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**Boyaa Interactive International Limited**

**博雅互動國際有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 0434)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE THREE AND NINE MONTHS ENDED  
30 SEPTEMBER 2023**

The board of directors (the “**Board**”) of Boyaa Interactive International Limited (the “**Company**” or “**we**” or “**our**” or “**us**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**our**” or “**us**”) for the three and nine months ended 30 September 2023 (the “**Reporting Period**”) (the “**Third Quarterly Results**”). The Third Quarterly Results have been reviewed by ZHONGHUI ANDA CPA Limited, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by Hong Kong Institute of Certified Public Accountants, and by the audit committee of the Company. This announcement is made pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).



## REVENUE BY GAMES

	For the nine months ended 30 September		Year-on-Year Change* %
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	
Texas Hold'em Series	186,354	179,308	3.9
Other Card and Board	107,966	101,626	6.2
<b>Total</b>	<b>294,320</b>	<b>280,934</b>	4.8

	For the three months ended 30 September		Year-on-Year Change* %
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	
Texas Hold'em Series	63,551	62,045	2.4
Other Card and Board	36,484	32,435	12.5
<b>Total</b>	<b>100,035</b>	<b>94,480</b>	5.9

## REVENUE BY LANGUAGE VERSIONS OF GAMES

	For the nine months ended 30 September		Year-on-Year Change* %
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	
Simplified Chinese	14,064	17,166	(18.1)
Other languages	280,256	263,768	6.3
<b>Total</b>	<b>294,320</b>	<b>280,934</b>	4.8

	For the three months ended 30 September		Year-on-Year Change* %
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	
Simplified Chinese	4,155	5,113	(18.7)
Other languages	95,880	89,367	7.3
<b>Total</b>	<b>100,035</b>	<b>94,480</b>	5.9

## OPERATIONAL HIGHLIGHTS

	For the three months ended			Year-on-Year Change*	Quarter-on-Quarter Change**
	30 September 2023 (unaudited)	30 June 2023 (unaudited)	30 September 2022 (unaudited)		
Paying Players ( <i>in thousands</i> )	211	218	220	(4.1)	(3.2)
– Web-based games	3	3	5	(40.0)	–
– Mobile games	208	215	215	(3.3)	(3.3)
Daily Active Users (“DAUs”) ( <i>in thousands</i> ) ****	1,177	1,239	1,230	(4.3)	(5.0)
– Web-based games	80	103	101	(20.8)	(22.3)
– Mobile games	1,097	1,136	1,129	(2.8)	(3.4)
Monthly Active Users (“MAUs”) ( <i>in thousands</i> ) ****	3,895	4,280	3,676	6.0	(9.0)
– Web-based games	314	460	282	11.3	(31.7)
– Mobile games	3,581	3,820	3,394	5.5	(6.3)
Average Revenue Per Paying User (“ARPPU”) of Texas Hold’em Series ( <i>in RMB</i> )					
– Web-based games	5,062.3	5,016.7	2,552.7	98.3	0.9
– Mobile games	230.4	229.8	205.3	12.2	0.3
ARPPU for Other Card and Board ( <i>in RMB</i> )					
– Web-based games	0.3	0.3	0.3	–	–
– Mobile games	76.0	70.6	65.9	15.3	7.6

\* *Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.*

\*\* *Quarter-on-Quarter Change % represents a comparison between the quarter ended 30 September 2023 and the immediately preceding quarter.*

\*\*\* *Non-IFRS adjusted net profit was derived from the unaudited profit for the period excluding share-based compensation expenses.*

\*\*\*\* *The numbers of DAUs and MAUs shown above are calculated based on the number of active players in the last calendar month of the relevant reporting period.*

## **BUSINESS OVERVIEW AND OUTLOOK**

In terms of financial performance, we recorded revenue of approximately RMB294.3 million for the nine months ended 30 September 2023, representing a year-on-year increase of approximately 4.8% as compared to the same period in 2022. In the third quarter of 2023, we recorded revenue of approximately RMB100.0 million, representing a year-on-year increase of approximately 5.9% as compared to the third quarter of 2022 and a quarter-on-quarter increase of approximately 1.0% as compared to the second quarter of 2023. Our revenue has maintained a steady increase, primarily due to the Group's holding of certain online operational activities and continuous optimization of its gaming products and gameplay during the Reporting Period.

We recorded an unaudited non-IFRS adjusted net profit of approximately RMB87.1 million for the nine months ended 30 September 2023, representing a year-on-year increase of approximately 126.2% as compared to the same period in 2022, mainly due to (i) the increase in revenue recorded for the nine months ended 30 September 2023 as compared to the same period in 2022; (ii) the reduction in the decrease in fair value of the financial assets such as equity investment partnerships for the nine months ended 30 September 2023 as compared to the same period in 2022, and the impairment of frozen sum recorded for the nine months ended 30 September 2022 (for details, please refer to Note 4 and Note 9(b) under the section headed "Notes to the Consolidated Financial Statements" in the 2022 annual report of the Company published on 28 April 2023), while no impairment of frozen sum was recorded in 2023; and (iii) the increase in interest income for the nine months ended 30 September 2023 as compared to the same period in 2022. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as equity investment partnerships and the impairment of frozen sum recorded for the nine months ended 30 September 2022, the unaudited non-IFRS adjusted net profit for the nine months ended 30 September 2023 represented a year-on-year increase of approximately 42.2%, which was mainly due to the increase in revenue and interest income as compared to the same period in 2022. In the third quarter of 2023, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB30.1 million, representing a year-on-year increase of approximately 114.2% as compared to the same period in 2022, mainly due to (i) the increase in revenue recorded for the three months ended 30 September 2023 as compared to the same period in 2022; (ii) the impairment of frozen sum recorded for the three months ended 30 September 2022, while no impairment of frozen sum was recorded in 2023; and (iii) the increase in interest income for the three months ended 30 September 2023 as compared to the same period in 2022. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as equity investment partnerships and the impairment of frozen sum recorded in the third quarter of 2022, the unaudited non-IFRS adjusted net profit for the three months ended 30 September 2023 represented a year-on-year increase of approximately 56.3%, which was mainly due to the increase in revenue and interest income as compared to the same period in 2022. In the third quarter of 2023, we recorded a

quarter-on-quarter increase in unaudited non-IFRS adjusted net profit of approximately 9.3% as compared to the second quarter of 2023, mainly due to (i) the increase in revenue recorded for the three months ended 30 September 2023 as compared to the second quarter of 2023; (ii) the decrease in cost of revenue for the three months ended 30 September 2023 as compared to the second quarter of 2023; and (iii) the decrease in employee compensation and benefits expenses for the three months ended 30 September 2023 as compared to the second quarter of 2023.

In terms of the operating data performance, we recorded a decrease in the number of paying players and users in the third quarter of 2023 as compared to the second quarter of 2023, of which the number of paying players decreased by approximately 3.2% from approximately 0.22 million in the second quarter of 2023 to approximately 0.21 million in the third quarter of 2023. The number of DAUs decreased by approximately 5.0% from approximately 1.24 million in the second quarter of 2023 to approximately 1.18 million in the third quarter of 2023. The number of MAUs decreased by approximately 9.0% from approximately 4.3 million in the second quarter of 2023 to approximately 3.9 million in the third quarter of 2023. However, the ARPPU grew in both mobile versions of other card and board games and the overseas Texas Hold'em mobile and web-based games.

During the third quarter of 2023, we successfully held BPT branded competitions series – 2023 BPT Competition in Asia, which attracted approximately 38.8 thousand participants from various countries and regions including but not limited to Asia. This event further strengthened our brand influence and propelled us forward in establishing our international, premier poker tournament brand.

