

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Boyaa Interactive International Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE AND TO ISSUE SHARES**

PROPOSED RE-ELECTION OF DIRECTOR

PROPOSED RE-APPOINTMENT OF AUDITOR

**POSSIBLE VERY SUBSTANTIAL ACQUISITION
ACQUISITION MANDATE IN RELATION TO
THE POTENTIAL CRYPTOCURRENCY ACQUISITIONS**

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

NOTICE OF ANNUAL GENERAL MEETING

A letter of the Board is set out on pages 6 to 24.

A notice convening the annual general meeting of the Company to be held physically at Plaza 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 19 April 2024 at 3:00 p.m. is set out on pages AGM-1 to AGM-7 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 April 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish and in such event the form of proxy shall be deemed to be revoked.

28 March 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If any shareholder chooses not to attend the AGM in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong. If any shareholder has any question relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at:

Computershare Hong Kong Investor Services Limited

17M Floor

Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

Website: www.computershare.com/hk/contact

Tel: +852 2862 8555

Fax: +852 2865 0990

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition Mandate”	a specific mandate proposed by the Directors in order to seek Shareholders’ approval to authorize and empower the Directors to conduct the Potential Cryptocurrency Acquisitions during the Mandate Period
“AGM”	the annual general meeting of the Company to be held physically at Plaza 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 19 April 2024 at 3:00 p.m., or any adjournment thereof
“AGM Notice”	the notice for convening the AGM as set out on pages AGM-1 to AGM-7 of this circular
“Articles”	the articles of association of the Company
“associate”	has the meaning ascribed to this term under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Auditor”	the auditors for the time being of the Company
“Board”	the board of Directors
“Business Day”	a day on which the banks in Hong Kong are generally open for business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“Company”	Boyaa Interactive International Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Contract”	in relation to an employee or Director, his/her contract of employment or service contract with his/her Employer (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the New Share Option Scheme is adopted
“Eligible Person(s)”	any of (i) Employee Participant(s); and (ii) Related Entity Participant(s)
“Employee Participant(s)”	any Director(s) or employee(s) (whether full-time or part-time) of the Group
“Employer”	in relation to an employee, the member of the Group which employs or has appointed him/her under his/her Contract
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option, which must be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a trading day; and (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) trading days immediately preceding the date of grant
“Grantee”	means any Eligible Person who accepts the offer of the grant of any Option in accordance with the terms of this Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the Eligible Person who accepted the offer
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Government”	the government of Hong Kong
“Latest Practicable Date”	25 March 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Mandate Period”	a period of 12 months from the date on which the ordinary resolution in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions is duly passed by the Shareholders at the AGM
“Memorandum”	the memorandum of association of the Company
“Nomination Committee”	the nomination committee of the Company
“Option(s)”	a right granted under the New Share Option Scheme to subscribe for Shares in accordance with the New Share Option Scheme
“Option-holder”	a person holding an Option (and, where relevant, includes his/her personal representatives)
“Option Period”	in relation to an Option, the period which is notified by the Board when making an offer to an Eligible Person and which is specified on the option certificate, such period not to exceed the period of ten (10) years from the date of offering such Option and the Board may provide restrictions on the exercise of an Option (including but not limited to the imposition of a minimum period an Option must be held before it can be exercised)
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the AGM Notice
“Potential Cryptocurrency Acquisitions”	the potential acquisitions of cryptocurrencies up to US\$100 million on an ongoing basis
“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Related Party Participant(s)”	director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Company

DEFINITIONS

“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares, details of which are set out in Ordinary Resolution no. 5 of the AGM Notice
“RMB”	Renminbi, the lawful currency of the PRC
“RSU(s)”	Restricted share unit(s) as defined under the restricted share units schemes of the Company
“Scheme” or “New Share Option Scheme”	the new share option scheme to be considered and approved at the AGM
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of USD0.00005 each in the share capital of the Company
“Share Buyback Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies listed on the main board of the Stock Exchange of their own securities
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with any Shares or securities convertible to Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power, details of which are set out in Ordinary Resolution no. 6 of the AGM Notice
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules

DEFINITIONS

“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent



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)

Executive Directors:

Mr. DAI Zhikang (*Chairman*)

Ms. TAO Ying (*Acting Chief Executive Officer*
and Joint Company Secretary)

Independent Non-executive Directors:

Mr. CHEUNG Ngai Lam

Mr. CHOI Hon Keung Simon

Mr. KONG Fanwei

Registered Office:

The offices of Maples
Corporate Services Limited
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal Place of Business
in Hong Kong:

19/F, Golden Centre
188 Des Voeux Road Central
Hong Kong

28 March 2024

To the Shareholders

Dear Sir or Madam,

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NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the forthcoming AGM, the resolutions will be proposed to seek the Shareholders' approval for, among other things, (i) the granting of the Repurchase Mandate and the Share Issue Mandate to the Directors; (ii) the re-election of the retiring Director; (iii) the re-appointment of auditor; (iv) the granting of Acquisition Mandate in advance to authorize and empower the Board to conduct the Potential Cryptocurrency Acquisitions during the Mandate Period; and (v) the adoption of New Share Option Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding the proposed grant of the Repurchase Mandate and the Share Issue Mandate, the proposed re-election of the retiring Director, the proposed re-appointment of auditor, the proposed Potential Cryptocurrency Acquisitions and the Acquisition Mandate, the proposed New Share Option Scheme, the financial information of the Group and other information as required under the Listing Rules, and the notice of AGM.

REPURCHASE MANDATE AND SHARE ISSUE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders for the granting to the Directors of the Repurchase Mandate and the Share Issue Mandate.

Repurchase Mandate

At the AGM, an Ordinary Resolution will be proposed that the Directors be given an unconditional general mandate to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for such purpose, of not exceeding 10% of the total number of issued Shares of the Company as at the date of approval of the Repurchase Mandate. Details of the Repurchase Mandate are set out in Ordinary Resolution no. 5 of the AGM Notice.

As at the Latest Practicable Date, the Company had an aggregate of 709,576,301 Shares in issue. Subject to the passing of the Ordinary Resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 70,957,630 Shares.

An explanatory statement as required under the Share Buyback Rules, giving certain information regarding the Repurchase Mandate, is set out in Appendix I to this circular.

Share Issue Mandate

At the AGM, an Ordinary Resolution will also be proposed that the Directors be given an unconditional general mandate to allot, issue and deal with additional Shares or securities convertible to Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) which would or might require the exercise of such power of not exceeding 20% of the total number of issued Shares of the Company as at the date of approval of the Share Issue Mandate.

Subject to the passing of the Ordinary Resolution for the approval of the Share Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to allot, issue and deal with a maximum of 141,915,260 Shares under the Share Issue Mandate.

An Ordinary Resolution will also be proposed to authorize the extension of the Share Issue Mandate by adding the number of Shares repurchased by the Company under the Repurchase Mandate (if granted), provided that such extended amount shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing this resolution.

LETTER FROM THE BOARD

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions nos. 6 and 7 of the AGM Notice, respectively.

