.2
Share of losses of an associate	<b>(7,797)</b>	<b>(1.4)</b>	(1,302)	(0.2)
<b>Loss before income tax</b>	<b>(26,189)</b>	<b>(4.8)</b>	(23,428)	(3.0)
Income tax expense	<b>(1,767)</b>	<b>(0.3)</b>	(7,974)	(1.0)
<b>Loss for the year</b>	<b>(27,956)</b>	<b>(5.1)</b>	(31,402)	(4.0)

The following table sets forth the details of our consolidated statement of comprehensive income for the years ended 31 December 2024 and 2023 respectively:

	31 December 2024 RMB'000	For the year ended % of Revenue	31 December 2023 RMB'000	% of Revenue
<b>Loss for the year</b>	<b>(27,956)</b>	<b>(5.1)</b>	<b>(31,402)</b>	<b>(4.0)</b>
Other comprehensive income, net of tax	—	—	—	—
<b>Total comprehensive loss for the year</b>	<b>(27,956)</b>	<b>(5.1)</b>	<b>(31,402)</b>	<b>(4.0)</b>
<b>Other financial data</b>				
Adjusted net loss <sup>(1)</sup> (unaudited)	<b>(21,102)</b>	<b>(3.9)</b>	<b>(10,081)</b>	<b>(1.3)</b>
Adjusted EBITDA <sup>(2)</sup> (unaudited)	<b>(23,070)</b>	<b>(4.2)</b>	<b>(12,279)</b>	<b>(1.6)</b>

Notes:

- Adjusted net loss consists of loss for the year 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 IFRS. 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 year.
- Adjusted EBITDA consists of adjusted net loss less finance income-net, plus income tax expenses, depreciation of property and equipment and right-of-use assets and amortization of intangible assets.

## Revenue

Our revenue for the year ended 31 December 2024 was RMB545.3 million, representing a 30.3% decrease from RMB782.8 million for the year ended 31 December 2023.

*Online Entertainment Business:* Our online entertainment business revenue for the year ended 31 December 2024 was RMB545.1 million, a 30.3% decrease from RMB782.5 million for the year ended 31 December 2023. The decrease was primarily due to the natural decline in the growth of life cycles of some of the Company's games with a longer launch period, and no new core game was launched during the Year.

*Other Businesses:* Revenue from other businesses for the year ended 31 December 2024 was RMB0.2 million, similar to 2023, which mainly consists of the sales of peripheral products.

## Cost of Revenue

Our cost of revenue for the year ended 31 December 2024 was RMB293.2 million, a 36.9% decrease from RMB464.7 million for the year ended 31 December 2023.



*Online Entertainment Business:* Our online entertainment business cost for the year ended 31 December 2024 was RMB293.1 million, a 36.9% decrease from RMB464.6 million for the year ended 31 December 2023. The decrease was mainly driven by the decrease of third-party revenue sharing.

*Other Businesses:* Cost of other businesses for the year ended 31 December 2024 was RMB0.09 million, which is similar to the amount of 2023.

## **Gross Profit**

As a result of the foregoing, our gross profit for the year ended 31 December 2024 was RMB252.1 million, compared with RMB318.1 million for the year ended 31 December 2023. Gross profit margin was 46.2% for the year ended 31 December 2024, compared with 40.6% for the year ended 31 December 2023. The gross profit margin increased was 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 year ended 31 December 2024 were RMB57.5 million, a 9.7% decrease from RMB63.7 million for the year ended 31 December 2023. This was primarily due to the decrease in employee benefit expenses.

## **Administrative Expenses**

Our administrative expenses for the year ended 31 December 2024 were RMB57.8 million, a decreased 24.1% from RMB76.2 million for the year ended 31 December 2023. This decrease was primarily due to the decrease in employee benefit expenses relating to restricted shares units granted to employees.

## **Research and Development Expenses**

Our research and development expenses for the year ended 31 December 2024 were RMB177.0 million, decreased 23.4% from RMB231.1 million for the year ended 31 December 2023. This decreases was primarily driven by the decrease in employee benefit expenses.

## **Net Impairment Losses on Financial Assets**

We recorded net impairment losses of financial assets of RMB3.8 million for the year ended 31 December 2024, which compared to RMB4.0 million net impairment losses for the year ended 31 December 2023. The net impairment losses on financial assets mainly comprised impairment on trade and other receivables.