The Company will continue to intensify in-depth market research and enrich and innovate the gameplay, while striving to improve the players' gaming experience, further refine our products and diversify our operation to improve the game quality in an all-round way and make every effort to build our brand for online and offline high-quality intellectual competitive card and board games and competition products. On top of consolidating our existing market, more efforts will be made to further expand our overseas markets as well as other card and board games business. With the development of Web3 industry in Hong Kong and the promulgation of relevant regulating policies by the government of Hong Kong to create a favorable environment for the sustainable development of the Web3 industry, the Group is optimistic about the future of the Web3 industry. As a globalised internet gaming operator, the Group has introduced multi-lingual gaming products in hundreds of countries and regions. Additionally, our extensive involvement in the internet gaming industry over years has provided us with robust and advanced expertise in internet gaming and network security maintenance, as well as other related technologies. This greatly bolsters up our business expansion in the Web3 field. The Group intends to create and develop industry-leading Web3 games by combining existing online games and Web3 technology, and to further develop its business in the Web3 field. The Company will strictly comply with various laws and regulations in various jurisdictions that it has operations and be committed to developing high-quality intellectual competitive card and board games, competition products and Web3 games related products. We will continue the journey to forge a century-old brand for online card and board games.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Revenue**

Our revenue for the three months ended 30 September 2023 amounted to approximately RMB100.0 million, representing a year-on-year increase of approximately 5.9% from approximately RMB94.5 million recorded for the same period in 2022. The year-on-year increase in revenue was primarily due to the Group's holding of certain online operational activities during the Reporting Period, and continuous optimization of its gaming products and gameplay. For the three months ended 30 September 2023, revenue generated from our mobile games and web-based games accounted for approximately 69.6% and 30.4% of our total revenue, respectively, as compared with approximately 67.6% and 32.4%, respectively, for the three months ended 30 September 2022.

### **Cost of revenue**

Our cost of revenue for the three months ended 30 September 2023 amounted to approximately RMB31.3 million, representing a year-on-year decrease of approximately 3.4% from approximately RMB32.4 million recorded for the same period in 2022. The year-on-year decrease was primarily due to the decrease in commission charges by platforms and third party payment vendors.

### **Gross profit and gross profit margin**

As a result of the foregoing, our gross profit for the three months ended 30 September 2023 amounted to approximately RMB68.7 million, representing a year-on-year increase of approximately 10.7% from approximately RMB62.1 million recorded for the same period in 2022.

Our gross profit margin were approximately 68.7% and 65.7%, respectively, for the three months ended 30 September 2023 and the same period in 2022.

### **Selling and marketing expenses**

Our selling and marketing expenses for the three months ended 30 September 2023 amounted to approximately RMB13.6 million, representing a year-on-year increase of approximately 66.8% from approximately RMB8.1 million recorded for the same period in 2022. The year-on-year increase was mainly attributable to the increase in the expenses incurred for advertising and promotional activities.

## **Administrative expenses**

Our administrative expenses for the three months ended 30 September 2023 amounted to approximately RMB21.4 million, representing a year-on-year decrease of approximately 8.3% from approximately RMB23.3 million recorded for the same period in 2022. The year-on-year decrease was mainly attributable to the decrease in depreciation.

## **Other losses, net**

For the three months ended 30 September 2023, we recorded other losses, net of approximately RMB13.8 million, compared to other losses, net of approximately RMB18.3 million recorded for the same period in 2022. The reduction in other losses, net for the three months ended 30 September 2023 as compared to the same period in 2022 was primarily due to the impairment of frozen sum recorded for the three months ended 30 September 2022, while no impairment of frozen sum was recorded in 2023. The other losses, net primarily consisted of fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income, government subsidies and impairment of frozen sum.

## **Finance income, net**

Our net finance income for the three months ended 30 September 2023 was approximately RMB15.4 million, compared to approximately RMB8.0 million recorded for the same period in 2022. The year-on-year change was primarily due to the increase in interest income as compared to the same period in 2022.

## **Share of result of associates**

We held investments in six associates, namely Shenzhen Fanhou Technology Co., Ltd.\* (深圳市飯後科技有限公司), Shenzhen HuifuWorld Network Technology Co., Ltd.\* (深圳市匯富天下網絡科技有限公司), Shenzhen Easething Technology Co., Ltd.\* (深圳市易新科技有限公司), Shenzhen Jisiwei Intelligent Technology Co., Ltd.\* (深圳市極思維智能科技有限公司), Shanghai Allin Network Technology Co., Ltd.\* (上海傲英網絡科技有限公司) and its subsidiaries and Hainan Chunlei Interactive Technology Co., Ltd.\* (海南春雷互動科技有限公司) as at 30 September 2023 (31 December 2022: six associates), all of which were online game or internet technology companies. We recorded a share of loss of associates of approximately RMB0.5 million for the three months ended 30 September 2023, compared to a share of loss of associates of approximately RMB0.1 million recorded for the same period in 2022.

\* For identification purpose only

## **Income tax expenses**

Our income tax expenses for the three months ended 30 September 2023 was approximately RMB5.2 million, whereas we recorded income tax expenses of approximately RMB7.1 million for the same period in 2022.

## **Profit attributable to owners of the Company**

As a result of the foregoing, our profit attributable to owners of the Company for the three months ended 30 September 2023 amounted to approximately RMB29.6 million, representing an increase of approximately 125.0% from approximately RMB13.1 million for the same period in 2022.

## **Non-IFRS Measure – Adjusted net profit**

To supplement our unaudited condensed consolidated financial statements which are presented in accordance with IFRS, we also use unaudited non-IFRS adjusted net profit as an additional financial measure to evaluate our financial performance by eliminating the impact of items that we do not consider indicative of the performance of our business. The term “adjusted net profit” is not defined under IFRS. Other companies in the industry which the Group operates in may calculate such non-IFRS items differently from the Group. The use of adjusted net profit has material limitations as an analytical tool, as adjusted net profit does not include all items that impact our profit for the reporting period and should not be considered in isolation or as a substitute for the analysis of the Group’s results as reported under IFRS.

Our unaudited non-IFRS adjusted net profit for the three months ended 30 September 2023 was approximately RMB30.1 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.5 million included in administrative expenses, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 30 September 2022 of approximately RMB14.0 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.9 million included in administrative expenses.

## **Cash and cash equivalents**

As at 30 September 2023, we had cash and cash equivalents of approximately RMB253.4 million (31 December 2022: approximately RMB294.0 million), which primarily consisted of cash at banks and in hand and short-term bank deposits, which were mainly denominated in RMB (as to approximately 27.6%), USD (as to approximately 62.2%) and other currencies (as to approximately 10.2%). We currently do not hedge transactions undertaken in foreign currencies. Due to our persistent efforts in managing exposure to foreign currency risks, fluctuations in currency exchange rates do not have any material adverse impact on our financial results.

## **Equity investment at fair value through other comprehensive income**

We accounted for equity investments at fair values through other comprehensive income at their respective fair values. As at 30 September 2023, the fair value of our listed and unlisted investments classified as equity investments at fair value through other comprehensive income amounted to approximately RMB22.6 million (31 December 2022: approximately RMB18.1 million). These equity investments at fair value through other comprehensive income mainly consisted of both listed and unlisted equity securities, which are mainly represented by our equity investment in Xiaomi Corporation (Hong Kong Stock Exchange: 1810) and Qudian Inc. (New York Stock Exchange: QD).

We consider that, none of the other listed and unlisted investments classified as equity investments at fair value through other comprehensive income in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 30 September 2023.