The Repurchase Mandate and the Share Issue Mandate shall continue to be in force during the period from the date of passing of the Ordinary Resolutions for the approval of the Repurchase Mandate and the Share Issue Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law(s) to be held; or (iii) the revocation or variation of the Repurchase Mandate or the Share Issue Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

RE-ELECTION OF DIRECTOR

In accordance with Article 16.18 of Articles, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation. Accordingly, Mr. Dai Zhikang and Mr. Kong Fanwei shall retire by rotation at the AGM. Mr. Dai Zhikang, being eligible, has offered himself for re-election at the AGM. Mr. Kong Fanwei has informed the Board that he will not offer himself for re-election due to personal career arrangements. His retirement shall take effect upon the conclusion of the AGM. Upon his retirement, Mr. Kong Fanwei will also cease to be a member of each of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Kong Fanwei has confirmed that he has no disagreement with the Board and there are no other matters that need to be brought to the attention of the Shareholders and the Stock Exchange in relation to his retirement.

The biographical details of Mr. Dai Zhikang are set out below:

Mr. Dai Zhikang (戴志康), aged 42, joined the Board as an executive Director on 19 August 2013 and appointed as chairman of the Board on 21 September 2018. Mr. Dai has served as a director of Shenzhen Dong Fang Bo Ya Technology Co., Limited (“**Boyaa Shenzhen**”) since January 2008. Mr. Dai served as the general manager of Beijing Comsenz Innovation Technology Co., LLC* (北京康盛新創科技有限責任公司) from October 2010 to March 2014 and was responsible for its overall strategic planning and general management. Mr. Dai founded Beijing Comsenz Century Technology Co., Ltd*. (北京康盛世紀科技有限公司) in 2004 and served as its chairman since inception until 2006. Mr. Dai also served as one of the persons-in-charge of Comsenz (Beijing) Networking Corporation Limited* (康盛創想(北京)科技有限公司) from 2006 to 2010. Mr. Dai received his bachelor’s degree in communications engineering from Harbin Engineering University in June 2004. Mr. Dai invested in Beijing Huobi Global Network Technology Co., Ltd.* (北京火幣天下網絡技術有限公司) (the predecessor of HTX (火必交易平臺)) in 2014. Mr. Dai has in-depth research and thinking on blockchain and Web3 related technologies, and has profound insights and rich experience in Web3 industry development and related business management.

* For identification purposes only

LETTER FROM THE BOARD

Mr. Dai entered into a service contract with the Company for a term commencing on 8 June 2023 expiring at the conclusion of the AGM. For the year ended 31 December 2023, the total emoluments paid to Mr. Dai under the existing service agreement was approximately RMB0.231 million. Pursuant to the new service contract to be entered into with the Company, Mr. Dai is not entitled to receive any remuneration or bonus. Mr. Dai will be entitled to receive dividends declared by the Company from time to time pursuant to his interests in the Shares, which is not covered by the new service contract to be entered into. The remuneration package of Mr. Dai was determined with reference to the Company's earnings and market environment etc.. It is proposed that, subject to the Shareholders' approval for his re-election at the forthcoming AGM, the Company enters into a new service contract with Mr. Dai to renew the term of his appointment for a term commencing on the date of the AGM and expiring at the conclusion of the annual general meeting of the Company in 2025, which can be further renewed by mutual agreement. Mr. Dai is also subject to the provisions of retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws whereby a Director shall vacate his office.

As at the Latest Practicable Date, Mr. Dai has the following interests in the Shares within the meaning of Part XV of the SFO:

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of shareholding to total issued Shares
Dai Zhikang ^(Note)	Founder of a discretionary trust	36,500,000 (Long position)	5.14%

Note: Visioncode Holdings Limited, a company wholly-owned by a trust named the Visioncode Trust (the "Dai Family Trust"), directly holds the entire issued share capital of Comsenz Holdings Limited. Mr. Dai Zhikang is the director of Comsenz Holdings Limited. The Dai Family Trust is a discretionary trust established by Mr. Dai Zhikang (as the settlor) and the discretionary beneficiaries of which include Mr. Dai Zhikang and his children. Accordingly, Mr. Dai Zhikang is deemed to be interested in the 36,500,000 Shares held by Comsenz Holdings Limited under the SFO.

Save as disclosed above, as at the Latest Practicable Date, Mr. Dai does not have or is deemed to have any interest in the Shares within the meaning of Part XV of the SFO.

LETTER FROM THE BOARD

Save as disclosed above, Mr. Dai does not has any relationship with any other Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company nor has he held any other directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date.

Save as disclosed above, there are no other matters concerning Mr. Dai that need to be brought to the attention of the Shareholders nor is there any other information relating to him that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Nomination procedures and process

The biography of Mr. Dai has been reviewed by the Nomination Committee which have made recommendation to the Board that his re-election and appointment be proposed for Shareholders' approval at the AGM.

RE-APPOINTMENT OF AUDITOR

The financial statements of the Group for the year ended 31 December 2023 were audited by ZHONGHUI ANDA CPA Limited whose term of office will expire upon the AGM.

The Board proposed to re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

POSSIBLE VERY SUBSTANTIAL ACQUISITION – ACQUISITION MANDATE IN RELATION TO THE POTENTIAL CRYPTOCURRENCY ACQUISITIONS

Reference is made to the announcement of the Company dated 8 March 2024 in relation to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions.

Leveraging the policy of the Hong Kong Government to strongly promote the development of Web3 industry, the Board is of the view that the strategy of comprehensive transformation to Web3 industry and building of a pure and leading Web3 listed company is an important decision for the current and future development of the Company. Currently, Web3 technology is still in its early stage of development and it is full of opportunities and potential for development. The management of the Group noted that the number of Web3 gaming companies are very limited and it wishes to seize this opportunity and lead the Company to actively deploy in the Web3 field. While the Company will continue to operate its 67 existing traditional gaming web and mobile game products, the Company intends to upgrade and equip these products with Web3 functions where legally and technically permissible and eventually transform them into Web3 gaming products. Therefore, increasing the reserve of cryptocurrencies and investment in Web3 industry, and pathing the business layout in the Web3 industry are crucial for the implementation of the Group's strategy.

LETTER FROM THE BOARD

Based on the approval obtained at the extraordinary general meeting of the Company held on 22 December 2023 in respect of the acquisition mandate for the purchase of cryptocurrencies in an aggregate amount of not exceeding US\$100 million within one year (the “**2023 Acquisition Mandate**”), the Company has nearly completed pathing such investment layout and had achieved considerable growth.

The below table sets forth the utilization of the aggregate amount of not exceeding US\$100 million under the 2023 Acquisition Mandate as at the Latest Practicable Date:

Type of cryptocurrency	Purchase amount set out in the 2023 Acquisition Mandate	Total amount used as at the Latest Practicable Date	Average price of acquisition
Bitcoin (BTC)	Approximately US\$45 million	Approximately US\$51 million	Approximately US\$43,041/ per unit
Ether (ETH)	Approximately US\$45 million	Approximately US\$41 million	Approximately US\$2,777/ per unit
Tether USD (USDT)	Approximately US\$10 million	Approximately US\$8 million	/
Total	US\$100 million	Approximately US\$100 million	/

To further drive the business development and layout of the Group in the Web3 field, the Board proposes to seek a further approval by the Shareholders at the general meeting of the Company for an acquisition mandate for the potential acquisition of cryptocurrencies by the Board to continue to acquire cryptocurrencies in an aggregate amount not exceeding US\$100 million. This is to enable the Group to complete its reserve of encrypted assets at favorable timing, and lay a solid foundation for the implementation of the Group’s Web3 business development strategy. The Mandate Period is for 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 at the AGM.

The Terms of the Acquisition Mandate

The Acquisition Mandate to be sought from the Shareholders at the AGM will be on the following terms:

1. *Mandate Period*

The Acquisition Mandate is for the Mandate Period, namely 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 at the AGM.