## **Other Income**

The Company recognized RMB1.1 million in other income for the year ended 31 December 2024, representing a decrease by 67.6% from RMB3.4 million for the year ended 31 December 2023. The other income was generated from government grants.

## **Other Gains/(Losses) — net**

The Company recognized net other gain of RMB0.10 million and it was primarily due to the disposal gain of property, plant and equipment and foreign exchange losses for the year ended 31 December 2024, compared with net other losses of RMB1.5 million for the year ended 31 December 2023.

## **Operating Loss**

As a result of the foregoing, our operating loss for the year ended 31 December 2024 was RMB42.8 million, compared with operating loss of RMB55.1 million for the year ended 31 December 2023.

## **Finance Income — net**

We had net finance income of RMB24.5 million for the year ended 31 December 2024, compared with net finance income of RMB33.0 million for the year ended 31 December 2023. Net finance income for the year ended 31 December 2024 primarily consisted of interest income on bank deposits, as well as foreign exchange gains on cash and bank balances, which was partly offset by interest expenses on lease liabilities.

## **Share of Loss of an Associate**

The Company recognized share of loss of an associate of RMB7.8 million for the year ended 31 December 2024, compared with share of loss of an associate of RMB1.3 million for the year ended 31 December 2023.

## **Loss before Income Tax**

As a result of the foregoing, we had a loss of RMB26.2 million for the year ended 31 December 2024, compared with a loss of RMB23.4 million for the year ended 31 December 2023.

## **Income Tax Expense**

Our income tax expense for the year ended 31 December 2024 was RMB1.8 million, compared with the income tax expense of RMB8.0 million for the year ended 31 December 2023. The change was primarily due to less deferred tax assets realized for the year ended 31 December 2024.

## **Loss for the Year**

As a result of the foregoing, we had a loss of RMB28.0 million for the year ended 31 December 2024, compared with a loss of RMB31.4 million for the year ended 31 December 2023.

## Non-IFRS Accounting Standards Measure — Adjusted Net Loss/EBITDA

Our adjusted net loss for the year ended 31 December 2024 was RMB21.1 million, representing a 109.3% increase from net loss of RMB10.1 million for the year ended 31 December 2023. Our adjusted EBITDA for the year ended 31 December 2024 was loss of RMB23.1 million, representing an 87.9% increase from loss of RMB12.3 million for the year ended 31 December 2023.

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

	Unaudited For the year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Loss for the year	(27,956)	(31,402)
Add:		
Share-based compensation	<u>6,854</u>	<u>21,321</u>
Adjusted net loss	(21,102)	(10,081)
Add:		
Depreciation and amortization	20,718	22,828
Finance income — net	(24,453)	(33,000)
Income tax expenses	<u>1,767</u>	<u>7,974</u>
Adjusted EBITDA	<u>(23,070)</u>	<u>(12,279)</u>

## LIQUIDITY AND CAPITAL RESOURCES

In 2024, 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:

	As of 31 December 2024 RMB'000	As of 31 December 2023 RMB'000
Total liabilities	275,966	269,064
Total assets	1,875,051	1,920,099
Gearing ratio <sup>(1)</sup>	<u>15%</u>	<u>14%</u>

Note:

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

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

As of 31 December 2024, our cash and cash equivalents consisted of cash in bank and cash on hand, which amounted to RMB495.7 million, compared with RMB966.0 million as of 31 December 2023. We had short-term deposits of RMB449.0 million as of 31 December 2024, compared with RMB261.8 million as of 31 December 2023, representing bank deposits which we intend to hold for over three months but less than one year. We had long-term deposits of RMB245.0 million as of 31 December 2024 compared with RMB135.0 million as of 31 December 2023, representing bank deposits which we intend to hold for over one year but less than three years.

As of 31 December 2024, The Group had no restricted cash.

The effective interest rate per annum for cash in bank balances and deposits as of 31 December 2024 was 1.88% compared with 1.94% as of 31 December 2023. Our policy is to place our cash in interest-bearing principal-protected call deposits or deposits with reputable domestic or international banks.