## **Investments at fair value through profit or loss**

As at 30 September 2023, we also recorded investments at fair value through profit or loss amounted to approximately RMB225.4 million (31 December 2022: approximately RMB185.3 million), which consisted of non-quoted investments in asset management plans, equity investment partnerships, structured deposits and wealth management products. As at 30 September 2023, the fair values of the investments in asset management plans were determined by discount cash flows model; the fair values of investments in equity investment partnerships were determined by market approach and discount cash flows model; and the wealth management products have no initial terms, the fair values of investments in wealth management products and structured deposit were determined based on the estimated rate of return of investments. For the nine months ended 30 September 2023, we recorded fair value losses on investments at fair value through profit or loss of approximately RMB39.4 million (fair value losses for the nine months ended 30 September 2022: approximately RMB44.2 million).

The investments in wealth management products under investments at fair value through profit or loss were made in line with our treasury and investment policies, after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. The Company has dedicated investment department and investment project management team to conduct, oversee and manage its investment activities. The Company have established specialized investment management policies and risk management systems to safeguard and improve its investment practices and control the investment risks. Prior to making an investment, the Group had also ensured that there remains sufficient working capital for the Group's business needs even after the investments in wealth management products. During the nine months ended 30 September 2023, an indirect wholly-owned subsidiary of the Company had subscribed for two structured deposits (in amount of RMB30.0 million and RMB50.0 million) and a wealth management product (in an amount of RMB50.0 million) with three licensed banks in the People's Republic of China (the "PRC"), respectively. Each of the subscriptions constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. For further details, please refer to the Company's announcement dated 28 July 2023. Save as disclosed above, each of the investments made by the Company does not constitute a notifiable transaction or a connected transaction of the Company under the Listing Rules. Generally speaking, as agreed with the financial institutions, the underlying investment portfolio of the wealth management products of the Group were primarily represented by money market instruments such as bank deposits, bond reverse repurchase, money funds and other inter-bank and exchange-traded funds financing instruments; treasury bonds, financial bonds, local government bonds, central bank bills, interbank certificates of deposit, short-term financing bonds, ultra-short-term financing bonds, medium-term bills, enterprise bonds, corporate bonds, project revenue bonds, project revenue bills, asset-backed securities, subordinated bonds, convertible bonds, and other inter-bank and exchange-market bonds and debt financing instruments, as well as other fixed-income investment instruments, etc., which were highly liquid with a relatively short term of maturity and a relatively low level of risk, whilst enabling the Group to earn an attractive rate of return.

On 28 December 2016, the Group, through Shenzhen Dong Fang Bo Ya Technology Co., Limited\* (深圳市東方博雅科技有限公司), established a limited partnership namely Jiaxing Boyaa ChunLei Equity Investments Limited Partnership Enterprise ("**Jiaxing Boyaa**") with Shanghai Tailai Tianji Asset Management Co., Limited\* (上海泰來天濟資產管理有限公司). During the nine months ended 30 September 2023, the Group's accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaxing Boyaa. The fair value of the investment in Jiaxing Boyaa as at 30 September 2023 was approximately RMB7.3 million and accounted for less than 5.0% of our total assets. Jiaxing Boyaa is established for carrying out equity investments, venture capital investments and investments in securities, subject to certain investment restrictions. We will continue to closely monitor the performance of Jiaxing Boyaa on an on-going basis.

We consider that, save as disclosed above, no other single investment that was designated as investments at fair value through profit or loss in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 30 September 2023.

\* For identification purpose only

## **Borrowings**

For the nine months ended 30 September 2023, we did not have any short-term or long-term bank borrowings and we had no outstanding, utilised or unutilised banking facilities.

## **Capital expenditure**

For the nine months ended 30 September 2023, our capital expenditure amounted to approximately RMB10.1 million (for the nine months ended 30 September 2022: approximately RMB1.9 million). The capital expenditure mainly included purchasing buildings, equipment and leasehold improvements, which was funded by using our cash flows generated from our operations.

## **Commitment**

As at 30 September 2023, the Group did not have significant outstanding commitments.

## **Contingent liabilities and guarantees**

As at 30 September 2023, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against us.

## **Pledge/charge of the Group's assets**

As at 30 September 2023, none of the Group's assets was pledged or charged.

## **IMPORTANT EVENTS AFFECTING THE GROUP AFTER THE REPORTING PERIOD**

The Board, after careful consideration, proposed to seek approval for an acquisition mandate (the “**Acquisition Mandate**”) from the shareholders of the Company in advance to authorize and empower the Board to conduct potential cryptocurrency acquisitions (the “**Potential Cryptocurrency Acquisitions**”), for an aggregate amount not exceeding US\$100 million, during a period of 12 months from the date on which the ordinary resolutions in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions are duly passed by the shareholders of the Company at an extraordinary general meeting to be convened by the Company. The purchase and holding of relevant cryptocurrencies is the pivotal basis of and move for the Group’s expansion and operation of Web3 games and pathing of its layout in the field of Web3 to achieve its continuous development, and is in line with the Group’s long-term business development strategy and asset allocation strategy. With the development of Web3 industry in Hong Kong, the promulgation of relevant regulating policies by the government of Hong Kong and the support of the Group’s solid and leading technologies related to internet gaming and network security maintenance, the Group intends to create industry-leading Web3 games through a combination of existing online games and Web3 technology and make more profound business layout in the field of Web3.

For details, please refer to the Company’s announcement published on 13 November 2023.

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2023*

		Three months ended		Nine months ended	
		30 September		30 September	
		2023	2022	2023	2022
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(restated)		(restated)
<b>Revenue</b>	4	<b>100,035</b>	94,480	<b>294,320</b>	280,934
Cost of revenue		<b>(31,293)</b>	(32,409)	<b>(95,904)</b>	(96,020)
<b>Gross profit</b>		<b>68,742</b>	62,071	<b>198,416</b>	184,914
Other losses, net	5	<b>(13,831)</b>	(18,281)	<b>(34,927)</b>	(54,020)
Selling and marketing expenses		<b>(13,591)</b>	(8,149)	<b>(37,146)</b>	(25,318)
Administrative expenses		<b>(21,372)</b>	(23,319)	<b>(68,134)</b>	(69,821)
<b>Operating profit</b>		<b>19,948</b>	12,322	<b>58,209</b>	35,755
Finance income	6	<b>15,671</b>	8,166	<b>41,303</b>	20,078
Finance costs	7	<b>(318)</b>	(140)	<b>(663)</b>	(455)
Share of losses of associates		<b>(528)</b>	(130)	<b>(1,072)</b>	(274)
<b>Profit before income tax</b>		<b>34,773</b>	20,218	<b>97,777</b>	55,104
Income tax expense	8	<b>(5,224)</b>	(7,085)	<b>(12,648)</b>	(18,663)
<b>Profit for the period attributable to owners of the Company</b>	9	<b>29,549</b>	13,133	<b>85,129</b>	36,441

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)**

*FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2023*

	Three months ended 30 September		Nine months ended 30 September	
	2023	2022	2023	2022
Notes	RMB'000	RMB'000	RMB'000	RMB'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
<b>Other comprehensive (expenses)/income:</b>				
<i>Items that will not be reclassified to profit or loss:</i>				
Changes in fair value of equity investments at fair value through other comprehensive income	2,616	(7,180)	4,530	(15,170)
Exchange differences on translation	(3,742)	15,094	11,179	26,762
<i>Item that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	<u>(1,307)</u>	<u>27,577</u>	<u>15,695</u>	<u>45,805</u>
<b>Other comprehensive (expenses)/income for the period, net of tax</b>	<u>(2,433)</u>	<u>35,491</u>	<u>31,404</u>	<u>57,397</u>
<b>Total comprehensive income for the period attributable to owners of the Company</b>	<u>27,116</u>	<u>48,624</u>	<u>116,533</u>	<u>93,838</u>
<b>Earnings per share (RMB cents)</b>				
– Basic	<u>4.47</u>	<u>2.00</u>	<u>12.90</u>	<u>5.55</u>
– Diluted	<u>4.40</u>	<u>1.98</u>	<u>12.69</u>	<u>5.51</u>

