

2020 BOYAA INTERIM RESULTS

Boyaa Interactive announced its interim results of 2020

H1 2020 Revenue Up by Approximately 17.4% Year-on-Year, with ARPPU of Major Games Recording an Increase

FINANCIAL HIGHLIGHTS	For the six months ended 30 June 2020 (RMB, in millions)
Revenue	188.5
Gross profit	132.6
Profit attributable to owners of the Company	-13.6
Unaudited non-IFRS adjusted net profit	-13.6

(27 August 2020) Boyaa Interactive International Limited (“Boyaa Interactive” 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 six months ended 30 June 2020 (the “Reporting Period”) (the “Interim Results”).

Revenue reaching approximately RMB188.5 million for H1 2020, representing a year-on-year increase of approximately 17.4%

The Group recorded a revenue of approximately RMB188.5 million for the first half of 2020, representing a year-on-year increase of approximately 17.4% compared to the same period in 2019. Its gross profit amounted to approximately RMB132.6 million, representing a year-on-year increase of approximately 21.5% compared to the same period in 2019. Meanwhile, the Group recorded a revenue of approximately RMB95.4 million for the second quarter of 2020, representing a year-on-year increase of approximately 18.8% compared to the same period in 2019. The Group’s gross profit for the three months ended 30 June 2020 amounted to approximately RMB67.4 million, representing a year-on-year increase of approximately 24.9% compared to the same period in 2019.

The year-on-year increase in revenue in the second quarter and the first half of 2020 was primarily attributable to the quarantine and social distance measures imposed by competent authorities during the outbreak of novel coronavirus (“COVID-19”); and the holding of certain online

operating activities by the Group increasing the online time of game users and their consumption in online games. The revenue of the Group for the second quarter of 2020 increased by approximately 2.5% compared to the first quarter of 2020, which was mainly due to the holding of operating promotion activities led to a slight increase in revenue of the second quarter of 2020.

The Group recorded an unaudited non-IFRS adjusted loss of approximately RMB25.5 million in the second quarter of 2020, representing a year-on-year decrease of approximately 209.9% compared to the second quarter of 2019; and the Group recorded an unaudited non-IFRS adjusted loss of approximately RMB13.6 million in the first half of 2020, representing a year-on-year decrease of approximately 121.3% compared to the first half of 2019.

The year-on-year decrease in unaudited non-IFRS adjusted profit for the second quarter and first half of 2020 was mainly attributable to the decrease in fair value of financial assets such as equity investment partnerships of the Group for the six months ended 30 June 2020 due to the economic downturn and market factors caused by the COVID-19 pandemic. Excluding the impact of non-operating one-off factors such as the changes in the fair value of financial assets, including equity investment partnerships, the unaudited non-IFRS adjusted profit in the second quarter and first half of 2020 represented an increase of approximately 29.0% and approximately 11.9%, respectively, compared to the corresponding period in 2019, mainly due to the increase in revenue.

ARPPU of major games recording an increase, and revenue generated from mobile games accounting for a larger proportion of total revenue

In terms of the operating data performance of the Group, it recorded a decrease in the number of paying players and users during the second quarter of 2020 as compared to the first quarter of 2020. In particular, the number of paying players decreased by 32.3% from approximately 0.43 million in the first quarter of 2020 to approximately 0.29 million in the second quarter of 2020. The number of DAUs decreased by 12.8% from approximately 2.5 million in the first quarter of 2020 to 2.2 million in the second quarter of 2020. The number of MAUs decreased by 22.4% from approximately 7.8 million in the first quarter of 2020 to approximately 6.1 million in the second quarter of 2020. The number of paying players and users in the second quarter of 2020 experienced a decrease as compared to the first quarter, mainly due to the relief of COVID-19 pandemic and gradual recovery of various industries in the Mainland China. However, the ARPPU of web-based games and mobile games of both Texas Hold'em Series and other card and board recorded a slight increase.

For the six months ended 30 June 2020, revenue generated from the Group's mobile games and web-based games accounted for approximately 60.1% and 39.9% of its total revenue, respectively, as compared with approximately 56.2% and 43.8%, respectively, for the six months ended 30 June 2019.

Continuing to explore various operation modes for card and board games at home and abroad, and spare no effort to build the Group's brand for online and offline match series

Moving forward, the Group will continue to conduct more intensive market surveys, launch innovative game rules, explore various operation modes for card and board games at home and abroad, improve the experience of game players, remain dedicated to product refinement and operation diversification, ramp up the quality of its games in an all-rounded 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 by the Group to further expand the Group's overseas market as well as other chess and card games business, so as to offset the impact of risks arising from policy.

The Group will strictly comply with various laws and regulations of the PRC, develop high-quality puzzle games and matches, and continue with its journey to forge a century-old brand for chess and card games.