Our cash and cash equivalents, short-term deposits and long-term deposits are denominated in the following currencies:

<b>Group</b>	<b>As of 31 December 2024 RMB'000</b>	<b>As of 31 December 2023 RMB'000</b>
RMB	1,035,547	1,214,942
US\$	80,999	73,227
HK\$	73,053	74,580
Others	76	81
	<u>1,189,675</u>	<u>1,362,830</u>

## Bank Loans and Other Borrowings

The Group had no bank loans or other borrowings as of 31 December 2024.

## Treasury Policies

As of 31 December 2024, 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 31 December 2024, RMB154.1 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 year ended 31 December 2024, our total capital expenditures were RMB86.6 million, compared with RMB88.5 million for the year ended 31 December 2023. The following table sets out our expenditures for the years indicated:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Capital Expenditures</b>		
— Payment of construction in progress	<b>84,114</b>	84,966
— Purchase of property and equipment	<b>569</b>	1,633
— Purchase of intangible assets	<b>1,916</b>	1,939
	<hr/>	<hr/>
<b>Total</b>	<b><u>86,599</u></b>	<b><u>88,538</u></b>

## Contingent Liabilities

As of 31 December 2024, the Group did not have any material contingent liabilities, guarantees or litigation against it.

## Charges on Assets

As of 31 December 2024, there were no charges on the Group's assets.

## Material Acquisitions and Future Plans for Major Investment

As of 31 December 2024, the Group currently has no specific plans 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 31 December 2024, the Group had 644 full-time employees. The following table sets forth the number of full-time employees by function as of 31 December 2024:

	As of 31 December 2024	
	Number of Employees	% of Total
Operations	20	3.1
Operations for R&D	193	30.0
Development and research	330	51.2
Sales and Marketing	43	6.7
General and administration	58	9.0
<b>Total</b>	<b>644</b>	<b>100</b>

In addition to salary, we also provide various incentives, including share-based awards, such as restricted shares units (“**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 for the year ended 31 December 2024 were approximately RMB66.5 million, compared with RMB88.9 million for the year ended 31 December 2023. We incurred staff costs of approximately RMB281.0 million and RMB359.4 million, for the years ended 31 December 2024 and 2023, representing 51.5% and 45.9% of our revenue for those years respectively.

We will continue to grant RSUs to our employees to incentivize them pursuant to the restricted share unit plan approved by the shareholders of the Company (the “**Shareholders**”) on 27 June 2023 (the “**2023 RSU Scheme**”). The maximum number of shares of the Company (the “**Shares**”) which we may grant pursuant to the 2023 RSU Scheme and all other share schemes as adopted by the Company from time to time shall not exceed 282,284,400 Shares, representing approximately 10% of our issued share capital as of the date of the annual general meeting (“**AGM**”) in 2023.

Under the previous restricted share unit plan which was terminated on 27 June 2023, there were a total of 20,640,000 RSUs outstanding as of 31 December 2024.

During the Reporting Period, there were no RSUs granted under the 2023 RSU Scheme. As of 31 December 2024, there was no outstanding RSU under the 2023 RSU Scheme.

## Dividend

At the Company's AGM on 26 June 2024, the Shareholders approved the Board-recommended special dividend of HK\$0.012 (equivalent to approximately RMB0.011) per share for the year ended 31 December 2023. The special dividend was paid to the Shareholders on 30 July 2024.

The Board is pleased to recommend the payment of a special dividend of HK\$0.012 (equivalent to RMB0.011) per share for the year ended 31 December 2024 out of our share premium account, subject to the approval of the Shareholders at the forthcoming AGM to be held on Friday, 27 June 2025. The proposed special dividend will be payable on Thursday, 31 July 2025 to the Shareholders of whose names appear on the register of members of the Company (the **"Register of Members"**) on Tuesday, 15 July 2025.

## CHANGES SINCE 31 DECEMBER 2024

There were no other significant changes in the Group's financial position or from the information disclosed under management discussion and analysis in this annual results announcement for the year ended 31 December 2024.