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2023**

		<b>30 September</b>	31 December
		<b>2023</b>	2022
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>12</i>	<b>25,813</b>	20,825
Right-of-use assets	<i>12</i>	<b>12,948</b>	16,339
Intangible assets		<b>1,818</b>	–
Investments in associates		<b>6,832</b>	7,905
Equity investments at fair value through other comprehensive income	<i>13</i>	<b>22,604</b>	18,074
Investments at fair value through profit or loss	<i>14</i>	<b>92,087</b>	134,966
Prepayments, deposits and other receivables		<b>13,392</b>	15,779
Deferred tax assets		<b>352</b>	672
Term deposits		<b>60,000</b>	74,664
		<u><b>235,846</b></u>	<u>289,224</u>
<b>Current assets</b>			
Digital assets		<b>3,542</b>	–
Trade receivables	<i>15</i>	<b>27,895</b>	23,831
Prepayments, deposits and other receivables		<b>62,838</b>	46,478
Investments at fair value through profit or loss	<i>14</i>	<b>133,301</b>	50,367
Term deposits		<b>1,191,726</b>	1,082,734
Bank and cash balances		<b>253,420</b>	293,956
		<u><b>1,672,722</b></u>	<u>1,497,366</u>
<b>Total assets</b>		<u><b>1,908,568</b></u>	<u>1,786,590</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
(CONTINUED)**

*AT 30 SEPTEMBER 2023*

		<b>30 September 2023</b>	31 December 2022
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	<i>17</i>	<b>232</b>	232
Reserves		<b>1,575,531</b>	1,457,052
<b>Total equity</b>		<b>1,575,763</b>	1,457,284
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		<b>7,755</b>	12,378
Deferred tax liabilities		<b>903</b>	1,012
		<b>8,658</b>	13,390
<b>Current liabilities</b>			
Trade payables	<i>16</i>	<b>1,126</b>	1,078
Accruals and other payables		<b>68,814</b>	76,814
Contract liabilities		<b>10,975</b>	8,775
Lease liabilities		<b>5,681</b>	4,150
Current tax liabilities		<b>237,551</b>	225,099
		<b>324,147</b>	315,916
<b>Total liabilities</b>		<b>332,805</b>	329,306
<b>Total equity and liabilities</b>		<b>1,908,568</b>	1,786,590
<b>Net current assets</b>		<b>1,348,575</b>	1,181,450
<b>Total assets less current liabilities</b>		<b>1,584,421</b>	1,470,674

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

(Unaudited)

	Attributable to owners of the Company										
	Shares capital RMB'000	Share premium RMB'000	Repurchased shares RMB'000	Share held for RSU scheme RMB'000	Capital reserve RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Share-based payments reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2022	232	373,099	-	(14)	2,000	(13,431)	33,990	79,955	(259,647)	1,801,786	2,017,970
Effect of prior year adjustments	-	-	-	-	-	-	-	-	-	(678,016)	(678,016)
At 1 January 2022, as restated	232	373,099	-	(14)	2,000	(13,431)	33,990	79,955	(259,647)	1,123,770	1,339,954
Total comprehensive income/(expenses) for the period	-	-	-	-	-	72,567	-	-	(15,170)	36,441	93,838
Repurchase of ordinary shares	-	-	(112)	-	-	-	-	-	-	-	(112)
Share-based payments - value of employee services	-	-	-	-	-	-	-	2,048	-	-	2,048
Changes in equity for the period	-	-	(112)	-	-	72,567	-	2,048	(15,170)	36,441	95,774
At 30 September 2022, as restated	232	373,099	(112)	(14)	2,000	59,136	33,990	82,003	(274,817)	1,160,211	1,435,728
At 1 January 2023	232	373,143	(112)	(14)	2,000	50,072	33,990	82,836	(272,833)	1,187,970	1,457,284
Total comprehensive income for the period	-	-	-	-	-	26,874	-	-	4,530	85,129	116,533
Cancellation of ordinary shares	-	(112)	112	-	-	-	-	-	-	-	-
Share-based payments - value of employee services	-	-	-	-	-	-	-	1,946	-	-	1,946
Changes in equity for the period	-	(112)	112	-	-	26,874	-	1,946	4,530	85,129	118,479
At 30 September 2023	232	373,031	-	(14)	2,000	76,946	33,990	84,782	(268,303)	1,273,099	1,575,763

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

	<b>Nine months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Cash generated from operating activities	<b>94,073</b>	166,247
Income tax paid	<b>(7,143)</b>	(5,539)
Lease interests paid	<b>(663)</b>	(455)
	<hr/>	<hr/>
<b>Net cash generated from operating activities</b>	<b>86,267</b>	160,253
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Placement of term deposits with original maturities over three months	<b>(1,067,815)</b>	(1,104,154)
Proceeds from maturity of term deposits with original maturities over three months	<b>1,003,681</b>	963,519
Interest received	<b>41,303</b>	23,563
Dividends from investments at fair value through profit or loss	<b>1,757</b>	2,954
Purchases of investments at fair value through profit or loss	<b>(130,000)</b>	(100,000)
Proceeds from settlements of investments at fair value through profit or loss	<b>51,433</b>	12,716
Purchases of intangible assets	<b>(1,873)</b>	–
Purchases of property, plant and equipment	<b>(10,260)</b>	(2,163)
Proceeds from disposals of property, plant and equipment	<b>157</b>	22
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(111,617)</b>	(203,543)
	<hr/>	<hr/>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	<b>(4,223)</b>	(3,239)
Repurchase of ordinary shares	<b>–</b>	(112)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(4,223)</b>	(3,351)
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(29,573)</b>	(46,641)
Effect of foreign exchange rate changes	<b>(10,963)</b>	12,181
Cash and cash equivalents at beginning of the period	<b>293,956</b>	248,307
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of the period</b>	<b>253,420</b>	213,847
	<hr/>	<hr/>
<b>Analysis of cash and cash equivalents</b>		
Bank and cash balances	<b>253,420</b>	213,847
	<hr/>	<hr/>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

### 1. GENERAL INFORMATION

Boyaa Interactive International Limited (the “**Company**”) was incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business in Hong Kong is 14/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong. The address of its headquarters is 8/F, Block E1, International E Town, TCL Industry Park, 1001 Zhong Shan Yuan Road, Nanshan District, Shenzhen, the People’s Republic of China (“**PRC**”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The condensed consolidated financial statements are presented in Renminbi (the “**RMB**”), which is the Company’s presentation currency and the functional currency of the principal operating subsidiaries of the Group.

The Company acts as an investment holding company. The principal activities of the Group are the development and operation of online games, and the Group will be committed to promoting and developing Web3 gaming related business.

### 2. BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“**IASB**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

These condensed consolidated financial statements should be read in conjunction with the 2022 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2022.

### 3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Company and its subsidiaries (collectively referred as the “**Group**”) has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

The Group has not applied the new and revised IFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRSs but is not yet in a position to state whether these new and revised IFRSs would have a material impact on its results of operations and financial position.

