Be Friends Holding Limited
交個朋友控股有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 1450)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Be Friends Holding Limited (the "**Company**") herewith presents the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**" or "**We**") for the six months ended 30 June 2026 (the "**Interim Period**"), together with the comparative figures for the six months ended 30 June 2025 (the "**Corresponding Period of the Previous Year**"). The unaudited condensed consolidated interim results of the Group have been reviewed by the audit committee of the Company (the "**Audit Committee**").

KEY HIGHLIGHTS

Financial Summary

	For the six months ended 30 June 2026 (Unaudited)	For the six months ended 30 June 2025 (Unaudited)			
	Consolidated total[1]	Continuing operations	Discontinued operations	Consolidated total	Change
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*%*
Revenue	**770,545**	618,861	57,459	676,320	13.9
Gross profit	**324,398**	270,687	25,257	295,944	9.6
Profit for the period	**86,518**	55,367	983	56,350	53.5
Adjusted net profit[2]	**95,316**	71,279	983	72,262	31.9

1 *During the Interim Period, the Group had only one operating segment, namely the New Media Services business under continuing operations. The amounts set out in this column represent the amount of this segment. For details, please refer to "Note 3 to the Condensed Consolidated Interim Financial Information For the Six Months ended 30 June 2026" in this announcement.*

2 *For details of the adjusted net profit calculated by non-HKFRS measures, please refer to the paragraph headed "Reconciliation of Non-HKFRS Measures to the Nearest HKFRS Measures" in this announcement.*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Industry Environment

In 2026, the live-streaming e-commerce industry continued to grow but at a decelerating pace. The industry is shifting from scale expansion to lean operations and efficiency-driven success. Traditional operational approaches that rely on human experience and intensive input are likely to face increasingly prominent bottlenecks in terms of business growth, stability and cost control.

At the same time, with the continued development of artificial intelligence (the "**AI**") technology and its gradual application in live-streaming e-commerce business processes, AI capabilities may become an important infrastructure for the live-streaming e-commerce industry, covering multiple aspects including product selection efficiency enhancement, operational cost reduction, live-streaming compliance and content production. AI is continuing to deepen within the operational logic of the "people, goods and marketplace" framework of the live-streaming e-commerce industry.

In terms of the regulatory environment, with the continuous improvement of industry standardization in live-streaming e-commerce, relevant regulatory policies have been consistently enhanced. In February 2026, the "Measures for the Supervision and Administration of Live-streaming E-commerce" (《直播電商監督管理辦法》) were formally implemented, further refining the legal responsibilities of various participants in live-streaming e-commerce and establishing a full-cycle, full-chain closed-loop regulatory system, marking a new stage of "rule-based regulation" for the industry. Against the backdrop of tighter regulation and increasing industry standardization, enterprises' compliance management capabilities, product quality control capabilities and operational system development capabilities may become the key variables in the long-term competition among enterprises.

Business Overview

The Group continues to deepen its live-streaming e-commerce industry, actively exploring the in-depth application of short video technology, AI and digital operational capabilities in new media service scenarios, driving continuous business optimization through innovation, and steadily advancing the strategic vision of becoming a "new retail enterprise driven by AI technology".

Our corporate mission is to ensure that quality products are not overlooked and that consumers enjoy a better life. Using live-streaming e-commerce as a bridge, we connect quality products with consumers, uphold quality standards with rigour, break down information barriers with authenticity, and bring quality products into the lives of more consumers, enhancing their quality of life.

Around this mission, we have built a deeply integrated business system of "content + e-commerce + AI". We use quality content to accumulate user assets as a key bridge connecting consumers and products, enhancing user stickiness and conversion efficiency through quality content to support the continued development of our e-commerce business. In response to the trend of live-streaming e-commerce shifting from traffic-driven to value-driven, we continue to focus on quality content, combining short video content, live-streaming content, AI technology, compliance systems and supply chain capabilities to form a full-chain live-streaming e-commerce capability.

As of the end of the Interim Period, we steadily operated over 70 matrix live-streaming channels on mainstream platforms such as Douyin and Taobao, with more than 100 senior e-commerce livestreamers who have each broadcast for over 1,000 hours of live-streaming. The cumulative broadcast time across live-streaming channels exceeded 580,000 hours, with cooperation with over 30,000 brands and serving over 150 million consumers. We continue to expand consumer reach through multi-platform deployment and vertical category live-streaming models.

During the Interim Period, the Group achieved a cumulative gross merchandise volume (the "**GMV**") of approximately RMB6.53 billion. In terms of financial performance of the continuing operations, the revenue was approximately RMB770.5 million, representing an increase of 24.5% compared to the Corresponding Period of the Previous Year from continuing operations; gross profit was approximately RMB324.4 million, representing an increase of 19.8% compared to the Corresponding Period of the Previous Year from continuing operations; and profit for the Interim Period was approximately RMB86.5 million, representing an increase of 56.3% compared to the Corresponding Period of the Previous Year from continuing operations.

Our Strengths

Continuous improvement of multi-platform matrix live-streaming channels and enhancement of vertical live-streaming capabilities

The Group continued to promote the development of multi-platform and multi-account matrix live-streaming operations, improving the efficiency of matching products with consumer demand through vertical category operations.

Since 2022, the Group has gradually explored the "1+N" live-streaming model, continuously building a vertical live-streaming matrix covering different consumption scenarios. As of the end of the Interim Period, the Group steadily operated over 70 matrix live-streaming channels on mainstream platforms such as Douyin and Taobao, covering multiple categories including beauty and skincare, snacks and ready-to-eat foods, sports and outdoor, lifestyle and home, maternal and infant products, nutrition and health, premium living and trendy apparel.

Leveraging our years of accumulated standardized live-streaming operational capabilities and the extensive operational data from the "Friends Cloud" (朋友雲) platform, we have gradually improved live-streaming channel operational efficiency through a standardized and replicable matrix live-streaming channel operating model. In addition, we conduct targeted product operations and content planning based on category characteristics, consumer needs and content positioning. This not only drives sustained business growth, but also reduces the impact of traffic fluctuations in a single live-streaming channel or market changes in a single category on overall business, thereby ensuring the stability of live-streaming operations.

The Group has established a new live-streaming base in Zhengzhou to further advance its "standardized and replicable" vertical live-streaming channel strategy. Through vertical live-streaming channels, we can more accurately target customer groups, match user needs for corresponding categories, reduce user screening costs, enhance purchase intention, and thereby increase conversion rates. Multi-platform and multi-scenario coverage also enables the Group to expand brand traffic entry points and influence.

Continuous implementation of AI-powered full-chain live-streaming empowerment system, driving operational efficiency improvement

The Group continues to promote the integration of AI technology with live-streaming e-commerce operations, building relevant technical capabilities around the "Friends Cloud" live-streaming business middle platform and the "BeFriends AI" retail platform. Centered on the entire live-streaming business process, we have built a comprehensive "AI-powered full-chain live-streaming empowerment system" covering all aspects of live-streaming e-commerce operations, enabling business growth to no longer rely on isolated breakthroughs but to be built upon systematic, intelligent and replicable capabilities. The "Friends Cloud" live-streaming business middle platform leverages AI algorithms to conduct real-time analysis of product data, user behavior data and market trend data, providing precise product selection recommendations for live-streaming channels to improve selection efficiency and conversion rates. "BeFriends AI" focuses on the entire live-streaming e-commerce value chain, providing full-chain intelligent support from content production to transaction conversion. Intelligent applications in the field of content creation have already achieved deep implementation and demonstrated significant effectiveness. Leveraging technologies such as large language models and multimodal large models, it offers AI-powered support for live-streaming script writing, short video generation, material generation and live-streaming copy optimization, helping livestreamer teams produce high-quality content.

In the business development and product selection phase, the Group utilizes data analytics and AI-assisted tools to integrate market trends and account characteristics, providing intelligent guidance for product selection decisions. Additionally, the "AI Business Assistant" can assist in merchant sourcing, product evaluation and strategy formulation. The compliance department uses the "Friends Cloud" system to automate products and live-streaming scripts review, building an intelligent risk control system that enhances review efficiency and compliance levels.

In content production, AI has become an important creative assistant for the Group. "BeFriends AI" can generate graphic materials, short video and live-streaming scripts, achieving significantly higher efficiency than manual production. By building multimodal generation capabilities for product images and videos, and integrating real-time hot topic acquisition and analysis, viral video deconstruction and viral video replication capabilities, the Group has improved the efficiency and quality of short video creation. Live-streaming product scripts can also be automatically generated in batches, with simultaneous sensitive word verification and intelligent compliance review, effectively managing compliance risks while scaling up content production efficiency.

In live-streaming operations, the system can monitor live-streaming status in real time, provide live-streaming content suggestions and violation alerts, and adjust operational strategies based on traffic fluctuations, helping the team effectively execute live-streaming operational strategies while maintaining performance.

After live-streaming sessions, AI can automatically analyze dimensions such as customer profiles, traffic funnels and conversion efficiency, generate review reports, and automatically feed operational data back to the model for iterative training, promoting continuous model optimization that better aligns with business realities.