# CONSOLIDATED INCOME STATEMENT

	<i>Note</i>	Year ended 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	545,294	782,764
Cost of revenue	4	(293,232)	(464,710)
<b>Gross profit</b>		<b>252,062</b>	<b>318,054</b>
Selling and marketing expenses	4	(57,508)	(63,731)
Administrative expenses	4	(57,762)	(76,184)
Research and development expenses	4	(177,042)	(231,137)
Net impairment losses on financial assets		(3,804)	(3,999)
Other income		1,106	3,366
Other gains/(losses) — net		103	(1,495)
<b>Operating loss</b>		<b>(42,845)</b>	<b>(55,126)</b>
Finance income	5	25,530	35,427
Finance costs	5	(1,077)	(2,427)
Finance income — net	5	24,453	33,000
Share of loss of an associate		(7,797)	(1,302)
<b>Loss before income tax</b>		<b>(26,189)</b>	<b>(23,428)</b>
Income tax expense	6	(1,767)	(7,974)
<b>Loss for the year</b>		<b>(27,956)</b>	<b>(31,402)</b>
<b>Attributable to:</b>			
— Shareholders of the Company		(28,030)	(31,478)
— Non-controlling interests		74	76
		<b>(27,956)</b>	<b>(31,402)</b>
<b>Loss per share for profit attributable to shareholders of the Company (expressed in RMB per share)</b>	7		
Basic loss per share		(0.0103)	(0.0117)
Diluted loss per share		(0.0103)	(0.0117)



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Loss for the year	(27,956)	(31,402)
Other comprehensive income	<u>—</u>	<u>—</u>
Total comprehensive loss for the year	<u>(27,956)</u>	<u>(31,402)</u>
Attributable to:		
— Shareholders of the Company	(28,030)	(31,478)
— Non-controlling interests	<u>74</u>	<u>76</u>
	<u>(27,956)</u>	<u>(31,402)</u>

# CONSOLIDATED BALANCE SHEET

	<i>Note</i>	As at 31 December	
		2024	2023
		<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		257,118	149,884
Right-of-use assets		238,354	255,163
Intangible assets		2,878	4,114
Prepayments and other receivables		22,469	4,560
Long-term bank deposits		245,000	135,000
Deferred tax assets		13,186	14,823
Investment in an associate		35,901	16,698
Financial assets at fair value through profit or loss		5,000	5,000
		<u>819,906</u>	<u>585,242</u>
<b>Current assets</b>			
Inventories		113	114
Contract costs		44,834	47,820
Trade receivables	8	30,979	29,225
Prepayments and other receivables		34,544	29,868
Short-term bank deposits		449,000	261,788
Cash and cash equivalents (excluding bank overdrafts)		495,675	966,042
		<u>1,055,145</u>	<u>1,334,857</u>
<b>Total assets</b>		<u><u>1,857,051</u></u>	<u><u>1,920,099</u></u>
<b>EQUITY</b>			
Share capital		8	8
Share premium		1,110,449	1,108,922
Reserves		25,201	50,526
Retained earnings		456,087	484,313
<b>Capital and reserves attributable to Shareholders of the Company</b>		<u>1,591,745</u>	<u>1,643,769</u>
Non-controlling interests		<u>7,340</u>	<u>7,266</u>
<b>Total equity</b>		<u><u>1,599,085</u></u>	<u><u>1,651,035</u></u>

		As at 31 December	
		2024	2023
	Note	RMB'000	RMB'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Contract liabilities		11,330	11,869
Lease liabilities		—	17,186
Other payables and accruals		—	791
		<u>11,330</u>	<u>29,846</u>
<b>Current liabilities</b>			
Trade payables	9	6,471	4,661
Other payables and accruals		100,413	78,343
Advances from distributors		16,581	17,889
Contract liabilities		123,224	121,249
Income tax liabilities		18	—
Lease liabilities		17,929	17,076
		<u>264,636</u>	<u>239,218</u>
<b>Total liabilities</b>		<u>275,966</u>	<u>269,064</u>
<b>Total equity and liabilities</b>		<u><u>1,875,051</u></u>	<u><u>1,920,099</u></u>

## 1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

## 2 Changes in accounting policies and disclosure

### 2.1 Amended standards adopted by the Group

The Group has applied the following amended standards for the first time for their annual reporting year commencing 1 January 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current liabilities with covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The amended standards listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### 2.2 New amendments to standards not yet adopted

		<b>Effective for annual periods beginning on or after</b>
Amendments to IAS21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1 January 2026
Amendments to IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 19	Subsidiaries without Public Accountability: Disclosures	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

Certain new amendments to standards have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 3 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 losses on financial assets, other income, other gains/(losses) — 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 years ended 31 December 2024 and 2023, 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 these financial statements. There was no separate segment assets and segment liabilities information provided to the CODM.