2. *Maximum Amount*

The Acquisition Mandate shall authorize and empower the Board to acquire cryptocurrencies in an aggregate amount not exceeding US\$100 million, which was determined with reference to the Group’s Web3 business development strategy, asset allocation strategy and the possible appreciation in the price of cryptocurrencies in the future.

LETTER FROM THE BOARD

3. *Types of Cryptocurrencies to be Acquired*

The types of cryptocurrencies which the Group intends to purchase should be cryptocurrencies that accord with the Group's business development strategy and asset allocation demands, as assessed by the Group's virtual asset management and risk control department and approved by the Board under the Acquisition Mandate. These cryptocurrency should have good market liquidity, large market value, wide recognition on the market and relatively long-term holding value. The Board will purchase cryptocurrency which are compatible and suitable to be used for Web3 related development and which have potential in appreciation and good prospect to maintain and increase its value so as to protect the value of the Group's assets. For example, ETH is a commonly used cryptocurrency for payment of administration fees in transacting of Web3 gaming assets and ETH based encrypted network is a widely recognized Web3 gaming platform. Without ETH, the Company will not be able to develop Web3-related gaming products. Furthermore, Web3 is a network form based on blockchain, and cryptocurrency is a circulating token based on blockchain technology foundation. If one has to operate and provide services on the blockchain, the use of digital tokens is vital for its applications and as a medium.

The cryptocurrencies that the Group intends to purchase under the Acquisition Mandate will consist of Bitcon (BTC) and Ether (ETH).

As the cryptocurrency market is volatile and the price of cryptocurrencies is fast-changing, the quantity of BTC and ETH to be acquired will be with reference to the condition of cryptocurrency market and market price, so as to conduct the optimal allocation of the Group's virtual assets at most appropriate timing and the total amount of acquisition will not exceed US\$100 million.

4. *Acquisition Consideration for the Cryptocurrencies*

The consideration for the Potential Cryptocurrency Acquisitions will be determined according to the bid and ask prices of cryptocurrencies as quoted on the open market, and the Company will purchase cryptocurrencies at its discretion with reference to the cryptocurrency market and price. The maximum percentage of premium the Company would pay for acquiring relevant cryptocurrencies will not exceed 10% of the market price.

The consideration for the Potential Cryptocurrency Acquisitions will be satisfied in cash and will be funded by the idle cash reserve of the Group generated from business operation.

LETTER FROM THE BOARD

5. *Scope of Authorization*

The Board shall be authorized and empowered to determine, decide, execute and implement with full discretion in relation to the Potential Cryptocurrency Acquisitions, including but not limited to the number of each type of cryptocurrencies to be acquired under each transaction, the number of batches of each type of cryptocurrencies to be acquired, and the timing and price of the Potential Cryptocurrency Acquisitions.

6. *Manner of the Potential Cryptocurrency Acquisitions*

The Potential Cryptocurrency Acquisitions to be made by the Group shall be conducted on regulated and licensed trading platforms, including but not limited to HashKey Exchange and OSL.

HashKey Exchange is a virtual asset trading platform operated by Hash Blockchain Limited, which is a virtual asset trading platform operator licensed by the SFC (CE Reference: BPL992). OSL is also a virtual asset trading platform operated by OSL Digital Securities Limited and licensed by the SFC (CE Reference: BPJ213).

The Group has formed up a specialized supervisory team, which will monitor the licensing and regulatory environment of the trading platforms on a regular basis and ensure that the platforms used by the Group are secure and recognized.

Information on Cryptocurrency

Cryptocurrencies are digital currencies in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds using blockchain technology. The blockchain is a public record of cryptocurrency transactions in chronological order and is shared between all users in that blockchain so as to verify the permanence of transactions and to prevent double spending. Cryptocurrencies make it easier to transfer funds between two parties in a transaction and these transfers are facilitated through the use of public and private keys for security purposes.

Among various types of cryptocurrencies, BTC was launched in 2009 and has become the world's largest cryptocurrency by market capitalization. ETH was launched in 2014 and is second only to BTC in market capitalization up to the present.

LETTER FROM THE BOARD

Reasons for and Benefits of the Potential Cryptocurrency Acquisitions and the Grant of Acquisition Mandate

Since October 2022, the Hong Kong Government has released a series of regulating policies on cryptocurrency transactions, recognizing the potential of Web3 to become the future trends in the development of finance and commerce. In view of the virtual assets' attraction to global investors and the future opportunities that will be opened up as virtual assets move into the field of Web3, the Hong Kong Government has been committed to providing a facilitating environment for promoting the sustainable development of virtual asset transactions. In view of the remarkable results achieved by Hong Kong in the development of Web3 industry, and the promulgation of relevant regulating policies by the Hong Kong Government in forming up a facilitating environment for the sustainable development of Web3 industry, the Group is confident in the future of Web3 industry and understands that it is an emerging market with great development potential.

Besides, the principal business operated by the Group, namely the online gaming business, has high compatibility with Web3 technology, and its focus on communities, users and virtual assets may enable an easier and wider application of Web3 technology to the online gaming industry. Currently, the development of Web3 games is still at its early stage with explorations and attempts being made to form up the unique game rules and operating mechanism. The Group as a global online gaming business operator has launched gaming products in multi-languages in over 100 countries and regions, and thus is in a particularly advantageous position to develop Web3 games. Deeply rooted in the online gaming industry for years, we have acquired solid and leading technologies related to online gaming and network security maintenance, which provides strong support for our business expansion in the field of Web3. 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. The Board is confident in the Group's innovation on Web3 games and continuous development in the field of Web3. In combination with the great effort of the Hong Kong Government in promoting Web3 industry, the Board is of the view that the strategy of comprehensive transformation to Web3 industry and building of a pure and leading Web3 listed company is an important decision for the current and future development of the Company. To keep sufficient reserves of cryptocurrencies and promoting investment and business layout in the field of Web3 are crucial for the implementation of the Group's strategy.

LETTER FROM THE BOARD

The Group has built up a Web3 research, development and operation team to focus on (i) the development, operation and expansion of Web3 games; and (ii) the research and development of Web3 infrastructure, including but not limited to Web3 wallet, DeFi infrastructure^(Note) and etc. The Group will also make every effort to bring in and cultivate expertise in Web3 industry and crypto assets. Besides, the Company will seek cooperation with third-party professional institutions in 2024 on projects in relation to Web3 technology, products, services and comprehensive solutions, so as to benefit and support the forming up and development of blockchain-related technologies, products, services and comprehensive solutions for the Group's Web3 business, and promote the Group's business development and layout in the field of Web3.

The purchase and holding of cryptocurrencies is expected to be the pivotal basis of and move for the Group's transformation of layout and implementation of Web3 strategy. Besides, purchase of cryptocurrencies is also an important arrangement for the Group's asset allocation, as allocating part of the Group's idle reserve funds in cryptocurrencies can serve as a diversification to holding cash in treasury management, and a measure to balance investment risks and returns and facilitate the Group's future investment in Web3 related projects. In the future, the Group will use part of the cryptocurrencies as incubation funds to invest in and incubate projects in relation to Web3 industry, assist Web3 startup enterprises, and supplement and support the development of the Company's Web3 business. These potential projects or startup enterprises will not only be specific to Web3 game industry but in general, projects and enterprises that develop and utilizes Web3 technology. The Company is of the view that the investments will be beneficial to the Group as we will gain experience from these projects and enterprises and to apply such experience in the future development in Web3 technology and to incorporate them into the Group's gaming business and other operations which will positively promote and expand the future development of the Group's Web3 gaming business. We further believe that cryptocurrencies, as means of preserving value, are backed up by strong public open-source architecture, and therefore have the potential to resist inflation in the long run and appreciate the value stored and have long-term value. The Group is confident in the development of the cryptocurrency market, and considers that now is the appropriate timing for purchasing cryptocurrencies to keep sufficient cryptocurrency reserves. The Company will comply with the requirements of Chapters 14 or 14A of the Listing Rules as and when appropriate and required when conducting the investments into the potential projects or startup.