Looking ahead, the Group will continue to explore the application of AI technology in areas such as intelligent product selection, content generation, live-streaming assistance, supply chain management and customer service, to enhance the level of business digitalization and operational efficiency.

Continuous development of content capabilities, enhancing user reach and product conversion capabilities

Content capability is an important component of live-streaming e-commerce operations. The Group continues to optimize its short video and live-streaming content operational systems, improving consumer reach efficiency through content planning, user insights and data analytics. We have upgraded the content delivery logic from simply conveying product information to exploring emotional resonance with users. By improving content quality, optimizing short video scripts and enhancing live-streaming content expression and user interaction, the Group continues to increase user stickiness and conversion efficiency, further strengthening content's supporting role for e-commerce operations.

During the Interim Period, we continued to strengthen our content capabilities by significantly expanding the scale of our content team and increasing budget allocation, further enhancing our content planning, production and operational capabilities. At the same time, we established differentiated content standards for different product categories, transforming content into user-perceivable lifestyle scenarios to improve content presentation and user experience. In addition, we actively explored the application of AI technology in content production, gradually developing selection criteria for AI tools across different application scenarios, and further breaking down content materials into reusable multi-dimensional components, including visuals, copywriting, and audience targeting, to improve content production efficiency and scalability. As these capabilities continue to accumulate, content capability has gradually become one of the key assets supporting the Group's business development.

Continuous improvement of compliance and quality control systems, building a foundation of consumer trust

With the continuous improvement of live-streaming e-commerce industry regulations, compliant operations and product quality management have become important foundations for industry development. We consistently regard compliant operations and quality control as the bottom line for long-term business development. We have established a compliance regulatory system across multiple dimensions including product selection red lines, qualification reviews, risk grading, process specifications and quality control, strictly enforcing product access standards.

During the Interim Period, the Group formally established an independent compliance department to oversee full-lifecycle compliance management of live-streaming across three key areas, being products, content and livestreamers. The department conducts comprehensive reviews of live-streaming content in areas such as merchant qualification verification, product qualification validation, sample packaging and labeling compliance inspections, pre-broadcast materials, short video scripts and live-streaming scripts, while also establishing company-wide compliance discipline to ensure the provision of qualified and high-quality products to consumers. We have not only carried out special initiatives such as "Food Compliance Month" (食品合規月) and "Beauty Compliance Month" (美妝合規月), but have also embedded compliance requirements into AI review processes.

Looking ahead, the Group will continue to optimize its compliance systems and management processes based on regulatory policy changes and business developments, while continuing to explore the use of digital tools to enhance compliance management efficiency.

Establishing a professional talent development system to support sustainable business growth

The Group continues to improve its professional talent development system, strengthening the development of professional skills, compliance capabilities and management capabilities in line with business development needs, promoting the professionalisation of its workforce, and providing talent assurance for sustained business growth.

In terms of professional capability development, the Group provides ongoing professional skills training for core roles including livestreamers, operations personnel and business development staff, focusing on key areas such as content planning and production, live-streaming operation management, product selection and quality management, to enhance employees' professional capabilities. At the same time, in response to business development needs, the Group continuously improves its job training mechanisms, combining theoretical learning, on-the-job practice and experience review to drive continuous improvement in employees' professional competencies.

In terms of compliance capability development, the Group organises online and offline compliance training on a monthly basis, focusing on key areas such as short video content production, livestreamer management and business operations. Through thematic briefings, case studies, examinations and certifications and review-based rectification, the Group drives the integration of compliance requirements into business processes.

In terms of talent pipeline and management capability development, the Group continuously improves its talent development mechanisms, establishing systematic development pathways for fresh graduates through on-site practice, mentorship and specialised training to help them integrate quickly into the business. At the same time, the Group conducts management capability training and experience-sharing sessions for middle-level and senior management to enhance organisational management capabilities, cross-departmental collaboration and strategic execution capabilities. Through the continued development of professional skills, compliance capabilities and management capabilities, the Group continuously improves the overall quality of its workforce and organisational capabilities, providing a solid foundation for long-term and stable business development.

Industry Recognition and Social Responsibility

The Group has always attached importance to corporate social responsibility, compliant operations and sustainable development, and continues to promote the standardization and high-quality development of the live-streaming e-commerce industry.

Industry recognition and awards

During the Interim Period, the Group received certain awards and recognition from industry organizations, including:

Date	Award	Organization or event
February 2026	2025 Outstanding Organization	Hangzhou Live-streaming E-commerce Association
March 2026	2025 Outstanding Council Member Unit of the Hangzhou Private Enterprise Association	Platform Economy High-Quality Development Committee of the Hangzhou Private Enterprise Association (杭州市民營企業協會平台經濟高質量發展專委會)
March 2026	Annual E-commerce Organization Award	The 10th Topklout-World Influencer Summit
March 2026	Annual Livestream Sales Champion for the fourth consecutive year	2026 CICADA Annual Marketing Conference and 5th CICADA Star Awards Ceremony
March 2026	Annual Technical Innovation Award for "Friends Cloud System AI Product Selection"; Annual Innovative Livestream Channel	The 1st CMG Live E-Commerce Gala hosted by China Media Group
April 2026	"Be Friends Intelligent Product Selection Center" was selected as a provincial-level e-commerce product selection center in Zhejiang Province	Zhejiang Provincial Department of Commerce and Zhejiang Provincial Department of Finance
May 2026	Annual AI Content Marketing MCN	2026 Shanghai International MCN Conference

The above recognition reflects the Group's further milestones achieved in live-streaming e-commerce operations, technology application and industry services.

Social responsibility and public welfare practices

The Group actively fulfilled its social responsibilities and integrated sustainable development concepts into its daily operations. Since 2025, the Group has conducted public welfare livestream activities for stray animal rescue and, together with partners, provided relevant material support. In December 2025, in collaboration with the Ta Foundation (北京愛它動物保護公益基金會) and brand partners, the Group provided rescue supplies including cat food to stray animal rescue bases in Zhuji, Zhejiang, Tianjin and Hangzhou, supporting related public welfare projects.

The Group also actively leveraged its live-streaming e-commerce platform capabilities to support the development of local specialty industries. In December 2025, under the guidance of the Jiaozuo Bureau of Commerce, the Group conducted a traceability live-streaming event for Lutu Iron Yam (壚土鐵棍山藥) from Wen County, Jiaozuo, enhancing the market reach of local specialty agricultural products through direct sourcing and scenario-based displays, supporting the digital development of the local industry.

In terms of food safety and compliance management, the Group continued to improve its full-chain governance system. In June 2026, the Group's signed article "Strengthening Full-Chain Principal Responsibilities, Protecting Consumer Safety in Online Food Sales through Compliance and Professionalism" (《壓實全鏈條主體責任，以合規與專業守護網售食品消費安全》) was published in China Food Safety (《中國食品安全》), sharing the Group's practical experience in food safety management. Through measures including strengthening product qualification review, quality testing, digital risk management and livestreamer training, the Group continued to improve its food safety management mechanisms.

During the Interim Period, the Group conducted special initiatives, such as "Food Compliance Month" (食品合規月) and "Beauty Compliance Month" (美妝合規月), to further strengthen its compliance management system. Through measures including specialized training, risk monitoring, process optimization and ongoing guidance, the Group continued to enhance the compliance awareness of employees and business teams, promote full-process compliance management of products, content and business operations, and ensure the sound development of related businesses.

FUTURE OUTLOOK

Looking ahead, the Group will continue to focus on live-streaming e-commerce industry trends, advancing business structure optimization, technological capability development and compliance system improvement to enhance long-term operational capabilities.

Continuing to advance AI technology application and enhance business digitalization capabilities

The Group will continue to promote the deep integration of AI technology with live-streaming e-commerce operations and improve the technological capabilities of the "Friends Cloud" live-streaming business middle platform and the "BeFriends AI" retail platform.

The Group will further explore the application of AI technology in scenarios such as intelligent product selection, content generation, livestreamer assistance, live-streaming operations, marketing analytics, supply chain management and customer service, optimizing the full-process operational system from product management and content production to transaction conversion, and enhancing its capability for large-scale and refined operations.

In addition, the Group will actively explore new live-streaming formats enabled by AI technology applications, including digital human videos and human-machine collaborative operations, and combine these with e-commerce training and corporate service businesses to transform its practical experience in the AI retail sector into industry service capabilities, providing digital business solutions for brands, enterprises and institutions.

Continuing to build vertical live-streaming channels and establish a trust-centric quality e-commerce

The Group will leverage the fully implemented AI-powered live-streaming e-commerce full-chain operational capabilities, and the supply chain capabilities and standardization capabilities accumulated through years of deep industry engagement to build more vertical live-streaming channels, driving the matrix live-streaming channels from "quantity deployment" toward "ecosystem building".