The segment information provided to the Group's CODM for the reportable segments for the years ended 31 December 2024 and 2023 are as follows:

	Year ended 31 December 2024		
	Online entertainment business RMB'000	Other businesses RMB'000	Total RMB'000
Segment revenue	545,130	164	545,294
Timing of revenue recognition			
At a point in time	173,095	164	173,259
Over time	372,035	—	372,035
Gross profit	251,985	77	252,062

	Year ended 31 December 2023		
	Online entertainment business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue	782,519	245	782,764
Timing of revenue recognition			
At a point in time	183,421	245	183,666
Over time	599,098	—	599,098
Gross profit	317,883	171	318,054

Out of revenue from online entertainment business, RMB519,313,000 is related to the provision of consumable and durable virtual items for the year ended 31 December 2024 (2023: RMB754,976,000).

Other profit and loss disclosures:

	Year ended 31 December 2024			
	Online entertainment business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Unallocated item <i>RMB'000</i>	Total <i>RMB'000</i>
Depreciation	15,870	5	2,482	18,357
Amortization	2,360	1	—	2,361

	Year ended 31 December 2023			
	Online entertainment business <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Unallocated item <i>RMB'000</i>	Total <i>RMB'000</i>
Depreciation	18,019	5	2,481	20,505
Amortization	2,322	1	—	2,323

The Company is domiciled in the Cayman Islands while the Group mainly operates its business in the Mainland China and Outside Mainland China. For the years ended 31 December 2024 and 2023, the geographical information on the total revenue is as follows:

	Year ended 31 December	
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Revenue</b>		
— Mainland China	509,892	755,855
— Outside Mainland China	35,402	26,909
<b>Total</b>	<b>545,294</b>	<b>782,764</b>

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 contributed more than 10.0% of the Group's total revenue account for 71.5% and 82.6% of the total revenue for the years ended 31 December 2024 and 2023, respectively.

The percentage of revenue contributed by the following online virtual worlds is not presented for the years when such amount is less than 10% of the Group's total revenue in a particular period.

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
Aobi Island Mobile	<b>27.9%</b>	35.9%
Legend of Aoqi	<b>24.6%</b>	18.4%
Legend of Aoqi Mobile	<b>19.0%</b>	11.4%
Shiwuyu	<b>N/A</b>	16.9%

The Group has a large number of game players, no individual game players generated revenue which exceeded 10% or more of the Group's revenue for the year ended 31 December 2024 (2023: same).

The games were distributed to individual game players through own web-based platform, and Third Party Platforms including Company A and Group B. The revenue generated through Company A and Group B accounted for 27.9% (2023: 35.9%) and 8.2% (2023: 15.8%) of the Group's revenue for the year ended 31 December 2024. Besides those, no revenue through a single company or group exceeded 10% or more of the Group's revenue for the Year.

As at 31 December 2024, the total non-current assets, other than financial assets and deferred tax assets, located in Mainland China and Hong Kong were RMB534,983,000 (31 December 2023: RMB425,859,000) and nil (31 December 2023: nil), respectively.

#### 4 Expenses by nature

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Employee benefit expenses	<b>281,039</b>	359,413
Distribution costs and payment handling fees	<b>193,672</b>	345,156
Promotion and advertising expenses	<b>35,079</b>	33,909
Content expenses	<b>18,309</b>	34,055
Depreciation of right-of-use assets	<b>11,867</b>	12,830
Bandwidth and server custody fees	<b>10,565</b>	8,439
Depreciation of property and equipment and amortization of intangible assets	<b>8,851</b>	9,998
Professional fees	<b>6,850</b>	12,705
Utilities and office expenses	<b>5,747</b>	6,796
Auditor's remuneration	<b>3,772</b>	4,149
— Audit services	<b>3,635</b>	3,858
— Non-audit services	<b>137</b>	291
Travelling and entertainment expenses	<b>3,828</b>	3,509
Others	<b>5,965</b>	4,803
	<hr/>	<hr/>
<b>Total cost of revenue, selling and marketing expenses, administrative expenses and research and development expenses</b>	<b><u>585,544</u></b>	<b><u>835,762</u></b>