Note: DeFi infrastructure means Decentralised Finance infrastructure, which is the infrastructure used for a blockchain based financial system, for example, smart contract used for validating financial transactions etc..

LETTER FROM THE BOARD

The Group also notes that cryptocurrency price may be highly volatile and therefore the Group intends to mainly invest in cryptocurrencies that are more mature, and have wider recognition, desirable market liquidity, relatively large market value on the market and relatively long-term holding value. Therefore, the cryptocurrencies that the Group intends to purchase consist mainly of BTC and ETH. The Group will choose appropriate timing based on the performance of the cryptocurrency market and price, and purchase cryptocurrencies by steps at separate timing and by separate batches after strict assessment and review of the type, price range, and appropriateness of the timing of each proposed transaction. Furthermore, while the Group is developing its Web3 gaming products and seeking suitable collaboration opportunities, the Group may conduct value management of the cryptocurrencies on hand in order to maintain and increase the value of the cryptocurrencies. These value management activities include subscribing to cryptocurrencies wealth management products mainly on platforms that are licensed and regulated. The cryptocurrencies wealth management products are of similar nature to ordinary wealth management products offered by financial institutions but instead of subscribing the same with cash, the cryptocurrencies wealth management products are subscribed through cryptocurrencies and generally the interests to be generated are paid in cryptocurrencies as well. The Company will make appropriate announcement(s) as required under Chapters 14 or 14A of the Listing Rules as and when appropriate and required when conducting such value management of cryptocurrencies. The Group has established a specialized virtual asset management and risk control department, responsible for establishing relevant policies and systems for cryptocurrency trading and management, monitoring and analyzing the cryptocurrency market and cryptocurrency price, overseeing the standardization and security of all cryptocurrency trading applications, approvals, operations, storage management, transaction reporting, and other processes, and evaluating and reviewing the reasonableness, appropriateness and security of the price range, number and type of cryptocurrencies and timing of each proposed cryptocurrency transaction. The Group will strictly comply with the relevant policies and regulations of the Hong Kong Government on the regulation of cryptocurrencies, and strictly follow the Group's policies and rules on the purchase, use, and management of cryptocurrencies.

LETTER FROM THE BOARD

In view of the above, the Board believes that the Potential Cryptocurrency Acquisitions is in line with the Group's long-term business development strategy and asset allocation strategy, and is an important and pivotal move for the Group to path the business layout in the Web3 field and implement the strategy of comprehensive transformation to Web3 industry, and will have a positive and crucial impact on the Group's future development. The Potential Cryptocurrency Acquisitions is a highly forward-looking strategic layout pathed after careful consideration by the Group. The approval of the Acquisition Mandate by the Shareholders will provide the Board with flexibility in dealing in cryptocurrencies and reacting promptly to the rapidly changing market. The Board is therefore of the view that the terms of the Acquisition Mandate are fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Financial Effects of the Potential Cryptocurrency Acquisitions and the Acquisition Mandate

References are made to the circular of the Company dated 5 December 2023 and the poll results announcement of the Company dated 22 December 2023, the Board was authorized and empowered to purchase cryptocurrencies in an aggregate amount not exceeding US\$100 million. However, to drive the Group's business layout and transformation in Web3 industry, enable the Group to complete the crypto asset reserve at a better timing and lay a solid foundation for the implementation of the Group's Web3 business development strategy, in view of the Group's long-term sustainable development, the Company intends to further seek prior approval by the Shareholders at the general meeting of the Company for the Acquisition Mandate for purchasing cryptocurrencies in an amount of US\$100 million. If the two mandates are fully utilized, the total amount used to purchase cryptocurrencies will reach US\$200 million, which accounts for approximately 73.45% of the Group's total assets as of 31 December 2023 (approximately RMB1.929 billion), and approximately 79.34% of the Group's current assets as of 31 December 2023 (approximately RMB1.785 billion). According to the financial data as of 31 December 2023, even if the Group had fully utilized the limit of US\$200 million to purchase cryptocurrencies, the Group will still have current assets (excluding the digital assets acquired which are classified as current assets) of approximately RMB369 million. The Group's annual revenue generated from traditional business operations is sufficient to support its daily operation with a surplus, and the above plan for purchasing cryptocurrencies has no substantial impact on the financial needs related to the Group's daily operation and others.

The above figures are for illustrative purpose only. The actual financial effects of the Potential Cryptocurrency Acquisitions and the Acquisition Mandate will be determined based on the actual acquisition and selling consideration for each of the cryptocurrencies transactions to be conducted under the Acquisition Mandate, the actual revenue and net cash inflow from operating activities recorded by the Company.

Since the Potential Cryptocurrency Acquisitions is to be financed by the Group's internal resources and accounted as digital assets, the acquisition will not have an impact on the Company's liabilities and such impact on assets and earnings of the Company will be subject to the price fluctuation of the cryptocurrency purchased.

LETTER FROM THE BOARD

Information on the Group

The Company is an investment holding company. The principal activity of the Group is the development and operation of online card and board games, and the Group will be committed to promoting and developing Web3 gaming related business and building the Company into a pure and leading Web3 listed company.

The Potential Cryptocurrency Acquisitions will be conducted on regulated and licensed trading platforms and etc.. The Company hereby undertakes that to the best of their knowledge, information and belief, having made all reasonable enquiries, in the event that any vendor or its ultimate beneficial owner is a connected person of the Company or the Company's connected persons, the Company will comply with the requirements under the Chapter 14A of the Listing Rules.

Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Potential Cryptocurrency Acquisitions is expected to exceed 100%, the Potential Cryptocurrency Acquisitions, if materialized, may constitute a very substantial acquisition of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the Potential Cryptocurrency Acquisitions will be conducted on an ongoing basis and considering the cryptocurrency investment market is volatile and fast-changing, acquiring cryptocurrencies at the best possible prices requires prompt actions at the right timing and it would not be practicable to seek prior Shareholders' approval for each transaction. Accordingly, the Board proposed to seek the Shareholders' prior approval for the grant of the Acquisition Mandate at the AGM.