Through standardized operational processes, digital management tools and supply chain coordination capabilities, the Group will further improve live-streaming channel operational efficiency and strengthen the ability to match products with consumer demand. By fully utilizing capabilities such as industrialized material production and digital human short video production, the Group will effectively enhance content production and operational efficiency, and upgrade content delivery logic from simply conveying product information to exploring emotional resonance with users. At the same time, the Group will establish an operating system centred on user trust, enhancing user experience across key areas including product selection, content creation and quality services. On the one hand, we will continue to strengthen product selection and supply chain management, and refine our quality assessment mechanisms. On the other hand, we will provide professional and transparent product information tailored to consumption scenarios and user needs, thereby reducing users' decision-making costs. Meanwhile, we will improve order fulfilment and after-sales services to form a closed-loop business system, driving the conversion of quality and trust into user repurchases and long-term business growth.

Strengthening the compliance and regulatory lifeline

Since the formal implementation of the "Measures for the Supervision and Administration of Live-streaming E-commerce" (《直播電商監督管理辦法》) in February 2026, industry regulation has achieved full coverage of all participants and all aspects, with comprehensive tightening of industry oversight. The Group also formally established an independent compliance department in the same month to oversee full-lifecycle compliance management of live-streaming across three key areas, being products, content and livestreamers.

Looking ahead, the Group will continue to optimize its "Live-streaming Compliance Standards Manual" (《直播合規標準手冊》), adjusting compliance requirements such as product selection red lines and content review in a timely manner based on changes in laws, regulations and regulatory policies as well as actual business conditions. The Group will also continue to promote the application of AI technology in compliance supervision, promoting automated compliance review through AI technology applications in areas including product qualification review, live-streaming materials and label compliance inspection.

The Group will continue to implement intelligent risk control and supervision throughout the live-streaming process, comprehensively improving compliance efficiency and compliance monitoring capabilities through real-time compliance monitoring and AI-powered after-sales complaint processing, continuously strengthening the foundation for the Company's long-term and stable development.

FINANCIAL REVIEW

Revenue

Revenue resulting from the Group's continuing operations, being the New Media Services Segment, amounted to approximately RMB770.5 million, representing an increase of approximately 24.5% as compared to approximately RMB618.9 million for the Corresponding Period of the Previous Year. Revenue growth was primarily attributable to the Group's continued expansion of vertical matrix live-streaming operations. Through vertical live-streaming channel deployment covering different consumption scenarios, the Group further enriched its product categories, enhancing its consumer reach capability. At the same time, the Group continued to optimize its content capabilities, significantly improving content production and operational efficiency, which provided important support for revenue growth.

Cost of services

The cost of services for the New Media Services Segment of the Group amounted to approximately RMB446.1 million, representing an increase of approximately 28.1% as compared to approximately RMB348.2 million for the Corresponding Period of the Previous Year, which was primarily due to the increase in revenue of the Group's New Media Services Segment during the Interim Period and the rising live-streaming platform traffic acquisition cost, which in turn, increased the cost of services.

Gross profit and gross profit margin

The gross profit for the New Media Services Segment of the Group was approximately RMB324.4 million, representing an increase of 19.8% from approximately RMB270.7 million in the Corresponding Period of the Previous Year. Gross profit growth was primarily attributable to business scale expansion. The gross profit margin for this segment was approximately 42.1%, representing a decrease of 1.6 percentage points from approximately 43.7% in the Corresponding Period of the Previous Year, primarily due to the increase in live-streaming platform traffic acquisition costs during the Interim Period.

Other gains, net

Other gains, net of the New Media Services Segment of the Group was approximately RMB7.7 million, representing a decrease of approximately 51.7% from approximately RMB16.0 million in the Corresponding Period of the Previous Year, primarily due to the decrease in government grants during the Interim Period.

Selling expenses

The selling expenses of the New Media Services Segment during the Interim Period and Corresponding Period of the Previous Year were approximately RMB154.8 million and RMB153.6 million respectively, representing a slight increase of approximately RMB1.2 million. The increase in selling expenses was mainly due to the expansion of the New Media Services business scale and the corresponding increase in related investments.

Administrative expenses

The administrative expenses of the New Media Services Segment during the Interim Period and Corresponding Period of the Previous Year were approximately RMB64.4 million and RMB61.9 million respectively, representing a slight increase of approximately RMB2.5 million. The increase in administrative expenses was mainly attributable to the Group's advancement of its matrix live-streaming channel operations and strategic expansion, which led to increased operational investments.

Finance income (costs), net

During the Interim Period, the net finance income of the New Media Services Segment was approximately RMB0.5 million while the net finance costs for the Corresponding Period of the Previous Year were approximately RMB0.8 million. The increase in net finance income of RMB1.3 million, was mainly due to the Group's relatively ample liquidity at the beginning of the Interim Period. During the Interim Period, with the increase in profit, the Group's available funds improved. On the basis of meeting daily operating and liquidity needs, the Group reasonably allocated working capital to generate additional interest income.

Share of Results of Associates

For the Interim Period, the share of results of associates attributable to the New Media Services Segment recorded a loss of approximately RMB0.1 million.

Income tax expense

During the Interim Period and the Corresponding Period of the Previous Year, income tax expense of the New Media Services Segment amounted to approximately RMB23.2 million and RMB14.9 million respectively, representing an increase of approximately RMB8.3 million. The increase in income tax expense was mainly due to the Group's growth in profit for the Interim Period.

Profit for the period from continuing operations

The Group recorded a profit for the period of the New Media Services Segment of approximately RMB86.5 million and RMB55.4 million for the Interim Period and the Corresponding Period of the Previous Year, respectively, representing an increase of approximately 56.3%. Profit growth for the Interim Period was primarily attributable to the continued optimization of the Group's live-streaming e-commerce business, the continuous improvement of multi-platform vertical matrix live-streaming channels and the ongoing enhancement of vertical live-streaming capabilities. In particular, the continued implementation of the AI-powered full-chain live-streaming empowerment system has driven steady improvements in the Group's content efficiency and operational efficiency.

Reconciliation of Non-HKFRS Measures to the Nearest HKFRS Measures

To supplement the consolidated financial statements, which are presented in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), the Company also uses adjusted net profit as additional financial measure, which is not required by, or presented in accordance with, HKFRSs. The Company believes adjusted net profit facilitates comparisons of operating performance from period to period and group to group by eliminating potential impacts of items which our management considers non- indicative of the Group's operating performance, such as certain non-cash items, one-off items or items which are not operating in nature.

The Company believes that adjusted net profit provides useful information in understanding and evaluating our consolidated operating results, and helps management assess the Group's operating condition and performance. However, our presentation of adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of adjusted net profit has limitations as an analytical tool, and one should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under HKFRSs. In addition, these non-HKFRS financial measures may be defined differently from similar terms used by other companies, and may not be comparable to other similarly titled measures used by other companies.

The following table sets forth the reconciliations of the non-HKFRS financial measures of the Group for the six months ended 30 June 2026 and 2025, respectively, to the nearest measures prepared in accordance with HKFRSs:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit for the period from continuing operations	**86,518**	55,367
Adjusted for:		
Share-based payment expenses	**5,273**	15,912
Change in fair value of financial assets at fair value through profit or loss*	**3,525**	–
Adjusted net profit from continuing operations	**95,316**	71,279

* *For details, please refer to "Note 4(ii) to the Condensed Consolidated Interim Financial Information For the Six Months ended 30 June 2026" in this announcement.*

OTHER INFORMATION ON FINANCIAL PERFORMANCE

Liquidity, financial resource and capital structure

Net cash inflow generated from the Group's operating activities during the Interim Period and the Corresponding Period of the Previous Year amounted to approximately RMB123.6 million and RMB138.5 million respectively. Such decrease was mainly due to the increase in cash outflows resulting from higher related expenses incurred from the Group's optimization of its business structure and consolidation of business units during the end of last year and the Interim Period.

Net cash outflow used in the Group's investing activities during the Interim Period amounted to approximately RMB64.2 million while a net cash inflow of approximately RMB24.3 million was recorded for the Corresponding Period of the Previous Year. Such change was mainly due to the Group's settlement of investment payments, as well as the allocation of a portion of temporarily idle funds to wealth management products offered by banks during the Interim Period.

Net cash inflow generated from the Group's financing activities amounted to approximately RMB27.1 million for the Interim Period and net cash outflow used in the Group's financing activities amounted to approximately RMB38.2 million for the Corresponding Period of the Previous Year. The net cash inflow generated from the financing activities for the Interim Period was mainly due to the Group's obtaining of bank financing and other borrowings in accordance with its business characteristics and liquidity management arrangements, with a view to optimising its capital structure and improving fund utilisation efficiency.

The total bank and other borrowings of the Group increased from approximately RMB60.0 million as at 31 December 2025 to approximately RMB106.5 million as at 30 June 2026. The increase in total bank and other borrowings is primarily attributable to the aforementioned financing activities during the Interim Period.

As at 30 June 2026, the Group had current assets of approximately RMB766.3 million (31 December 2025: approximately RMB664.2 million) and current liabilities of approximately RMB503.9 million (31 December 2025: approximately RMB388.3 million). The current ratio (which is calculated by dividing current assets by current liabilities) was approximately 1.5, which was broadly unchanged from approximately 1.7 as at 31 December 2025.

The overall strategy for capital management of the Group remains unchanged from the prior years. The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued capital and reserves. The Group has adopted a prudent financial management and treasury policy. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its capital requirements from time to time, while maximising the return to Shareholders through the optimization of the debt and equity balance.