## 5 Finance income — net

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Finance income:</b>		
— Interest income from term bank deposits	<b>13,405</b>	7,813
— Interest income from cash and cash equivalents	<b>10,192</b>	25,588
— Net foreign exchange gain	<b>1,933</b>	2,026
	<u><b>25,530</b></u>	<u>35,427</u>
<b>Finance costs:</b>		
— Interest charge for lease liabilities	<u><b>(1,077)</b></u>	<u>(2,427)</u>
<b>Finance income — net</b>	<u><b>24,453</b></u>	<u><b>33,000</b></u>

## 6 Income tax expense

The income tax expense of the Group for the years ended 31 December 2024 and 2023 is analyzed as follows:

	Year ended 31 December	
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
Current income tax expense	<b>(130)</b>	(1,118)
Deferred income tax expense	<u><b>(1,637)</b></u>	<u>(6,856)</u>
	<u><b>(1,767)</b></u>	<u>(7,974)</u>

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to profits of the consolidated entities as follows:

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Loss before income tax	<u>(26,189)</u>	<u>(23,428)</u>
Tax calculated at income tax rates applicable to profits of the consolidated entities in their respective jurisdictions	<b>3,246</b>	1,988
Tax effects of:		
Tax losses and temporary differences for which no deferred tax asset was recognized (Note (a))	<b>(22,081)</b>	(34,354)
Super deduction for research and development expenses (Note (b))	<b>18,489</b>	27,451
Expense not deductible for income tax purposes	<b>(2,037)</b>	(3,345)
Others	<u><b>616</b></u>	<u>286</u>
<b>Income tax expense</b>	<u><b>(1,767)</b></u>	<u><b>(7,974)</b></u>

*(a) Tax losses and temporary differences for which no deferred tax asset was recognized*

Deferred tax assets relating to certain tax losses and temporary differences are recognized as management considers it is probable that future taxable profits will be available against which the tax losses or temporary difference can be utilized. As at 31 December 2024, the Group did not recognize deferred tax assets of RMB60,346,000, which in respect of accumulated tax losses and temporary differences amounting to RMB325,150,000 and RMB72,313,000 respectively.

As at 31 December 2024, the balance of unused tax losses is RMB409,312,000. The tax losses under the PRC enterprise income tax law will expire at various dates up to and including 2034, while the others have no expiry date.

*(b) PRC corporate income tax*

***Guangzhou Baitian Information Technology Ltd. (“Guangzhou Baitian”)***

Guangzhou Baitian was qualified as “High and New Technology Enterprise” in 2022 and was entitled to a preferential income tax rate of 15% on its estimated assessable profits for the year ended 31 December 2024 (2023: same).

### ***Guangzhou Tianti Network Technology Co., Ltd. (“Guangzhou Tianti”)***

Guangzhou Tianti was qualified as “High and New Technology Enterprise” in 2022 and was entitled to a preferential income tax rate of 15% on its estimated assessable profits for the year ended 31 December 2024 (2023: same).

### ***Baiduo (Guangzhou) Information Technology Limited (“Guangzhou WFOE”) and Guangzhou Xiaoyunxiong Interactive Education Limited (“Xiaoyunxiong”)***

Guangzhou WFOE and Xiaoyunxiong were qualified as “Small Low-Profit Enterprise” in 2024 and 2023, 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 RMB3 million of profits of qualifying corporations were taxed at 5% and profits above RMB3 million were taxed at 20% for the year ended 31 December 2024.

### ***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 losses for the years ended 31 December 2024 and 2023.

Based on Public Notice [2023] No. 7 issued by the State Tax Bureau of the PRC on 26 March 2023, the enterprises eligible for 100% deduction of eligible R&D expenses since 1 January 2023. Certain qualified subsidiaries of the Group have claimed such additional Super Deduction in the 2024 and 2023.

#### ***(c) 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.

#### ***(d) Hong Kong profits tax***

The provision for Hong Kong profits tax for the year ended 31 December 2024 are calculated in accordance with the two-tiered profits tax rates regime (2023: same). Under the two-tiered profits tax rates regime, the first HKD2 million of profit of a qualifying corporation is taxed at 8.25%, and profit above HKD2 million is taxed at 16.5%.

(e) *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%.