To the best of the Board's knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the Acquisition Mandate and the Potential Cryptocurrency Acquisitions. Accordingly, it is expected that no Shareholder is required to abstain from voting at the AGM with respect to the Acquisition Mandate and the Potential Cryptocurrency Acquisitions.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Company previously adopted (i) a share option scheme in January 2011 and amended such scheme in 2013 (the “**Pre-IPO Share Option Scheme**”); and (ii) a share option scheme in October 2013 (the “**Post-IPO Share Option Scheme**”). The Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme both expired in accordance with their terms in 2023. As at the Latest Practicable Date, there were (i) a total of 29,527,781 options granted under the Pre-IPO Share Option Scheme, and no options to subscribe for Shares remained outstanding under the Pre-IPO Share Option Scheme as at the Latest Practicable Date; and (ii) a total of 26,360,000 options granted under the Post-IPO Share Option Scheme, and the total number of Shares which may be issued on the exercise of options granted under the Post-IPO Share Option Scheme are 4,872,429, representing approximately 0.69% of the issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the details of the options granted and outstanding under the Post-IPO Share Option Scheme are as follows:

Name of option holder	Date of grant	Number of options granted but remained outstanding as at the Latest Practicable Date
Ms. Tao Ying <i>(Executive Director and acting chief executive officer of the Company)</i>	7 September 2015	85,000
9 employees of the Group	7 September 2015	<u>4,787,429</u>
Total		<u><u>4,872,429</u></u>

The Board is pleased to propose to the Shareholders to approve and adopt the New Share Option Scheme so that Options may be granted to the Eligible Persons pursuant to the terms thereof. Capitalized terms used on this section shall have the same meaning as defined in Appendix V, unless the context otherwise requires.

The effectiveness of the New Share Option Scheme is subject to:

- (i) the passing of an ordinary resolution by the Shareholders in a general meeting to approve and adopt the New Share Option Scheme, and to authorize the Board to grant Options under the New Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued and allotted pursuant to the exercise of the Options under the New Share Option Scheme.

LETTER FROM THE BOARD

The New Share Option Scheme provides that the Board may, from time to time and on case-by-case basis, at its sole discretion specify the Eligible Persons to whom Options shall be granted, the date of grant, the Vesting Period, the number of Shares subject to each Option and such other conditions (including but not limited to the terms and conditions in relation to the vesting, exercise or otherwise). The basis for determining the subscription price is also specified precisely in paragraph 8 of Appendix V. The Company will consider all relevant matters in carefully selecting the Eligible Persons to whom grants will be made and in determining the number of Options to be granted to such Eligible Persons. The Board believes that it is in the best interests of the Company to retain flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would be a more meaningful reward for the Eligible Persons' contribution or potential contribution. The Board may at its discretion specify any conditions which may be satisfied before an Option may be granted. In general, performance targets may include contribution made to the Group and achievement of operation targets, e.g. cost control, punctuality and compliance with internal business procedures, etc.. Therefore, the Board believes that the authority and flexibility given to the Board under the New Share Option Scheme, including, inter alia, selection of the Eligible Persons and determination of the Vesting Period, the Exercise Price and performance targets (if any) on a case-by-case basis, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme, which is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

The Directors (including the independent non-executive Directors) consider that it is beneficial to include the Related Entity Participants as part of the Eligible Persons, since a sustainable and stable relationship with them is essential to the business development of the Group, and that the grant of Options to those Related Entity Participants will align their interest with the Group's, incentivizing them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run. Despite that those Related Entity Participants may not be directly employed by the members of the Group, they are nonetheless valuable human resources to the Group given their involvement in business projects of the Group from time to time. For some Related Entity Participants in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group. The Company can incentivize the Related Entity Participants with the grant of Options in order to strengthen their loyalty with the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between them and the Group. The Directors (including the independent non-executive Directors) therefore consider that the inclusion of the Related Entity Participants as part of the Eligible Persons is in line with the business needs of the Group and the purpose of the New Share Option Scheme and is in the long-term interests of the Company and the Shareholders.

LETTER FROM THE BOARD

For the Vesting Period, whilst there is a general rule under the New Share Option Scheme that the Vesting Period in respect of any Option granted to any Eligible Person shall not be less than 12 months from the date of acceptance of the Offer, the rule of the New Share Option Scheme has nonetheless retained flexibility to reward exceptional Employee Participants with exceptional circumstances where there may be shorter Vesting Periods as further set out in paragraph 5 of Appendix V. The Directors (including the independent non-executive Directors) consider that a shorter vesting period is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Based on 709,576,301 Shares in issue as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the AGM, the maximum number of Shares that may be issued upon the exercise of the options that may be granted under the New Share Option Scheme is 70,957,630 Shares (the “**Scheme Mandate Limit**”), being 10% of the ordinary share capital of the Company in issue as at the date of the adoption of the New Share Option Scheme. Subject to the conditions to the New Share Option Scheme and other share schemes, being satisfied, the Board will have the right to grant to the Eligible Persons options to subscribe for Shares up to the Scheme Mandate Limit unless approval from the Shareholders in general meeting has been obtained to refresh the Scheme Mandate Limit such that the total number of the Shares in respect of which options and awards that may be granted by the Board under the New Share Option Scheme and any other schemes of the Company shall not exceed 10% of the total number of the Shares in issue as at the date of approval of the refreshed limit.

As at the Latest Practicable Date, no Options under the New Share Option Scheme have been granted and thus the Company considers that it would not be appropriate to disclose in this circular the value of the Options that may be granted under the New Share Option Scheme as if they have been granted as at the Latest Practicable Date, as various determining factors for the calculation of such value cannot be reasonably ascertained at this stage. It would not be meaningful and may even be misleading to Shareholders if the value of the Options is calculated based on a set of speculative assumptions. However, the Company will disclose the value of any Options granted under the New Share Option Scheme during a financial year or a particular period in its annual report and interim report.

Considering the purpose of the New Share Option Scheme, the terms of the New Share Option Scheme (in particular that the terms are consistent with those prescribed under Chapter 17 of the Listing Rules), and that relevant matters that will be considered by the Company in carefully selecting the Eligible Persons to whom grants will be made and in determining the number of Options to be granted to such Eligible Persons, the Board is of the view that any grant of Options to the selected Eligible Persons would be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution approving the adoption of the New Share Option Scheme at the AGM.

No Director is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme, if any.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix V to this circular. This serves as a summary of the terms of the New Share Option Scheme but does not constitute the full terms of the same.

Pursuant to the Note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the New Share Option Scheme proposed to be adopted and understands that the adoption of the New Share Option Scheme and the grant of the Options thereunder, would not constitute an offer to public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

An ordinary resolution will be proposed at the AGM for the adoption of the New Share Option Scheme. An application will be made to the Stock Exchange for the approval of the listing of, and the permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Option under the New Share Option Scheme.

Document on Display

A copy of the New Share Option Scheme will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.boyya.com.hk) for display for a period of not less than fourteen (14) days before the date of the AGM and on the date of the AGM. The rules of the New Share Option Scheme will also be made available for inspection at the AGM.

Termination of the 2021 RSU Scheme and the adoption of a new RSU Scheme

Pursuant to the Stock Exchange's FAQ No.100-2022 which states that an issuer is required to amend all its existing schemes involving issue of new shares when it refreshes or seeks a new scheme mandate for any one share scheme. The Company's 2021 RSU scheme adopted on 19 July 2021 (the "2021 RSU Scheme") is considered to be funded by both existing Shares and new Shares. As such, the Company will be required to amend its terms to comply with Chapter 17 of the Listing Rules when the New Share Option Scheme is adopted.

Having considered the burdensome of amending the 2021 RSU Scheme, the Board has resolved that the 2021 RSU Scheme will be terminated and the Board will adopt a new RSU Scheme which will only be funded by existing Shares.

LETTER FROM THE BOARD

Details of the termination of the 2021 RSU Scheme and the adoption of the new RSU Scheme will be disclosed in an announcement to be published by the Company dated 28 March 2024.

CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 16 April 2024 to Friday, 19 April 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of share documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Monday, 15 April 2024.