The bank balances and cash of the Group as at 30 June 2026 were mainly denominated in Renminbi ("**RMB**") and Hong Kong Dollar ("**HKD**").

Charge over assets of the Group

As at 30 June 2026, the Group's bank balance of RMB59.7 million was pledged for general trade facilities (31 December 2025: the Group's bank balance of RMB19.7 million was pledged for general trade facilities).

Gearing position

The gearing ratio represented net debt (total debts less long-term bank deposits, pledged bank deposits and bank balances and cash) divided by total equity multiplied by 100%. As at 30 June 2026 and 31 December 2025, the Group recorded a net cash position and accordingly the gearing ratio was not applicable.

Significant investments, acquisitions and disposals

During the Interim Period, the Group did not have any significant investments, acquisitions or disposals.

Future plans for material investments or capital assets

There was no specific plan for material investments or capital assets as at 30 June 2026. In the event that the Group is engaged in any plan for material investments or capital assets, the Company will make announcement(s) and comply with relevant rules under the Listing Rules as and when appropriate.

Contingencies

As at 30 June 2026, the Directors were not aware of any significant events that would have resulted in material contingent liabilities.

Foreign exchange exposure

The Group is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the HKD and US dollar ("**USD**"). Foreign exchange risks arise from future commercial transactions, recognised assets and liabilities which are denominated in non-RMB.

The management of the Group has formulated policies to require the Group's companies to manage their foreign exchange risks against their functional currency and control the exposure of the foreign currency during the business operation. Save that certain bank balances are denominated in HKD and USD, the impact of foreign exchange exposure on the Group was minimal and there was no significant adverse effect on normal operations. During the Interim Period, the Group did not commit to any financial instruments to hedge its exposure to foreign exchange risk. However, the management of the Group monitors foreign exchange exposure of the Group and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

Other than the bank balances with variable interest rates, the Group has no other significant interest-bearing assets. The management of the Group does not anticipate significant impact on interest-bearing assets resulting from the changes in interest rates, because the interest rates of bank balances are not expected to change significantly.

The Group's interest rate risk arises from bank and other borrowings with fixed interest rates. Bank borrowings carried at fixed rates expose the Group to cash flow interest rate risk which is partially offset by bank balances with variable rates. The Group has not hedged its cash flow interest rate risks.

Employees and remuneration policies

As at 30 June 2026, the Group had a total of 1,495 employees, including the Group's full-time, part-time, and intern staff (as at 31 December 2025: 1,408 employees).

The Group has formulated its emolument policy which sets out the basis for the remuneration of the employees and the remuneration structure of employees that comprises of basic wage, allowances, benefits and others. The Group also adopted the 2022 Share Award Plan (the "**2022 Share Award Plan**") on 8 December 2022, with a view to recognising and rewarding the contributions of eligible participants (being employee participants, related entity participants and service providers) to the growth and development of the Group, providing them with incentives to attract and retain them for the operation and development of the Group. The Group has also made contributions to social insurance, medical insurance, housing provident fund and mandatory provident fund on behalf of its employees in accordance with the relevant laws and regulations requirements of the PRC and Hong Kong.

Total staff costs (including Directors' emoluments) were approximately RMB177.2 million for the Interim Period as compared to approximately RMB185.8 million in the Corresponding Period of the Previous Year.

Share Award Plan

In order to recognise and reward the contribution of certain eligible participants to the growth and development of the Group and to comply with the requirements of Chapter 17 of the Listing Rules which has become effective on 1 January 2023, the Company adopted the 2022 Share Award Plan on 8 December 2022.

Pursuant to the 2022 Share Award Plan, the Board has resolved on 10 April 2026 to award an aggregate of 6,450,000 awarded shares (the "**2026 Awarded Shares**") at nil purchase price to certain selected participants. Subject to the satisfaction of the vesting criteria and conditions of the 2022 Share Award Plan, the 2026 Awarded Shares shall be transferred from the trustee, Tricor Trust (Hong Kong) Limited, to the selected participants upon expiry of the respective vesting period. Save as disclosed above, during the Interim Period, no other awarded shares were granted by the Company under the 2022 Share Award Plan.

Further details of the movement of the awarded shares granted under the 2022 Share Award Plan during the Interim Period will be set out in the 2026 interim report of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

During the Interim Period, neither the Company nor any of its subsidiaries or consolidated affiliates purchased, sold, or redeemed any of the Company's listed securities (including the sale of treasury shares).

The Company holds 2,550,000 Shares as treasury shares of the Company. The Company will utilize such treasury shares as permitted under the Listing Rules including but not limited to sale or transfer, subject to market conditions and its capital management needs.

Corporate Governance

Throughout the Interim Period and up to the date of this announcement, the Company has continued to apply the principles set out in the Corporate Governance Code as contained in Appendix C1 to the Listing Rules (the "**CG Code**") as its own code of corporate governance. The Directors consider that except for the deviation from the code provision C.2.1 of the CG Code, the Company has complied with all the applicable code provisions of the CG Code during the Interim Period and up to the date of this announcement.

Mr. Li Liang concurrently holds the dual positions of Chairman and Chief Executive Officer of the Company. In this regard, although Code Provision C.2.1 of Part 2 of the Corporate Governance Code in Appendix C1 to the Listing Rules stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be held by the same individual, the Board is confident that Mr. Li Liang's dual role as Chairman and Chief Executive Officer will enable more effective formulation and execution of the Group's business strategies and is in the best interests of the Group. Therefore, the Board considers it appropriate to deviate from Code Provision C.2.1 of Part 2 of the Corporate Governance Code in the circumstances. Furthermore, the Board currently comprises three executive Directors and three independent non-executive Directors. Under its supervision, the Board's structure is reasonable and maintains a balance of powers, providing sufficient checks and balances to protect the interests of the Company and its shareholders. The Board will continue to review and monitor its corporate governance practices to ensure compliance with the Corporate Governance Code.

Changes in Directors' Information

Changes in the information of Directors since the date of the latest published annual report of the Company are as follows:

Dr. Yu Guo Jie has served as an independent director of Linktel Technologies Co., Ltd.* (武漢聯特科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 301205) since May 2026.

Save as disclosed above, there was no change in the information of Directors and Chief Executive Officer of the Company since the latest published annual report and up to the date of this announcement which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Model Code for Directors' Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions (the "**Securities Dealing Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules (the "**Model Code**") (with certain modifications).

The Company has made specific enquiries of all Directors and all Directors have confirmed with the Company that they complied with the required standard set out in the Securities Dealing Code throughout the Interim Period.

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely Dr. Yu Guo Jie, Mr. Ma Zhan Kai and Mr. Kong Hua Wei. Dr. Yu Guo Jie is the chairman of the Audit Committee. The Audit Committee has written terms of reference in compliance with the Listing Rules and the CG Code.

The Audit Committee has in conjunction with the management reviewed the accounting principles and practices adopted by the Group and discussed risk management, internal controls and financial reporting matters of the Group. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

* *For identification purposes only.*

Material Litigation

The Company was not involved in any material litigation or arbitration during the Interim Period.

Interim Dividend

Having considered the Group's future business development needs and funding arrangements, the Board is of the view that retaining financial resources to support the Company's business expansion and enhance its long-term competitiveness is in the interests of the Company and its shareholders as a whole. Accordingly, the Board does not recommend the payment of an interim dividend for the Interim Period (Corresponding Period of the Previous Year: nil).

SUBSEQUENT EVENT

On 22 July 2026, the Company completed the payment of the final dividend of HK$0.05 per share for the year ended 31 December 2025, amounting to approximately HK$70.2 million in aggregate. For details, please refer to the circular of the Company dated 28 April 2026 and the announcements dated 26 March 2026 and 16 June 2026.

Save as disclosed above, as at the date of this announcement, the Company does not have any significant subsequent events after the Interim Period.

PUBLICATION

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.befriends.com.cn) respectively. The 2026 interim report of the Company will be made available to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company and dispatched to the shareholders of the Company (when necessary) in due course.