As at 31 December 2024, no deferred tax liability had been provided for in respect of the PRC withholding tax that would be payable on the unremitted earnings of approximately RMB1,224,512,000 (2023: RMB1,197,103,000). Such earnings are expected to be retained by the subsidiaries in Mainland China and not to be remitted to a foreign investor in the foreseeable future based on management’s estimation of overseas funding requirements.

## 7 Loss per share

(a) *Basic*

### Basic loss per share for profit attributable to shareholders of the Company

Basic loss per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue less treasury shares and shares held for Share Option Scheme and RSU Scheme during the Year.

	Year ended 31 December	
	2024	2023
Loss attributable to shareholders of the Company ( <i>RMB’000</i> )	(28,030)	(31,478)
Weighted average number of ordinary shares in issue less treasury shares and shares held for RSU Scheme	<u>2,720,543,062</u>	<u>2,680,282,734</u>
Basic loss per share ( <i>in RMB/share</i> )	<u><u>(0.0103)</u></u>	<u><u>(0.0117)</u></u>

(b) *Diluted*

Diluted 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 year ended 31 December 2024, the Company had potential ordinary shares, the RSUs which had to be considered for calculating diluted loss per share. No adjustment was made to basic loss per share to derive the diluted losses per share for the year ended 31 December 2024 as potential ordinary shares was anti-dilutive (2023: same).

## 8 Trade receivables

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Receivables from third parties	32,089	29,579
Less: allowance for impairment	(1,110)	(354)
	<u>30,979</u>	<u>29,225</u>

- (a) 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:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
0–30 days	22,843	19,895
31–60 days	6,533	7,064
Over 60 days	2,713	2,620
	<u>32,089</u>	<u>29,579</u>

- (b) The Group applies the simplified approach to provide for expected credit losses (“ECL”) prescribed by IFRS 9. For the year ended 31 December 2024, increase in impairment RMB756,000 was made for the gross amounts of trade receivables (2023: increase in impairment RMB46,000).
- (c) As at 31 December 2024, trade receivables were mainly denominated in RMB and their fair value approximated their carrying amounts (2023: same).
- (d) The maximum exposure to credit risk is the carrying amount of the trade receivable balance. The Group does not hold any collateral as security.
- (e) The concentration risk with respect to trade receivables comes from Company A and Group B accounted for 41.2% (2023: 50.8%) and 6.0% (2023: 14.0%) of the Group’s trade receivables as at 31 December 2024, respectively.
- (f) Classification as trade receivables:

Trade receivables are amounts due from online payment channels and platforms for services performed to customers in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

## 9 Trade payables

Trade payables primarily relate to the purchase of services for server custody, distribution costs and the revenue sharing collected by the Group which is payable to cooperated game developers according to the respective cooperation agreements.

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:

	<b>As at 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
0–30 days	<b>6,280</b>	4,154
Over 30 days	<b>191</b>	507
	<b>6,471</b>	<b>4,661</b>

As at 31 December 2024 and 2023, the fair value of trade payables approximated their carrying amounts.

## 10 Dividend

The dividends paid in 2024 and 2023 amounted RMB29,775,000 and RMB36,968,000, respectively. The Board of Directors of the Company proposed on 27 March 2025 a special dividend of HK\$0.012 (equivalent to approximately RMB0.011) per ordinary share, which will be debited to the share premium account, totalling approximately RMB29,730,000. Such dividend is to be approved by the shareholders at the forthcoming annual general meeting to be held on 27 June 2025. These financial statements do not reflect this dividend payable as a liability as at 31 December 2024.

### (a) Dividend paid to ordinary shares

	<b>Year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Special final dividend of 2024		
— HK\$0.012 (2023: same), equivalent to approximately RMB0.011 (2023: same), per ordinary share	<b>31,461</b>	39,039
Less: dividend for shares held for the RSU Schemes	<b>(1,686)</b>	(2,071)
	<b>29,775</b>	<b>36,968</b>

**(b) Dividend not recognized as at 31 December 2024**

**As at  
31 December  
2024  
RMB'000**

Proposed special dividend of HK\$0.012, equivalent to approximately RMB0.011 per ordinary share	<b>31,252</b>
Less: dividend for shares held for the RSU Schemes	<b>(1,522)</b>
	<hr/>
	<b>29,730</b>
	<hr/> <hr/>

**Audit Committee and Review of Financial Statements**

The audit committee of the Company (the “**Audit Committee**”) has reviewed the accounting principles and practices adopted by the Group and discussed with the management regarding auditing, risk management, internal control and financial reporting matters. The Audit Committee has also reviewed the Group’s results for the year ended 31 December 2024. Based on its review and discussions with the management, the Audit Committee was satisfied that the Group’s consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group’s financial position and results for the year ended 31 December 2024.