AGM

A notice convening the AGM to be held physically at Plaza 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 19 April 2024 at 3:00 p.m. is set out on pages AGM-1 to AGM-7 of this circular. At the AGM, resolutions will be proposed to approve, among other things, (i) the proposed grant of the Repurchase Mandate and the Share Issue Mandate to the Directors; (ii) the proposed re-election of the retiring Director; (iii) the proposed re-appointment of auditor; (iv) the proposed Acquisition Mandate and the Potential Cryptocurrency Acquisitions; and (v) proposed adoption of the New Share Option Scheme.

ACTIONS TO BE TAKEN

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (i.e. not later than 3:00 p.m. on Wednesday, 17 April 2024) or any adjourned meeting.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish and in such event the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider (i) the proposed grant of the Repurchase Mandate and the Share Issue Mandate; (ii) the proposed re-election of the retiring Director; (iii) the proposed re-appointment of auditor; (iv) the proposed Acquisition Mandate and the Potential Cryptocurrency Acquisitions; and (v) the proposed adoption of the New Share Option Scheme, are all in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM.

OTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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

LISTING RULES

The Listing Rules permit listed companies to repurchase their own shares on the Stock Exchange or any other stock exchange on which their shares may be listed and which is recognized by the SFC and the Stock Exchange for such purpose, subject to certain restrictions. This appendix serves as an explanatory statement, as required by the Share Buyback Rules to be sent to Shareholders in connection with the proposed grant of the Repurchase Mandate, to provide the requisite information to Shareholders for their consideration of the Repurchase Mandate.

EXERCISE OF THE REPURCHASE MANDATE

Whilst the Directors do not presently intend to repurchase any Shares immediately, they believe that the flexibility brought by the Repurchase Mandate granted to them if the Ordinary Resolution no. 5 set out in the AGM Notice is passed would be beneficial to the Company and its Shareholders as a whole. It is proposed that not exceeding 10% of the issued Shares on the date of the passing of the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, 709,576,301 Shares were issued. On the basis of such figures, the Directors would be authorised to repurchase not exceeding 70,957,630 fully paid-up Shares during the period up to the date of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law(s) to be held, or the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever of these three events occurs first.

REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its Memorandum, its Articles, the Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31 December 2023) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their close associates (as defined in the Listing Rules), have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No core connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, nor have they undertaken not to do so, if the Repurchase Mandate is exercised.

DIRECTORS' UNDERTAKING

The Directors, so far as the same may be applicable, will exercise the Repurchase Mandate in accordance with the Company's Memorandum, the Articles, the Listing Rules and the applicable laws of the Cayman Islands. Neither the Explanatory Statement nor the Repurchase Mandate has any unusual features.

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Share have been made by the Company in the six months preceding the Latest Practicable Date.

TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares made by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increases will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of its or their shareholding, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Zhang Wei, a controlling Shareholder, was recorded in the register required to be kept by the Company under sections 336 of the SFO as having an interest in 246,237,474 Shares, representing approximately 34.70% of the issued Shares of the Company as at that date. In the event that the Repurchase Mandate is exercised in full and assuming that there is no change in the number of Shares held directly or indirectly by Mr. Zhang Wei, the interest of Mr. Zhang Wei in the Company will be increased to approximately 38.56% of the issued Shares of the Company immediately after the exercise in full of the Repurchase Mandate. To the best of the knowledge and belief of the Directors, such increase would give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase Shares to an extent that will trigger the obligations under the Takeovers Code to make a mandatory offer. Save as aforesaid, the Directors are not aware of any consequence which may arise under the Takeovers Code as a result of any repurchase of Shares under the Repurchase Mandate. In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

MARKET PRICES

The monthly highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months immediately preceding the Latest Practicable Date were:

	Traded Market Price	
	Highest <i>HKD</i>	Lowest <i>HKD</i>
2023		
April	0.520	0.455
May	0.560	0.470
June	0.580	0.510
July	0.620	0.485
August	0.610	0.495
September	0.590	0.490
October	0.620	0.520
November	0.610	0.510
December	0.590	0.500
2024		
January	0.610	0.530
February	1.040	0.520
March (up to and including the Latest Practicable Date)	2.550	0.820

EXTENSION OF SHARE ISSUE MANDATE

A resolution as set out in Ordinary Resolution no. 7 of the AGM Notice will also be proposed at the AGM authorising the Directors to increase the maximum number of new Shares which may be issued under the Share Issue Mandate by adding to it the number of any Shares repurchased pursuant to the Repurchase Mandate, provided that such added number shall not exceed 10% of the total number of issued Shares of the Company as at the date of passing this resolution.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the financial years ended 31 December 2021, 2022 and 2023 were set out in the relevant annual results announcement and annual reports of the Company uploaded to the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.boyaa.com.hk/>).

Please also see below links to the relevant annual results announcement and annual reports:

- Annual results announcement of the Company of the year ended 31 December 2023 published on 1 March 2024 (pages 21 to 49)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0301/2024030102410.pdf>
- Annual report of the Company for the year ended 31 December 2022 published on 28 April 2023 (pages 97 to 180)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042801750.pdf>
- Annual report of the Company for the year ended 31 December 2021 published on 28 April 2022 (pages 95 to 170)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042801364.pdf>

The financial information set out in this appendix are extracted from the annual results announcement of the Company for the year ended 31 December 2023 and annual reports of the Company for the years ended 31 December 2021 and 2022.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 29 February 2024, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

As at 29 February 2024, the Group had unaudited outstanding lease liabilities of approximately RMB11,665,000 which was not covered by any guarantees and unsecured as at 29 February 2024.

Save as disclosed above and for intra-group liabilities, the Group did not have any debt securities authorized or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 29 February 2024.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, in absence of unforeseeable circumstances, after taking into consideration the effect of the maximum amount of the Acquisition Mandate (being not exceeding US\$100 million in aggregate) and the financial resources available to the Group including funds internally generated from its business operation and current assets of the Group, the Group has sufficient working capital for its present requirements and for at least twelve (12) months from the date of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66 (12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the development and operation of online card and board games, and the Group will be committed to promoting and developing Web3 gaming related business and building the Company into a pure and leading Web3 listed company. The Group recorded revenue of approximately RMB375.3 million and RMB394.6 million for the two years ended 31 December 2022 and 2023, respectively, and current assets of approximately RMB1,497.4 million and RMB1,785.3 million as at 31 December 2022 and 2023, respectively.

Based on the current operational situation, it is expected that the operation of the traditional online gaming business of the Group will remain stable. The Group will continue to operate its traditional business gaming products and will gradually upgrade and equip such products with Web3 features where legally and technically permissible, and will further intensify the R&D efforts for Web3 gaming products. The Group will continue to enrich the contents and rules of the gaming products of the Group, continuously improve our gaming features and construction of infrastructure (including Web3-related infrastructure) and make efforts to elevate user experience, while continue to explore innovative operational models for gaming products, especially Web3 gaming products, and prioritize product refinement and operational diversification to craft high-quality card and board gaming products, competition products, and industry-leading Web3 gaming products. On the basis of consolidating our existing market share, we will extend our reach into international markets and will vigorously promote the Group's business development and deployment in the Web3 field, in order to realize the Group's strategic plan for business development in the Web3 field and build the Company into a pure and leading Web3 listed company. The Group has built up a Web3 research, development and operation team to focus on (i) the development, operation and expansion of Web3 games; and (ii) the research and development of Web3 infrastructure, including but not limited to Web3 wallet, DeFi infrastructure and etc. The Group will also make every effort to bring in and cultivate expertise in Web3 industry and crypto assets, to promote the realization of the Group's strategic objectives in the Web3 field. The Group will review its business strategy regularly to capture business opportunities in the PRC and abroad.

5. MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Set out below are the management discussion and analysis on the Group for the three years ended 31 December 2021, 2022 and 2023.

Business Review

The Group's principal business is the development and operation of online card and board game business, and the Company will be committed to promoting and developing Web3 gaming related business and building the Company into a pure and leading Web3 listed company.

For the year ended 31 December 2021

For the year ended 31 December 2021, the Group recorded the revenue of approximately RMB366.2 million, representing a year-on-year increase of approximately 4.2% compared to the year ended 31 December 2020. The increase in revenue was primarily due to the stable increase in the revenue of the Group as the Group held certain online operational activities and continuously optimized the gaming products and gameplay.

In 2021, the Group recorded an unaudited non-IFRS adjusted net profit of approximately RMB8.4 million, whereas it recorded position of unaudited non-IFRS adjusted losses of approximately RMB45.1 million in 2020. The position of unaudited non-IFRS adjusted net profit for the year ended 31 December 2021 of approximately RMB8.4 million was derived from the unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.4 million included in administrative expenses. The change in positions of unaudited non-IFRS adjusted net profit for the year of 2021 as compared to the position of unaudited non-IFRS adjusted losses in 2020 was mainly due to the respective year-on-year increases in revenue and the smaller extent of the decrease in the fair value of financial assets such as equity investment partnerships as compared to 2020. Excluding the impact of non-operating one-off factors such as a decrease in fair value of financial assets such as equity investment partnerships, the unaudited non-IFRS adjusted net profit in 2021 represented a year-on-year increase of approximately 18.5% as compared with that of 2020, which was mainly due to a year-on-year increase in revenue and a year-on-year decrease in administrative expenses.

In terms of the operating data performance, the Group recorded an increase in the number of paying players during the fourth quarter of 2021 as compared to the fourth quarter of 2020, the number of paying players increased by approximately 4.7% from approximately 0.24 million in the fourth quarter of 2020 to approximately 0.25 million in the fourth quarter of 2021. The Group recorded a decrease in the number of users during the fourth quarter of 2021 as compared to the fourth quarter of 2020. In particular, the number of Daily Active Users (the “DAUs”) decreased by approximately 20.7% from approximately 1.6 million in the fourth quarter of 2020 to 1.3 million in the fourth quarter of 2021. The number of Monthly Active Users (the “MAUs”) decreased by approximately 10.8% from approximately 4.5 million in the fourth quarter of 2020 to approximately 4.0 million in the fourth quarter of 2021. However, the Average Revenue Per Paying User (the “ARPPU”) grew in the mobile version of other card and board games and the mobile version and the web-based version of Overseas Texas Hold'em.

In terms of gaming products, the Group provided a total of 69 online gaming product portfolio with a total of 11 languages as of 31 December 2021. During 2021, while continued to intensify in-depth market research and focus on R&D of game products, innovation of gameplay, enrichment of game products and optimisation of user experience, the Group made efforts to refine our products and diversify our operation in a steady manner to improve the quality of its gaming products while also constantly exploring and trying new domestic and overseas card and board games operation modes.

For the year ended 31 December 2022

For the year ended 31 December 2022, the Group recorded revenue of approximately RMB375.3 million in 2022, representing a year-on-year increase of approximately 2.5% compared to year ended 31 December 2021. The increase in revenue was primarily due to the stable increase in the revenue of the Group as the Group held certain online operational activities and continuously optimized the gaming products and gameplay.

In 2022, the Group recorded an unaudited non-IFRS adjusted net profit of approximately RMB67.1 million, whereas it recorded an unaudited non-IFRS adjusted net loss of approximately RMB4.0 million in 2021. The position of unaudited non-IFRS adjusted net profit for the year ended 31 December 2022 of approximately RMB67.1 million was derived from the unaudited profit for the same period excluding share-based compensation expenses of approximately RMB2.9 million included in administrative expenses. The change in the position of unaudited non-IFRS adjusted net profit for the year of 2022 as compared to the position of unaudited non-IFRS adjusted net loss for the same period in 2021 was mainly due to, among others, (i) the increase in revenue recorded for the year ended

31 December 2022 as compared to the same period in 2021; (ii) optimisation of the organizational structure and gaining on disposal of subsidiary of the Group in 2022; (iii) the reduction in the decrease in the fair value of the Group's financial assets such as equity investment partnerships for the year ended 31 December 2022 as compared to the same period in 2021; and (iv) the decrease in impairment of frozen sum of the Group for the year ended 31 December 2022 as compared to the same period in 2021. 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, the unaudited non-IFRS adjusted net profit of the Group for the year ended 31 December 2022 represented a year-on-year increase of approximately 9.4%, which was mainly attributable to, among others, the increase in the Group's revenue in 2022 as compared to the same period of 2021 and optimisation of the organizational structure and gaining on disposal of subsidiary of the Group in 2022.

In terms of the operating data performance, the Group recorded a decrease in the number of paying players and users during the fourth quarter of 2022 as compared to the fourth quarter of 2021, of which the number of paying players decreased by approximately 12.2% from approximately 0.25 million in the fourth quarter of 2021 to approximately 0.22 million in the fourth quarter of 2022. The number of DAUs decreased by approximately 8.2% from approximately 1.3 million in the fourth quarter of 2021 to approximately 1.2 million in the fourth quarter of 2022. The number of MAUs was approximately 4.0 million in both the fourth quarter of 2021 and the fourth quarter of 2022. However, the ARPPU grew in the mobile versions of other card and board games and both Overseas Texas Hold'em mobile and web-based games.

In terms of gaming products, the Group provided a total of 66 online gaming product portfolio with a total of 12 languages as at 31 December 2022. In 2022, the Group continued to intensify in-depth market research and focus on the R&D of game products, innovation of gameplay, enrichment of game products and optimisation of user experience, and made efforts to refine its products and diversify our operation in a steady manner to improve the quality of its gaming products while also constantly exploring and trying new domestic and overseas card and board games operation modes.

Due to the re-assessment of the recoverability of the relevant frozen sum, prior year adjustments were provided in the consolidated financial statement for the year ended 31 December 2022. Details of the adjustments are described on note 4 to the annual report of the Company for the year ended 31 December 2022.

For the year ended 31 December 2023

For the year ended 31 December 2023, the Group recorded revenue of approximately RMB394.6 million, representing a year-on-year increase of approximately 5.1% as compared to the year ended 31 December 2022. The revenue of the Group has maintained a steady increase, primarily due to the Group's holding of certain online operational activities and continuous optimization of the Group's gaming products and gameplay during the year ended 31 December 2023.

In the year ended 31 December 2023, the Group recorded an unaudited non-IFRS adjusted net profit of approximately RMB118.9 million, representing a year-on-year increase of approximately 77.2% as compared to 2022, mainly due to, among others, (i) increase in revenue of the Group recorded for the year ended 31 December 2023 as compared to the same period in 2022; (ii) the impact of non-operating one-off factors such as reduction in the decrease in fair value of the financial assets such as equity investment partnerships for the year ended 31 December 2023 as compared to the same period in 2022, and impairment of frozen sum recorded for the year ended 31 December 2022, while no impairment of frozen sum was recorded in 2023; and (iii) increase in interest income of the Group for the year ended 31 December 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 year ended 31 December 2022, the unaudited non-IFRS adjusted net profit of the Group for the year ended 31 December 2023 would have represented a year-on-year increase of approximately 43.4%, which was mainly due to, among others, the increase in revenue and interest income of the Group for the year ended 31 December 2023 as compared to the same period in 2022. The position of unaudited non-IFRS adjusted net profit for the year ended 31 December 2023 of approximately RMB118.9 million was derived from the unaudited profit for the same period excluding share-based compensation expenses of approximately RMB1.8 million included in administrative expenses.