FINANCIAL INFORMATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Continuing operations			
Revenue	*4*	**770,545**	618,861
Cost of services		**(446,147)**	(348,174)
Gross profit		**324,398**	270,687
Other gains, net	*4*	**7,721**	15,969
Selling expenses		**(154,835)**	(153,641)
Administrative expenses		**(64,419)**	(61,920)
Loss allowance on trade receivables		**21**	–
Change in fair value of financial assets at fair value through profit or loss	*12*	**(3,525)**	–
Operating profit		**109,361**	71,095
Finance income (costs), net	*5*	**493**	(800)
Share of results of associates		**(133)**	–
Profit before income tax		**109,721**	70,295
Income tax expense	*6*	**(23,203)**	(14,928)
Profit for the period from continuing operations		**86,518**	55,367
Discontinued operations	*7*		
Profit from the discontinued operations		**–**	983
Loss on disposal of subsidiaries		**–**	–
Loss attributable to the discontinued operations		**–**	–
Profit for the period		**86,518**	56,350
Profit (Loss) attributable to:			
Owners of the Company		**86,518**	57,372
Non-controlling interests		**–**	(1,022)
		86,518	56,350

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	Note	Six months ended 30 June **2026** *RMB'000* (Unaudited)	2025 *RMB'000* (Unaudited)
Profit (Loss) attributable to the owners of the Company			
Continuing operations		**86,518**	57,662
Discontinued operations		**–**	(290)
		86,518	57,372
Profit (Loss) attributable to non-controlling interests			
Continuing operations		**–**	(2,295)
Discontinued operations		**–**	1,273
		–	(1,022)
		RMB cents	*RMB cents*
Earnings per share from continuing and discontinued operations			
Basic earnings per share	*8*	**6.22**	4.24
Diluted earnings per share	*8*	**6.17**	4.20
Earnings per share from continuing operations			
Basic earnings per share	*8*	**6.22**	4.26
Diluted earnings per share	*8*	**6.17**	4.23
Profit for the period		**86,518**	56,350
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences from continuing operations		**(712)**	(129)
Currency translation differences from discontinued operations		**–**	1,157
Item that may not be reclassified subsequently to profit or loss:			
Currency translation differences		**–**	–

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

		Six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Total other comprehensive income (loss) for the period		**(712)**	1,028
Total comprehensive income (loss) for the period		**85,806**	57,378
Total comprehensive income (loss) for the period attributable to:			
Owners of the Company		**85,806**	58,400
Non-controlling interests		**–**	(1,022)
		85,806	57,378
Total comprehensive income (loss) attributable to the owners of the Company			
Continuing operations		**85,806**	57,533
Discontinued operations		**–**	867
		85,806	58,400
Total comprehensive (loss) income attributable to the non-controlling interests			
Continuing operations		**–**	(2,295)
Discontinued operations		**–**	1,273
		–	(1,022)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

	Note	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	*9*	**6,023**	6,514
Goodwill	*10*	**209,527**	209,527
Intangible assets	*9*	**13,502**	16,733
Right-of-use assets		**20,885**	29,729
Trade and other receivables	*11*	**4,120**	3,895
Interest in an associate		**16,800**	133
Financial assets at fair value through other comprehensive income	*12*	**6,550**	–
Deferred income tax assets		**3,653**	5,129
Pledged long-term bank deposits		**19,700**	–
Long-term bank deposits		**15,000**	10,000
Total non-current assets		**315,760**	281,660
Current assets			
Inventories		**661**	359
Other current assets	*13*	**118,052**	147,265
Trade and other receivables	*11*	**172,084**	156,197
Financial assets at fair value through profit or loss	*12*	**30,918**	12,282
Pledged bank deposits		**40,000**	19,700
Bank balances and cash		**404,561**	328,396
Total current assets		**766,276**	664,199
Total assets		**1,082,036**	945,859
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	*14*	**11,510**	11,330
Treasury shares	*14*	**(24)**	(24)
Share premium		**261,911**	322,966
Other reserves		**134,164**	129,783
Retained earnings (Accumulated losses)		**154,251**	67,733
		561,812	531,788
Non-controlling interests		**(35)**	(35)
Total equity		**561,777**	531,753

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET (CONTINUED)

	Note	**30 June 2026** ***RMB'000*** **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Liabilities			
Non-current liabilities			
Bank and other borrowings	*15*	**–**	–
Deferred income tax liabilities		**11,278**	11,278
Lease liabilities		**5,095**	14,504
Total non-current liabilities		**16,373**	25,782
Current liabilities			
Contract liabilities	*16*	**121,132**	96,007
Trade and other payables	*17*	**252,730**	208,808
Current income tax liabilities		**4,804**	4,719
Bank and other borrowings	*15*	**106,484**	60,000
Lease liabilities		**18,736**	18,790
Total current liabilities		**503,886**	388,324
Total liabilities		**520,259**	414,106
Total equity and liabilities		**1,082,036**	945,859

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital *RMB'000*	Treasury shares *RMB'000*	Share premium *RMB'000*	Other reserves *RMB'000*	Retained earnings *RMB'000*	Total *RMB'000*
(Unaudited)						
Balance at 1 January 2026	**11,330**	**(24)**	**322,966**	**129,783**	**67,733**	**531,788**
Comprehensive income						
Profit for the period	**–**	**–**	**–**	**–**	**86,518**	**86,518**
Other comprehensive income						
— currency translation differences	**–**	**–**	**–**	**(712)**	**–**	**(712)**
Total comprehensive income for the period ended 30 June 2026	**–**	**–**	**–**	**(712)**	**86,518**	**85,806**
Transactions with owners						
Employees share award plan						
— value of employee services	**–**	**–**	**–**	**5,273**	**–**	**5,273**
Dividends declared	**–**	**–**	**(61,055)**	**–**	**–**	**(61,055)**
Issuance of new shares under the share award plan	**180**	**–**	**–**	**(180)**	**–**	**–**
Total transactions with owners, recognised directly in equity	**180**	**–**	**(61,055)**	**5,093**	**–**	**(55,782)**
Balance as at 30 June 2026	**11,510**	**(24)**	**261,911**	**134,164**	**154,251**	**561,812**
(Unaudited)						
Balance at 1 January 2025	11,330	(24)	322,966	91,248	(6,529)	418,991
Comprehensive income (loss)						
Profit for the period	–	–	–	–	57,372	57,372
Other comprehensive loss						
— currency translation differences	–	–	–	1,028	–	1,028
Total comprehensive (loss) income for the period ended 30 June 2025	–	–	–	1,028	57,372	58,400
Transactions with owners						
Employees share award plan						
— value of employee services	–	–	–	15,912	–	15,912
Total transactions with owners, recognised directly in equity	–	–	–	15,912	–	15,912
Balance as at 30 June 2025	11,330	(24)	322,966	108,188	50,843	493,303

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Cash generated from operations	**145,048**	169,443
Interest received	**1,889**	762
Interest paid	**(1,602)**	(5,353)
Income tax paid	**(21,693)**	(26,343)
Net cash generated from operating activities	**123,642**	138,509
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,945)**	(4,448)
(Increase) decrease in pledged deposits	**(40,000)**	44,173
Withdrawal of time deposits	**5,000**	–
Purchase of equity instruments at fair value through profit or loss	**(22,582)**	(13,417)
Purchase of equity instruments at fair value through other comprehensive income	**(4,550)**	–
Purchase of intangible assets	**(144)**	(6,916)
Dividends from an associate	**–**	4,888
Net cash (used in) generated from investing activities	**(64,221)**	24,280
Cash flows from financing activities		
Proceeds from bank and other borrowings	**1,445,300**	62,499
Repayment of bank and other borrowings	**(1,418,248)**	(100,669)
Net cash generated from (used in) financing activities	**27,052**	(38,170)
Net increase in cash and cash equivalents	**86,473**	124,619
Cash and cash equivalents at beginning of the period	**318,396**	113,316
Effect of foreign exchange rate changes	**(308)**	1,028
Cash and cash equivalents at end of the period	**404,561**	238,963
Analysis of balances of cash and cash equivalents		
Cash and cash equivalents presented in condensed consolidated statement of financial position	**404,561**	235,593
Cash and cash equivalents included in assets classified as held for sale	**–**	3,370
	404,561	238,963

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026

1. GENERAL INFORMATION

Be Friends Holding Limited (the "**Company**") was incorporated in the Cayman Islands on 18 December 2012 as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Starlink Vibrant Holdings Ltd., a company incorporated in the British Virgin Islands (the "**BVI**") and wholly owned by the executive Director of the Company, Mr. Li Jun, which holds 22.99% of the Company's shares issued (including treasury shares) as at 30 June 2026.

The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Group is principally engaged in the provision of new media services, including live-streaming e-commerce and new media operation. The Group has operations mainly in the People's Republic of China ("**PRC**").

This interim financial information has not been audited and was approved for issue by the Board on 21 August 2026. This interim financial information was presented in RMB and rounded to the nearest thousands ("**000**"), unless otherwise stated.

2. BASIS OF PREPARATION AND PRESENTATION AND ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation

This interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**"), "Interim financial reporting". The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with HKFRS Accounting Standards.

2.2 Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2025, as described in those annual financial statements.

Amendments to HKFRS Accounting Standards effective for the financial year ending 31 December 2026 do not have a material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rates that would be applicable to expected total annual earnings.

3. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") of the Company mainly includes the board of directors of the Company, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions. The CODM considers the business from both business and geographical perspective.

For the six months ended 30 June 2026, the Board has reviewed the operating segment information based on the Group's internal reporting and resource allocation information and determined that the Group has only one operating segment. For the year ended 31 December 2025, pursuant to HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the revenue and results of the television broadcasting business were presented as discontinued operations (details of which are set out in Note 7 to this announcement). To facilitate a more comprehensive understanding of the Group's operating segment information for prior periods by readers of this announcement, the Company continues to disclose the segment information of both continuing operations and discontinued operations for the six months ended 30 June 2025.