#### 4. REVENUE AND SEGMENT INFORMATION

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Web-based games	<b>30,374</b>	30,632	<b>89,531</b>	92,229
Mobile games	<b>69,661</b>	63,848	<b>204,789</b>	188,705
Revenue from contracts with customers	<b>100,035</b>	94,480	<b>294,320</b>	280,934

#### Disaggregation of revenue from contracts with customers:

##### *Timing of revenue recognition*

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At a point of time	<b>100,035</b>	94,480	<b>294,320</b>	280,934

The directors of the Company consider that the Group's operations are operated and managed as a single segment. The directors of the Company, being the chief operating decision maker of the Group, review the operating results of the Group as a whole when making decisions about resource allocations and assessing performances. Hence it is determined that the Group has only one operating segment. Accordingly no segment information is presented.

The Group offers its games in various language versions in order to enable game players to play the games in different geographical locations. The Group's operations are substantially located in the PRC (including Hong Kong). A breakdown of revenue derived from different languages versions of the Group's games is as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Simplified Chinese	<b>4,155</b>	5,113	<b>14,064</b>	17,166
Other languages	<b>95,880</b>	89,367	<b>280,256</b>	263,768
	<b>100,035</b>	94,480	<b>294,320</b>	280,934

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (for the three and nine months ended 30 September 2022: nil).

The Group's non-current assets other than equity investments at fair value through other comprehensive income, investments at fair value through profit or loss, term deposits and deferred tax assets were located as follows:

	<b>30 September 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Mainland China	<b>43,561</b>	48,980
Other locations	<b>17,242</b>	11,868
	<b><u>60,803</u></b>	<b><u>60,848</u></b>

## 5. OTHER LOSSES, NET

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
		(restated)		(restated)
Dividends from investments at fair value through profit or loss	<b>1,006</b>	633	<b>1,757</b>	2,954
Loss on disposals of property, plant and equipment	<b>(1)</b>	–	<b>(25)</b>	(9)
Government subsidies and tax rebates (Note a)	<b>365</b>	636	<b>577</b>	1,531
Net foreign exchange gains/(losses)	<b>303</b>	(4,062)	<b>2,619</b>	(5,075)
Fair value changes on digital assets	<b>(55)</b>	–	<b>(55)</b>	–
Fair value changes on investments at fair value through profit or loss	<b>(15,434)</b>	(12,444)	<b>(39,423)</b>	(44,239)
Others (Note b)	<b>(15)</b>	(3,044)	<b>(377)</b>	(9,182)
	<b><u>(13,831)</u></b>	<b><u>(18,281)</u></b>	<b><u>(34,927)</u></b>	<b><u>(54,020)</u></b>

Note:

- (a) Government subsidies represented various industry-specific subsidies granted by the government authorities to subsidise the research and development costs incurred by the Group during the course of its business.
- (b) Other losses of RMB9,088,000 for the nine months ended 30 September 2022 was the remaining balance of the Enforcement Sum (as defined in note 20). For details, please refer to the note 20.

## 6. FINANCE INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)
Interest revenue	15,639	7,971	40,828	19,451
Interest revenue on non-current loans to employees	32	195	475	627
	<u>15,671</u>	<u>8,166</u>	<u>41,303</u>	<u>20,078</u>

## 7. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)
Lease interests	<u>318</u>	<u>140</u>	<u>663</u>	<u>455</u>

## 8. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	2022 <i>RMB'000</i> (unaudited)
Current tax				
– PRC Enterprise Income Tax (“EIT”) and other jurisdictions	5,258	6,647	12,433	17,561
Deferred tax	<u>(34)</u>	<u>438</u>	<u>215</u>	<u>1,102</u>
	<u>5,224</u>	<u>7,085</u>	<u>12,648</u>	<u>18,663</u>

(a) **EIT**

The income tax provision of the Group in respect of operations in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for the nine months ended 30 September 2023 and 2022, based on the existing legislation, interpretations and practices in respect thereof.

Boyaa On-line Game Development (Shenzhen) Co., Limited has successfully renewed its “High and New Technology Enterprise” (“**HNTE**”) qualification under EIT Law during the year ended 31 December 2022 and as a result, Boyaa On-line Game Development (Shenzhen) Co., Limited enjoy a preferential tax rate of 15% from 1 January 2022 to 31 December 2024. Therefore, the applicable tax rate for Boyaa On-line Game Development (Shenzhen) Co., Limited was 15% for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: 15%).

Shenzhen Erlulu Technology Company Limited has successfully obtained HNTE qualification under EIT Law during the year ended 31 December 2021 and as a result, Shenzhen Erlulu Technology Company Limited enjoy a preferential tax rate of 15% from 1 January 2021 to 31 December 2023. Therefore, the applicable tax rate for Shenzhen Erlulu Technology Company Limited was 15% for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: 15%).

According to policies promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 200% (for the nine months ended 30 September 2022: 175%) of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that period (“**Super Deduction**”). Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited had claimed such Super Deduction in ascertaining its tax assessable profits for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited).

(b) **PRC withholding tax (“WHT”)**

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% WHT. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the PRC and Hong Kong, the relevant withholding tax rate will be reduced from 10% to 5%.

As at 30 September 2023, the retained earnings of the Group’s PRC subsidiaries not yet remitted to holding companies incorporated outside of the PRC, for which no deferred income tax liability had been provided, were RMB166,033,063 (31 December 2022: RMB189,733,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their foreign investor in the foreseeable future based on the management’s estimation of overseas funding requirements.

(c) **Hong Kong Profits Tax**

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to Hong Kong dollars (“HK\$”) 2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the nine months ended 30 September 2023 and 2022.

(d) **Singapore Profits Tax**

Singapore Profits Tax has been provided at the rate of 17% on assessable profits for the nine months ended 30 September 2023 and 2022.

**9. PROFIT FOR THE PERIOD**

The Group’s profit for the period is stated after (crediting)/charging the following:

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RMB’000</b>	<b>RMB’000</b>	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Amortisation of intangible assets				
– included in administrative expenses	<u>55</u>	<u>–</u>	<u>55</u>	<u>–</u>
	<u>55</u>	<u>–</u>	<u>55</u>	<u>–</u>
Depreciation	<b>2,780</b>	4,596	<b>8,959</b>	13,753
Research and development expenditure				
– included in staff costs	<b>13,358</b>	13,224	<b>44,904</b>	43,497
– included in depreciation	<b>91</b>	65	<b>244</b>	188
– included in other administrative expenses	<u>197</u>	<u>288</u>	<u>927</u>	<u>880</u>
	<u><b>13,646</b></u>	<u>13,577</u>	<u><b>46,075</b></u>	<u>44,565</u>
(Reversal of loss allowance)/loss allowance provision for trade receivables	<b>(349)</b>	32	<b>(12)</b>	(4,329)
Staff costs including directors’ emoluments				
– Wages, salaries and bonuses	<b>18,058</b>	18,086	<b>58,579</b>	56,678
– Retirement benefit scheme contributions	<b>1,548</b>	1,523	<b>5,848</b>	5,233
– Share-based payments expenses	<u>509</u>	<u>899</u>	<u>1,946</u>	<u>2,048</u>
	<u><b>20,115</b></u>	<u>20,508</u>	<u><b>66,373</b></u>	<u>63,959</u>

## 10. DIVIDENDS

The board of the directors of the Company (the “Board”) has resolved not to declare an interim dividend for the nine months ended 30 September 2023 (for the nine months ended 30 September 2022: nil).

