

In the third quarter of 2023, the Company's quarterly active accounts (“QAA”)¹ were 8.2 million, representing an increase of 12% compared with the previous quarter, and a decrease of 53% from the same quarter in 2022. Quarterly paying accounts (“QPA”)² were 1.1 million, the same as the previous quarter, and a decrease of 62% from the same quarter in 2022. The year-over-year decreases in QAA and QPA were primarily due to the successful launch of the Company's mobile game Aobi Island: Dreamland (「奧比島: 夢想國度」) in the third quarter of 2022 in the PRC, which was met with an overwhelming response from the market, causing a decrease in QAA and QPA compared with those during the outbreak period upon launch. The 12% increase in QAA compared with the previous quarter was primarily due to the successful operation and higher user participation of BAIOO's existing games.

The Company's average revenue per quarterly paying account (“ARQPA”)³ was RMB176.5, representing an increase of 2% compared with the previous quarter, and an increase of 36% compared with the same quarter in 2022. The quarter-over-quarter increase was mainly due to the Company's continuous introduction of diversified game content to existing games and active incorporation of historical and cultural linkages, which increased users' willingness to pay for such games. The year-over-year increase was mainly due to additional free virtual items were given to the users for promotion purpose of new game launch in the third quarter of 2022.

In the third quarter of 2023, BAIOO continued to focus on its three core values of “intellectual property (“IP”) companionship, immersive experience, and casual social interaction”, developing into niche game segments, strengthening its game research and development (“R&D”) and publication capabilities, and enhancing the medium- and long-term operational capabilities of its game products. The Company's core game products enjoyed sound and stable operations, maintaining a high-frequency pace of high-quality game content releases, and actively cooperating with other brands to enhance IP value while winning the acclaim of players. The anniversary edition of the mobile game Aobi Island: Dreamland (「奧比島: 夢想國度」), featuring Pleasant Goat and Big Big Wolf (「喜羊羊與灰太狼」), was launched in July this year and received glowing positive feedback from users, reaching the fifteenth on the iOS Best Sellers ranking.

Looking ahead, BAIOO will continue to focus on its three core value propositions, leverage its three core niche game segments, and launch more game products with more features to provide users with more affluent and diversified gaming experiences. BAIOO will also continue to explore the latest breakthroughs in artificial intelligence-generated content (AIGC) technology and their potential applications to the field of game R&D, so as to continuously enhance its competitive edge in its core segments. In addition, while proactively seizing opportunities in the domestic market, BAIOO will continue to explore and expand into high-potential overseas markets to accelerate its globalisation.

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.

By order of the Board
BAIOO Family Interactive Limited
DAI JIAN
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 19 October 2023

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