For the six months ended 30 June 2025, the Group's operating and reportable segments under HKFRS 8 "Operating Segments" are as follows:

Continuing operations

(i) New media services;

Discontinued operations

(ii) Television broadcasting business. (as disclosed in note 7)

The CODM assesses the performance of operating segments based on the annual profit of each segment. Unallocated items are not allocated to each operating segment as they are not directly relevant to the assessment of operating segment performance and resource allocation decisions.

Inter-segment revenue and internal transfers are determined on a cost of sales basis and are eliminated upon consolidation of the consolidated financial statements.

The segment information provided to the CODM for the reportable segments during the Interim Period is as follows:

For the six months ended 30 June 2026 (Unaudited)

	Continuing operations		
	New media services *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Segment revenue (from external customers)	**770,533**	**12**	**770,545**
Segment results	**92,846**	**(6,328)**	**86,518**
Other information			
Segment assets	**1,042,151**	**39,885**	**1,082,036**
Segment liabilities	**455,384**	**64,875**	**520,259**
Amounts included in segment results:			
Loss allowance on trade receivables	**21**	**–**	**21**
Share of results of associates	**(133)**	**–**	**(133)**
Share-based payment in respect of share awards	**(5,273)**	**–**	**(5,273)**
Depreciation of property, plant and equipment	**(2,436)**	**–**	**(2,436)**
Depreciation of right-of-use assets	**(8,730)**	**–**	**(8,730)**
Amortisation of intangible assets	**(3,375)**	**–**	**(3,375)**
Change in fair value of financial assets at fair value through profit or loss	**–**	**(3,525)**	**(3,525)**
Finance costs (excluding net foreign exchange gain)	**(2,133)**	**–**	**(2,133)**
Interest income on long-term bank deposits	**155**	**–**	**155**
Interest income on short-term bank deposits	**1,735**	**–**	**1,735**

For the six months ended 30 June 2025 (Unaudited)

	Continuing operations	Discontinued operations		
	New media services	Television broadcasting business	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue (from external customers)	618,861	57,459	–	676,320
Segment results	57,690	983	(2,323)	56,350
Other information				
Segment assets	704,617	272,574	32,665	1,009,856
Segment liabilities	234,746	272,087	16,023	522,856
Amounts included in segment results:				
Share of results of an associate	–	(1,490)	–	(1,490)
Share-based payment in respect of share awards	(15,912)	–	–	(15,912)
Depreciation of property, plant and equipment	(5,607)	(1,419)	–	(7,026)
Depreciation of right-of-use assets	(9,212)	(113)	–	(9,325)
Amortisation of intangible assets	(4,278)	(775)	–	(5,053)
Finance costs (excluding net foreign exchange gain)	(1,774)	(5,077)	–	(6,851)
Interest income on long-term bank deposits	160	–	–	160
Interest income on short-term bank deposits	599	3	–	602

Information about major customers

No single customer accounted for 10% or more of the Group's revenue for the periods ended 30 June 2026 and 2025.

The Group's revenue was principally derived from the business carried out in the PRC. The revenue from external customers in the PRC and other countries and districts are disclosed as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
The PRC	**769,109**	618,804
Hong Kong	**1,436**	–
Others	**–**	57
	770,545	618,861

Total of non-current assets other than deferred income tax assets, trade and other receivables, long-term bank deposits and interest in associates.

	As at 30 June 2026	As at 31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
The PRC	**253,851**	258,753
United States of America	**2,636**	3,750
Hong Kong	**–**	–
	256,487	262,503

4. REVENUE AND OTHER GAINS, NET

An analysis of the Group's revenue by type is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15:		
Live-streaming e-commerce	**570,285**	528,905
New media operation	**200,260**	89,956
	770,545	618,861

		For the six months ended 30 June	
		2026	2025
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Other gains, net			
Government grants	*(i)*	**9,648**	16,217
Others	*(ii)*	**(1,927)**	(248)
Other gain, net		**7,721**	15,969

Note:

(i) Government grants represented cash subsidies received from the PRC local government for the Group's operating activities during the six months ended 30 June 2026 and 30 June 2025. There are no unfilled conditions or contingencies relating to such government grant income.

(ii) For the six months ended 30 June 2025, as the amount of fair value changes of financial assets at fair value through profit or loss of the Group (the "**Item**") was relatively low, such amount was included in "others" under other gains, net. During the Interim Period, the amount of the Item increased compared with the Corresponding Period of the Previous Year and has been disaggregated and presented separately in the "Interim Condensed Consolidated Statement of Comprehensive Income for the Six Months Ended 30 June 2026".

5. FINANCIAL INCOME (COSTS), NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Finance income		
Dividend income from financial assets at fair value through profit or loss	**506**	–
Interest income on bank deposits	**1,890**	759
Net foreign exchange gain	**230**	215
	2,626	974
Finance costs		
Interest expenses on bank and other borrowings	**(1,602)**	(1,150)
Interest expenses on lease liabilities	**(531)**	(624)
	(2,133)	(1,774)
Finance income (costs), net	**493**	(800)

6. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Continuing operations		
PRC enterprise income tax ("**EIT**")		
Current income tax	**(21,727)**	(19,102)
Deferred income tax	**(1,476)**	4,174
Income tax expense	**(23,203)**	(14,928)

Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (Cap. 22, as consolidated and revised) of the Cayman Islands and accordingly, is exempted from the Cayman Islands income tax.

BVI income tax

Some of the subsidiaries of the Group, incorporated in BVI as exempted companies with limited liability under the Companies Law of BVI, are exempted from BVI income tax.

Hong Kong profits tax

Entities of the Group incorporated in Hong Kong are subject to Hong Kong profits tax at a rate of 16.5% for the six months ended 30 June 2026 (2025: 16.5%) on the estimated assessable profit for the period. Hong Kong profits tax has not been provided as the entities incorporated in Hong Kong under the Group incurred a loss for taxation purposes during both periods.

USA federal corporate tax

Entities of the Group incorporated in the USA are subject to federal corporate tax rate of 21% for the six months ended 30 June 2026 (2025: 21%) on the estimated assessable profit for the period. USA federal corporate tax has not been provided as the entities incorporated in the USA under the Group did not have any assessable profits for the Interim Period.

PRC EIT

Entities of the Group incorporated in the PRC are subject to EIT. According to the EIT law effective from 1 January 2008, all PRC enterprises are subject to a standard EIT rate of 25%, except for enterprises which are allowed to enjoy the preferential policies and provisions as discussed below:

Certain subsidiaries of the Group obtained the High and New Technology Enterprise qualification. A reduced tax rate of 15% (2025: 15%) was granted as long as those PRC subsidiaries meet the high-tech enterprise qualification.

Certain subsidiaries of the Group meet the criteria of Micro-enterprise. Pursuant to the Announcement of Ministry of Finance and the State Administration of Taxation No. 13 of 2022* (《財政部稅務總局公告2022年第13號》) and the Announcement of Ministry of Finance and the State Administration of Taxation No. 6 of 2023* (《財政部稅務總局公告2023年第6號》), Micro-enterprise could enjoy an EIT at 20% on the assessable profits below RMB3 million after reduction of 75% of assessable profits.

A subsidiary of the Group meets the criteria of Preferential Tax Policy for Building a Guangdong-Macao In-Depth Cooperation Zone in Hengqin. Pursuant to the Notice of the Ministry of Finance and the State Taxation Administration on the Preferential Policies on Enterprise Income Tax in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin (Cai Shui 2022 No. 19)* (《財政部稅務總局關於橫琴粵澳深度合作區企業所得稅優惠政策的通知》(財稅[2022]19號)), corporate income tax for eligible industrial enterprises in the Guangdong-Macao In-Depth Cooperation Zone in Hengqin can be reduced to 15% so as to support the development of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin.

PRC withholding tax

Under the EIT Law, dividends, interests, rent, royalties and gains on transfers of property received by a foreign enterprise, i.e., non-China tax resident enterprise, will be subject to the PRC withholding tax at 10% or a reduced treaty rate depending on provisions of tax treaty entered between the PRC and the jurisdiction where the foreign enterprise incorporated. The withholding tax rate is 5% (2025: 5%) for the holding company in Hong Kong if the holding company is the beneficial owner of the dividend received from the invested enterprises in the PRC and obtained the approval of enjoying the treaty rate from the PRC tax authorities. The withholding tax imposed on the dividend income received from the Group's PRC entities will reduce the Group's net income.

* *For identification purposes only.*

7. DISCONTINUED OPERATIONS

On 28 March 2025, the Company and Winner Team Limited (the "**Purchaser**"), an independent third party and a company incorporated in the BVI with limited liabilities, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of Century Sage Scientific International Limited, a direct wholly-owned subsidiary of the Company and its subsidiaries and an associate (the "**Disposal Group**"), for a cash consideration of RMB2,540,000 (the "**Disposal**"). The Disposal Group was principally engaged in the television broadcasting business. The Disposal was completed on 31 July 2025. Details of the Disposal have been disclosed in the Company's announcements dated 28 March 2025 and 23 April 2025 and the Company's circular dated 23 May 2025 respectively.

The management considers that the Disposal Group constituted discontinued operations and the comparative figures in the consolidated statement of comprehensive income have been re-presented to reflect the results of television broadcasting business. The profit (loss) for the period/year from the discontinued television broadcasting business are set out below.