## 11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	Three months ended		Nine months ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(restated)		(restated)
<b>Earnings</b>				
Earnings for the purpose of basic and diluted earnings per share	<u>29,549</u>	<u>13,133</u>	<u>85,129</u>	<u>36,441</u>
<b>Number of shares ('000)</b>				
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>661,771</b>	656,976	<b>660,072</b>	656,795
Effect of dilutive potential ordinary shares arising from restricted share units (“RSUs”)	<b>9,471</b>	4,923	<b>10,830</b>	4,978
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>671,242</u>	<u>661,899</u>	<u>670,902</u>	<u>661,773</u>

## 12. PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

During the nine months ended 30 September 2023, the Group acquired property, plant and equipment of RMB10,083,000 (for the nine months ended 30 September 2022: RMB1,897,000).

Property, plant and equipment with a carrying amount of approximately RMB182,000 (for the nine months ended 30 September 2022: approximately RMB31,000) were disposed by the Group during the nine months ended 30 September 2023.

During the nine months ended 30 September 2023, the additions to right-of-use assets were nil (for the nine months ended 30 September 2022: RMB20,217,000).

### 13. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>30 September 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Equity securities, at fair value		
– Listed in Hong Kong – Xiaomi Corporation	19,249	16,614
– Listed in USA – Qudian Inc.	3,350	1,460
– Unlisted equity securities	<u>5</u>	<u>–</u>
Total equity investments at fair value through other comprehensive income, analysed as non-current assets	<u><b>22,604</b></u>	<u>18,074</u>

### 14. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
<b>Included in non-current assets</b>		
Non-quoted investments in:		
– asset management plans	38,000	64,550
– equity investment partnerships	<u>54,087</u>	<u>70,416</u>
	<u><b>92,087</b></u>	<u>134,966</u>
<b>Included in current assets</b>		
Non-quoted investments in:		
– asset management plan	2,700	–
– wealth management products ( <i>Note</i> )	<u>130,601</u>	<u>50,367</u>
	<u><b>133,301</b></u>	<u>50,367</u>
	<u><b>225,388</b></u>	<u>185,333</u>

*Note:*

Investments in wealth management products are investments in wealth management plans provided by financial institutions in the PRC. Wealth management products have no initial terms.

## 15. TRADE RECEIVABLES

	<b>30 September 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
Trade receivables	28,147	24,095
Provision for loss allowance	<u>(252)</u>	<u>(264)</u>
Carrying amount	<b><u>27,895</u></b>	<b><u>23,831</u></b>

The aging analysis of trade receivables, based on recognition date of trade receivables, net of allowance, is as follows:

	<b>30 September 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
0 to 30 days	22,190	19,671
31 to 60 days	–	3,002
61 to 90 days	5,505	793
91 to 180 days	188	127
181 to 365 days	11	17
Over 365 days	<u>1</u>	<u>221</u>
	<b><u>27,895</u></b>	<b><u>23,831</u></b>

## 16. TRADE PAYABLES

The aging analysis of trade payables, based on recognition date of trade payables, is as follows:

	<b>30 September 2023 RMB'000 (unaudited)</b>	31 December 2022 RMB'000 (audited)
0 to 30 days	864	787
31 to 90 days	5	–
91 to 180 days	–	–
181 to 365 days	2	2
Over 365 days	<u>255</u>	<u>289</u>
	<b><u>1,126</u></b>	<b><u>1,078</u></b>

## 17. SHARE CAPITAL

The total authorised share capital of the Company comprises 2,000,000,000 (31 December 2022: 2,000,000,000) ordinary shares with par value of United States dollar (“USD”) 0.00005 (31 December 2022: USD0.00005) per share.

	<b>Number of ordinary shares</b>	<b>Nominal value of ordinary shares USD'000</b>	<b>Equivalent nominal value of ordinary shares RMB'000</b>
Issued and fully paid:			
At 1 January 2022 (audited), 31 December 2022 (audited) and 1 January 2023 (audited)	709,876,301	36	232
Cancellation of ordinary shares ( <i>Note</i> )	<u>(300,000)</u>	<u>–</u>	<u>–</u>
At 30 September 2023 (unaudited)	<b><u>709,576,301</u></b>	<b><u>36</u></b>	<b><u>232</u></b>

*Note:*

The Group repurchased 300,000 shares of its own shares from the market during the year ended 31 December 2022. The total amount paid to acquire the shares was RMB112,000 and has been deducted from the shareholders' equity. The related weighted average price at the time of buy-back was HK\$0.42 per share. These 300,000 repurchased shares had been cancelled during the nine months ended 30 September 2023.

## 18. SHARE-BASED PAYMENTS

### (a) Share options

On 7 January 2011, the Board of the Company approved the establishment of a share option scheme (“**Pre-IPO Share Option Scheme**”) with the objective to recognise and reward the contribution of eligible directors and employees to the growth and development of the Group. The contractual life of all options under Pre-IPO Share Option Scheme is eight years from the grant date.

On 23 October 2013, the Board of the Company approved the establishment of a share option scheme (“**Post-IPO Share Option Scheme**”) with the objective to recognise and reward the contribution of eligible directors and employees to the growth and development of the Group. The contractual life of all options under Post-IPO Share Option Scheme is ten years from the grant date.

Details of the share options outstanding during the period are as follows:

	<b>Number of share options</b>	
	<b>For the nine months ended</b>	
	<b>30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Outstanding at the beginning of the period	<b>5,222,429</b>	5,722,429
Lapsed during the period	<b>(200,000)</b>	(500,000)
Outstanding at the end of the period	<b><u>5,022,429</u></b>	<u>5,222,429</u>
Exercisable at the end of the period	<b><u>5,022,429</u></b>	<u>5,222,429</u>

No options were exercised during the nine months ended 30 September 2023 and 2022.

Details of the exercise prices and the respective numbers of share options which remained outstanding as at 30 September 2023 and 2022 are as follows:

Expiry date	Exercise price		Number of share options	
	Original currency	Equivalent to HK\$	At 30 September 2023	2022
			<b>(unaudited)</b>	<b>(unaudited)</b>
6 September 2025	HK\$3.108	3.108	<b><u>5,022,429</u></b>	<u>5,222,429</u>

**(b) Restricted Share Unit (“RSU”)**

On 17 September 2013, the Company set up a RSU scheme (the “**RSU Scheme**”) with the objective to incentivise directors, senior management and employees for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. RSUs held by a participant that are vested may be exercised (in whole or in part) by the participant serving an exercise notice in writing to The Core Trust Company Limited (the “**RSU Trustee**”) and copied to the Company. The RSU Scheme will be valid and effective for a period of eight years from 4 March 2013 to 3 March 2021, commencing from the date of the first grant of the RSUs.

On 19 July 2021 (the “**Adoption Date**”), the Company has adopted the new RSU scheme (the “**New RSU Scheme**”), to incentivise the contributions by, and to attract, motivate and retain, Eligible Persons, for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The New RSU Scheme shall be valid and effective for a period of eight years commencing on the Adoption Date.

On 27 August 2021, the Group granted 5,650,000 RSUs under the New RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HK\$0.445 per share. The expiry date of the above newly granted RSUs is 26 August 2029.

On 15 April 2022, the Group granted 15,000,000 RSUs under the New RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HK\$0.465 per share. The expiry date of the above newly granted RSUs is 14 April 2030.

