百奥家庭互動有限公司
BAIOO Family Interactive Limited

(Incorporated in the Cayman Islands with limited liabilities)
(Stock code: 2100)

PROFIT WARNING

This announcement is made by BAIOO Family Interactive Limited (the "**Company**", together with its subsidiaries and its controlled entities in the People's Republic of China (the "**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 year ended 31 December 2025 (the "**Period Under Review**") and information currently available to the Board, the Group is expected to record a net loss attributable to shareholders of the Company in the range of approximately RMB72.0 million to RMB79.5 million for the Period Under Review, as compared to the net loss attributable to shareholders of the Company of RMB28.0 million for the year ended 31 December 2024.

The expected net loss is primarily attributable to a concentrated loss from a specific investment project.

During the Period Under Review, a game company which the Group had invested in launched its core product. The core product did not meet expectations which resulted in an unexpected rapid decline in revenue of the game company. This in turn resulted in the game company encountering operational difficulties which eventually led to a cessation of operations. The Group had conducted a one-off overall comprehensive impairment assessment and accounting treatment on this investment project and related advances. This led to an aggregate loss of approximately RMB45 million, which comprises of the following:

a) impairment loss on long-term equity investment; and

b) impairment of related unrecoverable prepayments.

This matter is non-cash in nature but has an impact on the Group's net profit for the Period Under Review.

Current Status and Future Prospects of the Group

Despite recording a loss during the Period Under Review due to a one-time investment loss from a specific investment project, the Group's core business foundation and key R&D capabilities remain robust, and its cash flow position is healthy. Although several core products had remained online for a considerable time, the revenue generated by these products had remained stable with some games achieving significant growth in 2025. This further reinforces the effectiveness of the Group's long-term IP operation strategy. The Group continued to maintain high R&D investment in 2025 and is committed to building a robust product pipeline.

Currently, the Group's resources are focused on the research, development, and publishing of its proprietary products which the Group believes will provide a solid foundation for its business recovery in 2026:

a) It is expected that two new self-developed and self-published games will be officially launched in 2026; and

b) One of these products, during recent multiple tests, has seen its core metrics (such as user retention rate) consistently exceed internal expectations and reach top-tier standards within the industry for similar products, demonstrating significant market potential. The other product has also performed steadily.

The Board firmly believes that with the successful launch of the new products, the Group's revenue will improve, and profitability is expected to increase significantly. Concurrently, the Group's continuous increase in R&D investment to enhance its proprietary game development capabilities and user experience will be beneficial to the Group's long-term performance and sustainable development. The Board remains confidence in the prospects of the Group.

As the Company is still in the process of finalizing the Group's consolidated annual results for the Period Under Review, the information contained in this announcement is based solely on the information currently available for review and the preliminary unaudited consolidated management accounts of the Group for the Period Under Review. Such accounts have not been reviewed by the audit committee of the Board or audited by the Company's independent auditor. The Group's audited consolidated annual results for the Period Under Review are expected to be published by the end of March 2026.

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 March 2026

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.