(a) The results of the discontinued operations are summarised as follows:

	Period from 1 January 2025 to 31 July 2025 *RMB'000*
Revenue	61,474
Cost of sales	(34,267)
Gross profit	27,207
Other gains, net	3,282
Selling expenses	(13,081)
Administrative expenses	(13,743)
Finance costs, net	(4,937)
Share of results of an associate	1,506
Profit (Loss) before income tax	234
Income tax expense	(68)
Profit (Loss) from the discontinued operations	166
Loss on disposal of subsidiaries	(2,220)
Loss attributable to the discontinued operations	(2,054)

(b) Net cash (outflow) inflow from discontinued operations are summarised as follows:

	Period from 1 January 2025 to 31 July 2025 *RMB'000*
Net cash used in operating activities	(16,352)
Net cash from investing activities	920
Net cash from financing activities	2,740
Net cash outflow	(12,692)

(c) Loss on disposal of subsidiaries and net cash outflow from disposal of subsidiaries are summarised as follows:

	RMB'000
Net liabilities disposed of:	
Property, plant and equipment	20,534
Intangible assets	564
Right-of-use assets	641
Interest in an associate	38,985
Trade and other receivables	91,137
Inventories	61,277
Other current assets	56,080
Bank balances and cash	2,605
Contract liabilities	(17,210)
Bank and other borrowings	(152,010)
Trade and other payables	(103,062)
Lease liabilities	(102)
Current income tax assets	546
Total identifiable net liabilities	(15)
Less: Non-controlling interests	2,252
Less: Release of exchange reserve upon disposal	2,523
	4,760
Loss on disposal of subsidiaries	(2,220)
Total consideration	2,540
Analysis of net outflow of cash and cash equivalents in respect of disposal of subsidiaries	
Cash consideration received	2,540
Cash and cash equivalents disposed	(2,605)
	(65)

8. EARNINGS PER SHARE

(a) Basic

Basic earnings per share for the six months ended 30 June 2026 and 2025 are calculated by dividing the profit of the Group attributable to owners of the Company by the weighted average number of ordinary shares deemed to be in issue during each respective period:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit (Loss) attributable to owners of the Company		
Continuing operations	**86,518**	57,662
Discontinued operations	**–**	(290)
	86,518	57,372
Weighted average number of ordinary shares in issue *('000)*	**1,390,676**	1,352,025
Basic earnings per share *(RMB cents)*		
Continuing operations	**6.22**	4.26
Discontinued operations	**–**	(0.02)
	6.22	4.24

(b) Diluted

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company for computation of diluted earnings per share		
Continuing operations	**86,518**	57,662
Discontinued operations	**–**	(290)
	86,518	57,372
Weighted average number of ordinary shares in issue *('000)*	**1,390,676**	1,352,025
Effect of dilutive potential ordinary shares relating to share awards	**11,298**	12,392
Weighted average number of ordinary shares for computation of diluted earnings per share	**1,401,974**	1,364,417
Diluted earnings per share *(RMB cents)*		
Continuing operations	**6.17**	4.23
Discontinued operations	**–**	(0.03)
	6.17	4.20

9. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Property, plant and equipment *RMB'000* (Unaudited)	Intangible assets *RMB'000* (Unaudited)
For the six months ended 30 June 2026		
Net book value or valuation		
Opening amount as at 1 January 2026	**6,514**	**16,733**
Additions	**1,945**	**144**
Depreciation	**(2,436)**	**(3,375)**
Closing amount as at 30 June 2026	**6,023**	**13,502**
For the six months ended 30 June 2025		
Net book value or valuation		
Opening amount as at 1 January 2025	31,836	14,837
Additions	4,448	6,916
Depreciation	(7,026)	(5,053)
Assets included in a discontinued operations	(20,780)	(568)
Closing amount as at 30 June 2025	8,478	16,132

10. GOODWILL

	2026
	RMB'000
	(Unaudited)
Reconciliation of carrying amount	
As at 1 January	**209,527**
As at 30 June	**209,527**

	2025
	RMB'000
	(Audited)
Reconciliation of carrying amount	
As at 1 January	80,112
Business combination *(note 19)*	129,415
As at 31 December	209,527

Goodwill arose because the consideration paid for the acquisition effectively included amount in relation to the benefits originated from future market development and the economies of scale expected to arise. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

11. TRADE AND OTHER RECEIVABLES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade receivables		
— from third parties	**121,160**	108,930
Less: provision for impairment of trade receivables	**(1,089)**	(1,110)
Trade receivables, net	**120,071**	107,820
Other receivables		
Deposit for guarantee certificate over tendering and performance	**–**	4,017
Cash advance to employees	**1,364**	–
Contingent compensation receivables in connection with the acquisition of Hangzhou Be Friends Education Technology Co., Ltd.* ("**Hangzhou Be Friends ET**")	**–**	–
Other deposits paid	**11,233**	11,911
Other tax receivables	**34,280**	31,708
Dividend receivables	**506**	–
Others	**8,750**	4,636
Other receivables, net	**56,133**	52,272
Total trade and other receivables	**176,204**	160,092
Less: Non-current portion		
Trade receivables — third parties	**4,120**	3,895
Non-current portion	**4,120**	3,895
Current portion	**172,084**	156,197

As at 30 June 2026 and 31 December 2025, the fair values of trade and other receivables of the Group approximate their carrying amounts.

* *The official names are in Chinese and the English names are translated for identification purpose only.*

Notes:

Invoices issued to the customers of the Group are payable on issuance and no credit terms are stipulated in the service agreement for new media services generally. The majority of the Group's trade receivables will be settled from three months to two years based on the historical record. The Group has put in place control measures so that the accounting and finance department will keep regular tracking of outstanding receivables, and the heads of sale department would supervise the sale personnel to closely monitor and follow up with the customers on settlement of the outstanding receivables.

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Up to 3 months	**114,188**	101,860
Over 3 months but less than 6 months	**4,558**	4,648
Over 6 months but less than 1 year	**2,414**	2,101
Over 1 year but less than 2 years	**–**	321
Over 2 years but less than 3 years	**–**	–
Over 3 years	**–**	–
	121,160	108,930

The Group applies simplified approach to measuring expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

12. INVESTMENTS

Current Assets

		30 June 2026	31 December 2025
	Note	***RMB'000***	*RMB'000*
		(Unaudited)	(Audited)
Held for trading			
Equity securities listed in Hong Kong	*(i)*	**8,280**	12,282
Money Market Fund	*(ii)*	**22,638**	–
		30,918	12,282

Non-current Assets

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Held for long-term investment		
Unlisted Equity Investments	**6,550**	–

Notes:

(i) The fair values of listed equity securities based on quoted market prices in active markets at end of the reporting period. During the period ended 30 June 2026, a fair value loss on listed equity securities of approximately RMB3,582,000 (the period ended 30 June 2025: approximately RMB265,000) were recognised in profit or loss.

(ii) The fair value of money market funds based on quoted market prices in active markets at the end of the reporting period. For the period ended 30 June 2026, a fair value gain on money market funds of approximately RMB57,000 (the period ended 30 June 2025: nil) were recognised in profit or loss.

13. OTHER CURRENT ASSETS

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Prepayment for purchase of goods or services	**118,052**	147,265

14. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares	Nominal value of ordinary shares *HKD'000*
Authorised:		
Ordinary shares of HKD0.01 each		
As at 1 January 2025, 31 December 2025, 1 January 2026 and **30 June 2026**	5,000,000,000	50,000

Ordinary shares of HKD0.01 each:

	Share capital			Treasury shares	
	Number of ordinary shares	Nominal value of ordinary shares *HKD'000*	Equivalent nominal value of ordinary shares *RMB'000*	Nominal value of ordinary shares *HKD'000*	Equivalent nominal value of ordinary shares *RMB'000*
Issued and fully paid					
Balance as at 1 January 2025 and 31 December 2025	1,384,653,163	13,872	11,330	(25)	(24)
Balance as at 1 January 2026	1,384,653,163	13,872	11,330	(25)	(24)
Share issuance	20,000,000	200	180	(25)	(24)
Balance as at 30 June 2026	1,404,653,163	14,072	11,510	(25)	(24)
Shares repurchased but not cancelled					
Number of shares *(Note)*	2,550,000				
	1,407,203,163				

On 20 January 2026, the Company completed the allotment and issue of 20,000,000 new shares ("**Allotment and Issue**") to 2022 Share Award Plan Trustee to be awarded and vested to the grantees of 2022 Share Award Plan. Immediately after the completion of the Allotment and Issue, the Company has a total of 1,407,203,163 shares issued (including the treasury shares).

Note:

As at 30 June 2026 and 31 December 2025, there are repurchased shares that were not cancelled of 2,550,000 shares. The Company will utilise the treasury shares as permitted under the Listing Rules, including, but not limited to, sales or transfer, subject to market conditions and its capital managements needs.

15. BANK AND OTHER BORROWINGS

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Non-current	**–**	–
Current	**106,484**	60,000
	106,484	60,000

16. CONTRACT LIABILITIES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Contract liabilities to third parties	**121,132**	96,007

Contract liabilities primarily consist of the advance from customers for services or goods to be provided.

