

# 2019 BOYAA INTERACTIVE THIRD QUARTERLY RESULTS

## Boyaa Interactive announced its third quarter results of 2019

Continuing to Forge a Brand for Card and Board Games, with Q3 Revenue Up by around 6.0% from Q2 and ARPPU Growth in Major Game

<b>FINANCIAL HIGHLIGHTS</b>	<b>For the three months ended 30 September 2019 (RMB, in millions)</b>	<b>For the nine months ended 30 September 2019 (RMB, in millions)</b>
<b>Revenue</b>	<b>85.0</b>	<b>245.5</b>
<b>Gross profit</b>	<b>59.6</b>	<b>168.7</b>
<b>Profit attributable to owners of the Company</b>	<b>19.0</b>	<b>82.1</b>
<b>Unaudited non-IFRS adjusted net profit</b>	<b>19.0</b>	<b>82.5</b>

[28 November 2019] Boyaa Interactive International Limited (“Boyaa” or the “Company”, together with its subsidiaries, the “Group”, stock code: 0434), a leading developer and operator of online card and board games in China, has announced its unaudited consolidated results for the three and nine months ended 30 September 2019 (the “Reporting Period”) (the “Third Quarterly Results”).

### Q3 Revenue Up by around 6.0% from Q2, due to Impact of Policy Risk Factor on Revenue Being Controlled

For the three months ended 30 September 2019, the Group recorded a revenue of approximately Renminbi (“RMB”) 85.0 million, representing a year-on-year increase of approximately 0.4% as compared to the same period in 2018; a gross profit of approximately RMB59.6 million, representing a year-on-year increase of approximately 6.2% from approximately RMB56.1 million recorded for the same period in 2018; and an unaudited non-IFRS adjusted net profit of approximately RMB19.0 million.

For the nine months ended 30 September 2019, the Group recorded a revenue of approximately RMB245.5 million, representing a year-on-year decrease of approximately 33.5% compared to the same period in 2018. The decrease was primarily attributable to (1) the impact from the incident of Apple Inc. starting from the second quarter of 2017; (2) the effect of the policy risk factor starting from the second quarter of 2018; and (3) the decrease in revenue generated from web-based games due to the industry trend of a gradual transfer of web-based games to mobile terminals.

The revenue of the Group for the third quarter of 2019 increased by approximately 6.0% as compared to the second quarter of 2019, which was mainly due to the impact of the policy risk factor on its revenue being controlled, and an increase in revenue benefiting from the promotion activities conducted by the Group in the third quarter of 2019.

### **ARPPU Growth in Major Game Texas Hold'em and Other Card and Board Games**

In terms of the operating performance, the Group recorded a slight decline in the numbers of paying players and users during the third quarter of 2019 as compared to the second quarter of 2019. In particular, the number of paying players decreased by 6.3% from approximately 0.40 million in the second quarter of 2019 to approximately 0.37 million in the third quarter of 2019. The number of DAUs decreased by 0.7% from approximately 2.41 million in the second quarter of 2019 to 2.39 million in the third quarter of 2019. The number of MAUs decreased by 7.4% from approximately 7.43 million in the second quarter of 2019 to approximately 6.88 million in the third quarter of 2019.

Whereas the ARPPU (average revenue per paying user) grew in both Texas Hold'em mobile and web-based games and the mobile versions of other card and board games.

### **Continuing to Forge a Brand for Mind Games (Card and Board Games) through Innovation**

During the third quarter of 2019, the Group held the 2019 "Boyaa" Landlords Competition in Changsha and the 2019 "Boyaa" Chess Competition in Shenzhen and Changsha successfully, with an aim to promote awareness for the public good and guide and encourage its users to actively participate in public welfare activities. The Group donated a total of RMB63,390 for environmental protection and to the Red Cross Society Of China ShenZhen Branch for education of poor children through these events.

These events help stimulate users' interest in Boyaa games and good causes, boost user loyalty and strengthen Boyaa's presence. It is also a good way to promote the traditional culture of card and board games in China and provide a good experience for Boyaa users.

Looking forward, the Company's management said that the Group will continue to conduct more intensive market surveys, launch innovative game rules, improve the experience of game players, remain dedicated to product refinement and operation diversification, ramp up the quality of games in an allrounded manner, and spare no effort to build its brand for online and offline match series. On top of consolidating its existing market, more efforts will be made to further expand the Group's overseas market as well as other card and board games business, so as to offset the impact arising from the policy risk factor. The Group will strictly comply with various laws and regulations of the People's Republic of China (the "PRC"), develop high-quality puzzle games and matches, and continue with its journey to forge a century-old brand for card and board games.