**Review of Preliminary Announcement**

The figures set out in the preliminary announcement in respect of the Group’s consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto to the consolidated financial statements of the Group for the year ended 31 December 2024 have been agreed by the Company’s external auditor, PricewaterhouseCoopers (“**PwC**”), Certified Public Accountants, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by PwC on the preliminary announcement.



## **Compliance with the Model Code for Securities Transactions**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 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 Directors’ dealings in the Company’s securities and other matters as covered by the Model Code.

Specific enquiry has been made to all Directors of the Company and all of them have confirmed that they have complied with the Model Code during the year ended 31 December 2024.

The Company has also established written guidelines no less exacting than the Model Code (the “**Employees Written Guidelines**”) to regulate securities transactions by employees who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by any employee was noted by the Company during the year ended 31 December 2024.

## **Compliance with the Corporate Governance Code**

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Board is committed to achieving high corporate governance standards.

Throughout the year ended 31 December 2024, the Company has applied the principles and complied with all the Code Provisions as set out in Part 2 of the Corporate Governance Code (“**CG Code**”) set forth in Appendix C1 to the Listing Rules, save and except for the Code Provision C.2.1 with details as below.

### ***Code provision C.2.1***

Code Provision C.2.1 of Part 2 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. DAI Jian currently acts as the Chairman and the chief executive officer (“**CEO**”) of the Company. 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 a consistent leadership within the Group and enables a more effective and efficient overall strategic planning for the Group. The Board further believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.



## Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2024, the Company has repurchased a total of 5,670,000 Shares on the Stock Exchange at an aggregate consideration (before expenses) of HK\$1,178,970. All the repurchased Shares were subsequently cancelled. Particulars of the repurchases during the year ended 31 December 2024 are as follows:

Month	Number of Shares repurchased	Purchase price per Share		Aggregate consideration (before expenses) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
September	5,670,000	0.215	0.20	1,178,970
<b>Total</b>	<u>5,670,000</u>			<u>1,178,970</u>

The Directors believe that the repurchases of Shares are in the best interests of the Company and its Shareholders and would lead to an enhancement of the earnings per Share. Save as disclosed above, neither the Company nor any member of the Group has purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2024.

## AGM and Closure of Register of Members

The forthcoming AGM is scheduled to be held on Friday, 27 June 2025. The notice of AGM will be published and dispatched to the Shareholders in the manner as required by the Listing Rules in due course. The Register of Members will be closed from Tuesday, 24 June 2025 to Friday, 27 June 2025, both days inclusive, during which period no transfer of shares will be registered, in order to determine the identity of the Shareholders who are entitled to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, unregistered holders of shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong (the "**Hong Kong Share Registrar**"), Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 23 June 2025.

## Special Dividend and Closure of Register of Members

The Board is pleased to recommend the payment of a special dividend of HK\$0.012 (equivalent to RMB0.011) per share for the year ended 31 December 2024 out of our share premium account, subject to the approval of the Shareholders at the forthcoming AGM to be held on Friday, 27 June 2025. The proposed special dividend will be payable on Thursday, 31 July 2025 to the Shareholders of whose names appear on the register of members of the Company (the "**Register of Members**") on Tuesday, 15 July 2025.

The Register of Members will be closed from Friday, 11 July 2025 to Tuesday, 15 July 2025, both days inclusive, for the purpose of ascertaining the Shareholders' entitlement to the proposed special dividend. In order to qualify for the proposed special dividend, all transfers documents accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Share Register, Tricor Investor Services Limited, no later than 4:30 p.m. on Thursday, 10 July 2025.

## **Publication of 2024 Annual Results and Annual Report**

The annual 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 annual report of the Company for the year ended 31 December 2024 will be available on the above websites in due course.

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

Hong Kong, 27 March 2025

*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.*