17. TRADE AND OTHER PAYABLES

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade payables to third parties	**124,575**	119,767
Other tax payables	**2,124**	–
Employee benefits payables	**45,226**	79,241
Accrual for professional service fees	**–**	1,800
Consideration payables	**–**	347
Dividends payables	**61,055**	–
Payables for acquisition of subsidiaries	**16,800**	–
Others	**2,950**	7,653
	252,730	208,808

Note:

The credit period of trade payables is normally within 60 (2025: 60) days. The ageing analysis of the trade payables based on invoice date is as follows:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Up to 3 months	**124,007**	118,698
Over 3 months but within 6 months	**–**	1,069
Over 6 months but within 1 year	**568**	–
Over 1 year but within 2 years	**–**	–
Over 2 years but within 3 years	**–**	–
Over 3 years	**–**	–
	124,575	119,767

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	As at	
	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
RMB	**124,575**	119,767
USD	**–**	–
HKD	**–**	–
	124,575	119,767

18. INTERIM DIVIDENDS

Having considered the Group's future business development needs and funding arrangements, the Board was of the view that retaining financial resources to support business expansion and enhance long-term competitiveness was in the interests of the Company and its shareholders as a whole. Accordingly, the Board did not recommend the distribution of any interim dividend for the Interim Period (Corresponding Period of the Previous Year: Nil).

On 22 July 2026, the Company completed the payment of the final dividend of HK$0.05 per share for the year ended 31 December 2025, amounting to approximately HK$70.2 million in aggregate. The final dividend was approved by the shareholders at the Company's annual general meeting held on 16 June 2026.

19. BUSINESS COMBINATION

On 5 August 2025, Mr. Li Liang, Mr. Li Jun, both are the executive directors of the Company, Longquan Be Friends Technology Partnership (Limited Partnership)*, a limited partnership established in the PRC, Mr. Li Xiang, an independent third party and Longquan Mangyuan Technology Partnership (Limited Partnership)*, a limited partnership established in the PRC (the "**Partnership**") (collectively as the "**Vendors**") and Be Friends Preferred Technology Limited*, a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company ("**Be Friends Preferred**") (as purchaser) and Hangzhou Be Friends Education Technology Co., Ltd.* ("**Hangzhou Be Friends ET**" or the "**Target Company**"), a limited liability company established in the PRC entered into the equity purchase agreement ("**Equity Purchase Agreement**"), pursuant to which the Vendors and the Partnership have conditionally agreed to sell, and Be Friends Preferred has conditionally agreed to acquire, entire equity interests in Hangzhou Be Friends ET Group, at a total cash consideration of RMB180,000,000 ("**Hangzhou Be Friends ET Group Acquisition**").

The Partnership is owned as to 85% and 15% by Ms. Xu Lixia, its general partner and the mother of Mr. Li Liang and Mr. Cui, its limited partner and the director of Hangzhou Be Friends Wisdom Technology Co., Ltd.*, an indirect wholly-owned subsidiary of the Company (collectively as the "**Vendors of the Partnership**"),

On 25 September 2025, the supplemental agreement (the "**Supplemental Agreement**") was signed by Be Friends Preferred and Hangzhou Yijiang Future Wisdom Technology Co., Ltd.*, a limited liability company established in the PRC, and an indirect wholly-owned subsidiary of the Company ("**Hangzhou Yijiang Future**") (collectively as "**Subsidiaries**") and the relevant parties to amend the terms and the structure of the Hangzhou Be Friends ET Group Acquisition (the "**Amendments**"). Among the Amendments, the Partnership will cease to be a vendor selling 34.935% of equity interest in Hangzhou Be Friends ET under the Equity Purchase Agreement. Instead, the Vendors of the Partnership have agreed to sell, and the Subsidiaries have agreed to purchase, the entire partnership interest in the Partnership. The sale and purchase of the total of 65.065% equity interests held by Vendors in Hangzhou Be Friends ET remain unchanged.

Under the Equity Purchase Agreement (as amended by the Supplemental Agreement), the Vendors of the Partnership, Mr. Li Liang, and Mr. Li Jun (together, the "**Guarantors**") have provided a performance guarantee in respect of the Hangzhou Be Friends ET Group's consolidated financial results for the three years ending 31 December 2025, 2026 and 2027 (the "**Performance Guarantee Period**").

The Guarantors have guaranteed that the audited consolidated net profit of the Hangzhou Be Friends ET Group (before deducting non-recurring gains and losses) attributable to shareholders of the Hangzhou Be Friends ET Group for the Performance Guarantee Period shall not be less than RMB18,000,000, RMB21,000,000 and RMB24,000,000 for the years ending 31 December 2025, 2026 and 2027 respectively (the "**Total Guarantee Profit**"). For the year ended 31 December 2025, the profit for that year has been achieved.

* *The official names are in Chinese and the English names are translated for identification purpose only.*

If the audited consolidated net profit of the Hangzhou Be Friends ET Group (before deducting non-recurring gains and losses) attributable to shareholders of the Hangzhou Be Friends ET in any year during the Performance Guarantee Period is less than the guaranteed amount for that year, the Subsidiaries shall have the right to request the Guarantors to pay, by 30 April of the year following the end of the relevant year of the Performance Guarantee Period, a cash compensation calculated as shortfall amount multiplied by 2.86.

Details of the Hangzhou Be Friends ET Group have been disclosed in the Company's announcements dated 5 August 2025 and 25 September 2025 and the Company's circular dated 16 October 2025 respectively.

Upon the completion of Hangzhou Be Friends ET Group Acquisition in December 2025, the Partnership became an indirect wholly-owned partnership owned by the Company, and Hangzhou Be Friends ET Group became indirect wholly-owned subsidiaries of the Company with the Group holding 65.065% of its equity interest directly by the Subsidiaries and 34.935% indirectly by the Partnership.

Hangzhou Be Friends ET Group principally engages in the business of providing diverse training solutions of livestreaming e-commerce and e-commerce operation for corporate and individual clients, offering online and offline courses and dedicated live-streaming e-commerce partnership for customers. The directors of the Company considered that Hangzhou Be Friends ET Group Acquisition would strengthen the Group's new media services in terms of ecological capability and brand influence.

The following summarises the consideration paid and the amounts of the assets acquired and liabilities assumed at the date of acquisition:

	RMB'000
Initial consideration	
Cash consideration	180,000
Contingent compensation receivable	–
Total consideration	180,000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	640
Intangible assets	7,300
Right-of-use assets	2,343
Inventories	220
Trade and other receivables[1]	19,726
Bank balances and cash	48,065
Contract liabilities	(13,944)
Trade and other payables	(9,381)
Lease liabilities	(2,559)
Deferred income tax liabilities	(1,825)
Total identified assets	50,585
Goodwill	129,415
Total consideration	180,000
Net cash outflow on acquisition of subsidiaries	
Cash consideration paid	(180,000)
Bank balances and cash acquired from the subsidiaries	48,065
	(131,935)
Acquisition-related costs	330

1 The fair value of trade and other receivables at the date of acquisition amounted to RMB19,726,000. The gross contractual amounts of those trade and other receivables acquired amounted to RMB19,726,000 at the date of acquisition, of which no balance is expected to be uncollectible.

The goodwill is attributable to the economies of scale expected to arise after the Group's acquisitions. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognised is expected to be deductible for income tax purposes.

20. SHARE BASED PAYMENTS

2022 Share Award Plan

The Company has adopted the 2022 Share Award Plan on 8 December 2022. The Board shall notify the trustee, who is designated to manage the plan, in writing upon the making of an award to an eligible participant under the 2022 Share Award Plan. The Board has resolved on 10 April 2026 to allot and issue to the Trustee a total of 6,450,000 new shares and grant such shares to the Selected Participants under the 2022 Share Award Plan.

Movement of the awarded shares under the 2022 Share Award Plan for the six months ended 30 June 2026 and 2025 is as the following:

	Number of awarded shares
At 1 January 2026	**26,571,196**
Granted during the period	**6,450,000**
Vested during the period	**(18,144,616)**
Lapsed during the period	**(2,700,680)**
Cancelled during the period	**0**
At 30 June 2026	**12,175,900**
At 1 January 2025	47,972,180
Granted during the period	10,473,300
Vested during the period	(20,304,380)
Lapsed during the period	(2,314,929)
Cancelled during the period	0
At 30 June 2025	35,826,171

The fair value of the awarded shares was calculated based on the market price of the Company's shares at the respective grant date. There were 6,450,000 shares awarded under the 2022 Share Award Plan during the Interim Period.

Share-based payment expenses

The amounts of share-based payment expenses are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Share Award Plan	**5,273**	15,912

By order of the Board
Be Friends Holding Limited
Li Liang
Chairman and Chief Executive Officer

Hong Kong, 21 August 2026

As at the date of this announcement, the executive Directors are Mr. Li Liang, Mr. Li Jun and Ms. Zhao Hui Li; and the independent non-executive Directors are Mr. Ma Zhan Kai, Dr. Yu Guo Jie and Mr. Kong Hua Wei.