Movements in the number of RSUs outstanding:

	<b>Number of RSUs</b>	
	<b>2023</b>	2022
	<b>(unaudited)</b>	(unaudited)
At 1 January	<b>23,488,089</b>	9,722,089
Granted	–	15,000,000
Lapsed	–	(1,100,000)
	<u><b>23,488,089</b></u>	<u>23,622,089</u>
At 30 September	<u><b>23,488,089</b></u>	<u>23,622,089</u>
Vested but not transferred at 30 September	<u><b>10,088,089</b></u>	<u>5,334,589</u>

**(c) Shares held for RSU schemes**

The shares held for RSU schemes were regarded as treasury shares and had been presented as a deduction against shareholders' equity. During the period, nil (for the nine months ended 30 September 2022: nil) of RSUs were vested and transferred (note (b) above), and as a result, 57,110,829 ordinary shares (31 December 2022: 57,110,829 ordinary shares) of the Company underlying the RSUs were held by Core Administration RSU Limited and The Core Admin Boyaa RSU Limited as at 30 September 2023.

**19. RELATED PARTY TRANSACTIONS**

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had the following balances with its related parties at end of the period:

	<b>30 September</b>	31 December
	<b>2023</b>	2022
	<b>RMB'000</b>	RMB'000
	<b>(unaudited)</b>	(audited)
Amount due from a director included in other receivables	<b>840</b>	855
Amount due from a related party included in other receivables	<u><b>2,003</b></u>	<u>2,003</u>

The amounts due from a director and related party are unsecured, interest-free and repayable on demand.

## 20. MATERIAL EVENTS

In March 2019, the Company had come to the attention that it was not able to continue to use the idle cash reserves in its individual bank accounts (the “**Relevant Idle Cash Reserves**”) for fixed-term deposits or wealth management (the “**Incident**”).

At the relevant time, the Company considered that the Incident may be implicated as a result of the Case (as defined below) involving individual Employees (as defined below), as such, the Company engaged its PRC legal advisers (the “**PRC Legal Advisers**”) to advise on this matter in March 2019. Upon engagement of the PRC Legal Advisers, the PRC Legal Advisers had submitted applications to the relevant PRC court and procuratorate on behalf of the Company in relation to the Incident, including an application to utilise the Relevant Idle Cash Reserves.

Upon advice of the PRC Legal Advisers, the Company filed another application (the “**Application**”) to the relevant PRC court on 21 August 2019 seeking to utilise the Relevant Idle Cash Reserves for wealth management. On 27 August 2019, the Company received a reply (the “**Reply**”) from the relevant PRC court that the Relevant Idle Cash Reserves were frozen due to a prosecution (the “**Case**”) made by the relevant PRC judicial authority against its individual current or former employees (the “**Employees**”) for their alleged illegal activities conducted through one of the Company’s onshore online gaming platforms (the “**Alleged Crime**”). Therefore, the Application was rejected. After the occurrence of the Incident and the Case, the Company had terminated the employment relationship with all the above mentioned employees. As advised by the PRC Legal Advisers, if the relevant PRC judicial authority finds that the Employees are guilty of the Alleged Crime and some or all of the Relevant Idle Cash Reserves contain income generated as a result of such conduct, such income may be confiscated.

On 27 December 2019, the Intermediate People’s Court of Chengde City, Hebei Province (the “**Trial Court**”) delivered the judgment in relation to the Case (the “**Judgment**”). The Trial Court held that the Employees are guilty of the Alleged Crime and ordered an amount of approximately RMB943 million to be paid to the state treasury (the “**Judgment Amount**”).

The Company was discussing with its PRC Legal Advisers as to the next step forward in relation to the Judgment, including the possibility to take appropriate legal actions as to the Judgment Amount to protect the interests of the Company and its shareholders. The Company was informed, on 3 September 2021, that the PRC court of second instance (the “**Appeal Court**”) had made a decision on the Appeal Hearing to quash the Judgment and remanded the case to the Trial Court for a retrial (the “**Retrial**”) since it was of the view that certain facts under the Judgment was unclear. As advised by the PRC Legal Advisers, the Retrial was heard on 1 December 2021 and 2 December 2021. The Company was informed by the PRC Legal Advisers, on 23 March 2022, that the Intermediate People’s Court of Chengde City, Hebei Province delivered the judgment of the Retrial (the “**Retrial Judgment**”). The Trial court had upheld that the Employees was guilty of the Alleged Crime. However, the Trial court had held that the amount of RMB291,696,677.62 and wealth management products in the amount of RMB350,000,000 and the relevant interests which had been frozen shall be paid to the state treasury (the “**Relevant Frozen Sum**”) which superseded the amount of RMB942,654,382.75 as original ordered by the Trial court to be paid to the state treasury. As advised by the PRC Legal Adviser, some Employees had applied for appeal against the Retrial Judgment up to 29 March 2022 and the rehearing of Retrial was heard by the court of second instance on 28 July 2022. On 5 December 2022, as informed by the PRC Legal Advisers, the High People’s Court of Hebei Province (the “**Court of Second Instance**”) had delivered the ruling of the rehearing of the

Retrial (the “**Second Instance Ruling**”), which held that the Employees are guilty of the Alleged Crime and had used the frozen account of the Company to transfer funds for relevant illegal activities, therefore the Relevant Frozen Sum, representing all funds in the frozen account of the Company in the amount of RMB291,696,677.62 and wealth management products in the amount of RMB350,000,000 and the relevant interests therefrom, shall be confiscated and paid to the state treasury. On 8 December 2022, it had come to the attention of the Company that an aggregate of approximately RMB683,222,975.72 had been withdrawn from the frozen bank accounts by the Trial Court (the “**Enforcement**”) where all available funds, wealth management products and relevant interests were held (the “**Enforcement Sum**”).

On the 13 January 2023, as informed by the PRC Legal Advisers, to the best of their knowledge after making reasonable enquiries, some of the former Employees had filed a petition to the court against the Retrial Judgment and the Second Instance Ruling for a filing and retrial. At the same time, after the discussion between the Company and the PRC Legal Advisers, in order to safeguard the interests of the Company and its Shareholders, the PRC Legal Advisers had filed a petition on behalf of the Company, as a non-party stakeholder to the Case, requesting the court (i) to quash the Retrial Judgment and the Second Instance Ruling and to order a filing and a retrial of the Case; and (ii) to apply the appropriate PRC laws and regulations in determining the amount involved in the Case and to return to the Company the legitimate revenue which has been withdrawn. On 15 June 2023, as informed by the PRC Legal Advisers, the Court of Second Instance had dismissed the petition filed by the PRC Legal Advisers on behalf of the Company as a non-party stakeholder to the Case (the “**Dismissal**”), and the Retrial Judgement and the Second Instance Ruling have been upheld.

Since the established of the Independent Investigation Committee in September 2019, it had held meetings in a timely manner to discuss various matters concerning the Case, the Incident and maintained close contact with the senior management of the Company on any updates of the Incident and Case. The Independent Investigation Committee had issued an investigation report (the “**Investigation Report**”) in July 2023 with details of their findings and their view on the Case and the Incident. After reviewing all existing documents available to the Company in relation to the Case and the Incident, the Independent Investigation Committee is of the view that there were no material findings after conducting the independent investigation which have to bring to the attention of the shareholders and potential investors of the Company.

