

In the first quarter of 2020, the Company's quarterly active accounts (“QAA”)¹ were 17.7 million, representing an increase of 36% compared with the same quarter in 2019, and a slight decrease of 2% from the previous quarter. Quarterly paying accounts (“QPA”)² were 2.2 million, representing a significant increase of 83% compared with the same quarter in 2019, and a slight decrease of 4% from the previous quarter. The year-over-year increases of QAA and QPA were primarily due to the launch of three new mobile games in the second half of 2019, namely Shiwuyu (「食物語」) and Aola Star Mobile (「奧拉星手遊」) in September 2019, and Zaowufaze II (「造物法則二：先鋒英雄」) in October 2019. The three mobile games have been well-received by the market and achieved excellent performance, ranking among the top mobile games multiple times in China. In particular, Shiwuyu (「食物語」) and Aola Star Mobile (「奧拉星手遊」) won a number of gaming industry awards, demonstrating the market's recognition of the Group's content creation capabilities. The slight decrease on a quarter-over-quarter basis was primarily due to the various promotional activities the Company launched to attract users and stimulate performance of the new mobile games during the launch period last year.

The Company's average revenue per quarterly paying accounts (“ARQPA”)³ increased by 111% from the same quarter in 2019 and 35% from the previous quarter to RMB146.9. The strong performance was primarily due to users' stronger willingness to pay for the three newly launched mobile games, reflecting the initial success of the Company's strategy to expand its business scope from web games to mobile games. In addition, during the outbreak of the Novel Coronavirus Diseases (the “COVID-19”) in China, more people stayed at home, driving increased spending on mobile games, especially in-app consumption by users.

In the first quarter of 2020, the Company strived to optimize the operation of its new mobile games and other existing products in both domestic and overseas markets, and continued to improve user experience and expand user base with innovative content. In particular, Shiwuyu (「食物語」) was launched in Hong Kong, Macau and Taiwan in February 2020. More than one million users had registered for the game before launch, and the game has been well-received by users since its launch. Shiwuyu (「食物語」) continues to be one of the best-selling games in Hong Kong and Taiwan. The Company has also proactively invested in research and development of new mobile games, to expand its product pipeline and develop more diversified sources of revenue. While actively developing new mobile games, the Company continued to upgrade and innovate the content of its core web games, to enhance user stickiness and revenue contribution. In light of the COVID-19, the Company has taken active measures to steadily promote business development and consolidate core competence. As a result, the outbreak has not caused material adverse impact on the Company so far.

The Company will continue to expand its mobile game business and strengthen the operation of its web games, and to actively seize development opportunities in both domestic and overseas markets. By capitalizing on strong research and development and IP productization capabilities, BAIOO will continue to focus on niche game genres, including female-oriented, “nijigen” (「二次元」), pet collection and raising, as well as simulation games, in order to create differentiated and innovative products. Furthermore, BAIOO will continue to explore the overseas market. While introducing the existing mobile titles overseas and developing more international games, the Company will also develop overseas opportunities in extracurricular activities for primary and secondary school children, to further expand the Company's international business layout and explore more diversified sources of revenue.

The operating data disclosed above has been prepared on the basis of internal management records. It has not been audited or reviewed by external auditor. The data disclosed may be subject to change and may differ from the audited or unaudited combined financial statements to be published by the Group on an annual or half-yearly basis. As such, the above data is provided for reference only. **Investors are advised not to rely on the information disclosed, and to exercise due caution when dealing in the securities of the Company. When in doubt, investors are advised to seek advice from professional financial advisers.**

On behalf of the Board
BAIOO Family Interactive Limited
DAI Jian
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 14 April 2020

As at the date of this announcement, the executive Directors of the Company are Mr. DAI Jian, Mr. WU Lili, Mr. LI Chong and Mr. WANG Xiaodong; the independent non-executive Directors of the Company are Ms. LIU Qianli, Dr. WANG Qing and Mr. MA Xiaofeng.