Pursuant to the Investigation Report, the Independent Investigation Committee had concluded that, among others:

- (i) apart from the former Employees, the Company’s management had no involvement of the Case and was not prosecuted;
- (ii) the Board and management timely took active steps in monitoring and managing the situation in relation to the Incident and the independent non-executive Directors had established the Independent Investigation Committee for the purpose of conducting an independent investigation on internal matters arising out of the Case;

- (iii) the Board responded promptly and immediately engaged Deloitte Consulting (Beijing) Company (“**Deloitte**”) to review the internal control system of the Company. Deloitte had completed their review on the Company’s internal control system and issued a report in January 2020, pursuant to which Deloitte was of the view that there were no material issues identified in respect of the internal control system of the Group and Deloitte had proposed certain strengthened measures to the internal control system to the Company. In March 2020, Deloitte issued a follow up report, in which Deloitte confirmed that the Company had implemented all the proposed strengthened measures, including additional measures on declaration of interest by employees and revenue management systems;
- (iv) as advised by the PRC Legal Advisers, the Company has obtained all necessary and requisite approval, licenses and permits from all relevant governmental or regulatory authorities for its operation of online gaming platforms in the PRC, and its business operations in the PRC are in compliance with the relevant PRC laws. The fact that the former Employees were found guilty by judicial authorities will not affect the validity of the approval, licenses and permits of the Company;
- (v) the Company is taking legal advice from PRC Legal Advisers on the Incident and will continue to take all necessary steps to protect the interests of the Company and its shareholders;
- (vi) the Company’s operation is not and will not be materially affected by the Case and the Enforcement Sum withdrawn; and
- (vii) the Board has been handling this matter with frequent and thorough discussions. The investigation reveals no material issues on management of the Board in respect of the Case and the Incident.

In light of the aforementioned conclusions, and the fact that (i) except for the relevant gaming platform involved the Case which has ceased operation, all other online gaming platforms of the Company remain in normal operation; (ii) the Company will strive to further expand the overseas market as well as other card and board games business and will be dedicated to diversifying its business in strict compliance with all applicable laws; and (iii) as of the date of this announcement, save for the proposed acquisition mandate and the potential cryptocurrency acquisitions disclosed in the section headed “Important Events Affecting the Group After the Reporting Period” of this announcement, the Company does not have any future plans relating to material acquisitions, investments, or any loan borrowings which would cause any immediate need for any material cash commitment for the time being, the Company is of the view that the Case, the Incident, the Enforcement and the Dismissal will not have any material adverse impact on its business operations.

The Company will keep the shareholders and potential investors of the Company informed of any material development in connection with the Case and the Incident as and when appropriate pursuant to the requirements under the Listing Rules.

For details, please refer to the announcements of the Company dated 1 September 2019, 4 September 2019, 13 December 2019, 3 January 2020, 6 January 2020, 9 November 2020, 3 September 2021, 30 November 2021, 24 March 2022, 29 March 2022, 28 July 2022, 5 December 2022, 9 December 2022, 13 January 2023 and 16 June 2023.

## **21. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

These condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 23 November 2023.

**RECONCILIATION FROM UNAUDITED PROFIT TO UNAUDITED NON-IFRS  
ADJUSTED NET PROFIT**

*FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023*

	<b>For the nine months ended 30 September</b>		Year-on-Year Change*
	<b>2023</b>	2022	%
	<i><b>RMB'000</b></i>	<i>RMB'000</i>	
	<b>(unaudited)</b>	(unaudited) (restated)	
<b>Revenue</b>	<b>294,320</b>	280,934	4.8
Cost of revenue	<u><b>(95,904)</b></u>	<u>(96,020)</u>	(0.1)
<b>Gross profit</b>	<b>198,416</b>	184,914	7.3
Other losses, net	<b>(34,927)</b>	(54,020)	(35.3)
Selling and marketing expenses	<b>(37,146)</b>	(25,318)	46.7
Administrative expenses	<u><b>(68,134)</b></u>	<u>(69,821)</u>	(2.4)
<b>Operating profit</b>	<b>58,209</b>	35,755	62.8
Finance income, net	<b>40,640</b>	19,623	107.1
Share of losses of associates	<u><b>(1,072)</b></u>	<u>(274)</u>	291.2
<b>Profit before income tax</b>	<b>97,777</b>	55,104	77.4
Income tax expense	<u><b>(12,648)</b></u>	<u>(18,663)</u>	(32.2)
<b>Profit for the period</b>	<u><b>85,129</b></u>	<u>36,441</u>	133.6
<b>Non-IFRS adjustment (unaudited)</b>			
Share-based compensation expenses included in cost of revenue	–	–	–
Share-based compensation expenses included in selling and marketing expenses	–	–	–
Share-based compensation expenses included in administrative expenses	<u><b>1,946</b></u>	<u>2,048</u>	(5.0)
<b>Non-IFRS adjusted net profit (unaudited)</b>	<u><b>87,075</b></u>	<u>38,489</u>	126.2

\* *Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.*

## RECONCILIATION FROM UNAUDITED PROFIT TO UNAUDITED NON-IFRS ADJUSTED NET PROFIT

*FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2023*

	For the three months ended			Year-on- Year Change*	Quarter-on- Quarter Change**
	30 September 2023 <i>RMB'000</i> (unaudited)	30 June 2023 <i>RMB'000</i> (unaudited)	30 September 2022 <i>RMB'000</i> (unaudited) (restated)		
<b>Revenue</b>	<b>100,035</b>	99,056	94,480	5.9	1.0
Cost of revenue	<u>(31,293)</u>	<u>(32,689)</u>	<u>(32,409)</u>	(3.4)	(4.3)
<b>Gross profit</b>	<b>68,742</b>	66,367	62,071	10.7	3.6
Other losses, net	<u>(13,831)</u>	<u>(14,434)</u>	<u>(18,281)</u>	(24.3)	(4.2)
Selling and marketing expenses	<u>(13,591)</u>	<u>(13,233)</u>	<u>(8,149)</u>	66.8	2.7
Administrative expenses	<u>(21,372)</u>	<u>(23,424)</u>	<u>(23,319)</u>	(8.3)	(8.8)
<b>Operating profit</b>	<b>19,948</b>	15,276	12,322	61.9	30.6
Finance income, net	<u>15,353</u>	<u>14,265</u>	<u>8,026</u>	91.3	7.6
Share of losses of associates	<u>(528)</u>	<u>(172)</u>	<u>(130)</u>	306.2	207.0
<b>Profit before income tax</b>	<b>34,773</b>	29,369	20,218	72.0	18.4
Income tax expenses	<u>(5,224)</u>	<u>(2,446)</u>	<u>(7,085)</u>	(26.3)	113.6
<b>Profit for the period</b>	<b><u>29,549</u></b>	<b><u>26,923</u></b>	<b><u>13,133</u></b>	125.0	9.8
<b>Non-IFRS adjustment (unaudited)</b>					
Share-based compensation expense included in cost of revenue	-	-	-	-	-
Share-based compensation expense included in selling and marketing expenses	-	-	-	-	-
Share-based compensation expense included in administrative expenses	<u>509</u>	<u>579</u>	<u>899</u>	(43.4)	(12.1)
<b>Non-IFRS adjusted net profit (unaudited)</b>	<b><u>30,058</u></b>	<b><u>27,502</u></b>	<b><u>14,032</u></b>	114.2	9.3

\* *Year-on-Year Change % represents a comparison between the current reporting period and the corresponding period last year.*

\*\* *Quarter-on-Quarter Change % represents a comparison between the quarter ended 30 September 2023 and the immediately preceding quarter.*

**The Board wishes to remind investors and shareholders of the Company that the above financial information is based on the Group's unaudited management accounts. Investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the securities of the Company.**

By order of the Board of  
**Boyaa Interactive International Limited**  
**DAI Zhikang**  
*Chairman and Executive Director*

Hong Kong, 23 November 2023

*As at the date of this announcement, the executive directors of the Company are Mr. DAI Zhikang and Ms. TAO Ying; the independent non-executive directors of the Company are Mr. CHEUNG Ngai Lam, Mr. CHOI Hon Keung Simon and Mr. KONG Fanwei.*