In terms of the operating data performance, the Group recorded a decrease in the number of paying players and DAUs in the fourth quarter of 2023 as compared to the third quarter of 2023. However, the number of MAUs increased as compared to the third quarter of 2023. In particular, the number of paying players decreased by approximately 2.4% from approximately 0.21 million in the third quarter of 2023 to approximately 0.21 million in the fourth quarter of 2023. The number of DAUs decreased by approximately 4.0% from approximately 1.18 million in the third quarter of 2023 to approximately 1.13 million in the fourth quarter of 2023. The number of MAUs increased by approximately 1.2% from approximately 3.90 million in the third quarter of 2023 to approximately 3.94 million in the fourth quarter of 2023. The ARPPU grew in mobile versions of other card and board games.

In terms of gaming products, the Group provided a total of 67 online traditional gaming product portfolio with a total of 12 languages as at 31 December 2023. In 2023, the Group continued to intensify in-depth market research and focus on the R&D of game products, especially Web3 gaming products, innovation of gameplay, enrichment of game products and optimisation of user experience, continuous improvement of game features and infrastructure construction, and made efforts to refine the Group's products and diversify its operation in a steady manner to improve the quality of its gaming products. The Group tapped into the business development in the Web3 field in 2023 by conducting market research in the use of the Web3 technology and how it can be incorporated in the Group's gaming business. Furthermore, the Group had explored potential cooperating partners in the development of Web3 industry and had developed Web3 wallet infrastructure and began the research and development of Boyaa Network gaming blockchain and related games. The Group will at the same time be committed to the development of high-quality card and board gaming products, competition products, and industry-leading Web3 gaming products.

For the year 2023, the Board recommends a final dividend of RMB0.0335 per ordinary share (equivalent to HK\$0.0372 per ordinary share). Calculated based on the unaudited non-IFRS adjusted net profit for the year ended 31 December 2023, the dividend payout ratio is 20%. Meanwhile, the Board has adopted a new dividend policy and announced that for the next five years it will continue to distribute to shareholders at least 20% per annum of the net operating profit for the year and pay dividends of at least 5% from value-added gains from the purchase of crypto assets per annum.

Liquidity and Financial Resources

As at 31 December 2021, 31 December 2022 and 31 December 2023, the Group had net current assets of approximately RMB1,139.0 million, RMB1,181.5 million and RMB1,465.1 million, respectively, cash and cash equivalents of approximately RMB248.3 million, RMB294.0 million and RMB744.3 million, respectively, and term deposits of approximately RMB1,015.0 million, RMB1,157.4 million and RMB732.4 million, respectively.

As at 31 December 2021, the cash and cash equivalents of the Group were mainly denominated in Renminbi (as to 32.1%), USD (as to 25.1%) and other currencies (as to 42.8%). As at 31 December 2022, the cash and cash equivalents of the Group were mainly denominated in Renminbi (as to 19.9%), USD (as to 37.9%) and other currencies (as to 42.2%). As at 31 December 2023, the cash and cash equivalents of the Group were mainly denominated in RMB (as to 22.5%), USD (as to 73.0%) and other currencies (as to 4.5%).

For the years ended 31 December 2021, 2022 and 2023, the Group financed operations primarily through cash generated from operating activities.

The gearing ratio of the Group, as measured by total liabilities divided by total equity, was 17.6%, 18.4% and 17.1% as at 31 December 2021, 31 December 2022 and 31 December 2023.

Digital assets

During the year ended 31 December 2023, the Group commenced the purchase of cryptocurrencies. Purchase and holding of cryptocurrencies is a pivotal move for the Group to path its layout and development of Web3 business, and a significant component of the Group's asset allocation strategy.

On 22 December 2023, the Board was granted an acquisition mandate from the shareholders of the Company under the extraordinary general meeting held to conduct acquisitions of cryptocurrencies in an aggregate amount not exceeding US\$100 million in open market transactions which the Company shall use approximately US\$45 million to acquire each of BTC and ETH and the remainder of not more than US\$10 million will be used to purchase USDT and USD Coin (USDC). For details, please refer to the announcement of the Company dated 13 November 2023, the circular of the Company dated 5 December 2023 and the poll results announcement of the Company dated 22 December 2023.

As at 31 December 2023, the Group held digital assets which amounted to approximately RMB78.6 million, of which approximately RMB72.5 million was USDT and the remaining RMB6.1 million were ETH and BTC.

Borrowings

During the years ended 31 December 2021, 2022 and 2023, the Group did not have any short-term or long-term bank borrowings and had no outstanding, utilized or unutilized banking facilities.

Commitment

As at 31 December 2021, 31 December 2022 and 31 December 2023, the Group did not have any significant commitments.

Contingent Liabilities, guarantees and litigation

The Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against us as at 31 December 2021, 31 December 2022 and 31 December 2023.

Charges on Assets

The Group did not have any charges on assets as at 31 December 2021, 31 December 2022 and 31 December 2023.

Treasury Policies

According to the Company's treasury and investment policies, the Company will taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity when making investments, and will ensure that there remains sufficient working capital for the Company's business needs even after the investments. 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.

Capital Structure

As at 31 December 2021, 31 December 2022 and 31 December 2023, the Group had share capital of approximately RMB232,000, RMB232,000 and RMB232,000 respectively, constituted of 709,876,301 shares, 709,876,301 shares and 709,576,301 shares, respectively.

Significant Investments/Material Acquisitions and Disposals

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* (嘉興博雅春雷股權投資合夥企業(有限合夥)) (“**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 years ended 31 December 2021, 2022 and 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 31 December 2021, 31 December 2022 and 31 December 2023 was approximately RMB17.4 million, RMB7.4 million and RMB3.3 million, respectively, representing approximately 1.07%, 0.41% and 0.18% of the total assets of the Company as at the respective dates. The Group recorded unrealised loss on Jiaxing Boyaa amounted to approximately RMB96.4 million, RMB10.0 million and RMB4.1 million for each of the three years ended 31 December 2021, 2022 and 2023. No dividends had been received from Jiaxing Boyaa during the three years ended 31 December 2021, 2022 and 2023. Jiaxing Boyaa was mainly established for carrying out equity investments and venture capital investments, subject to certain investment restrictions. It was expected that the investment in Jiaxing Boyaa would provide the Group a platform to acquire, explore and pursue new investment opportunities and cooperation opportunities in related or complementary businesses that align with the Group’s long-term corporate strategy, and through this opportunity to expand and diversify the investment portfolio of the Group. For details of Jiaxing Boyaa, please refer to the Company’s announcement dated 28 December 2016. The Group will continue to monitor the performance of Jiaxing Boyaa and will take necessary actions at the appropriate time to protect the interests of the Company and its Shareholders.

On 25 October 2018, the Group, through Boyaa On-line Game Development (Shenzhen) Co., Ltd.* (博雅網絡遊戲開發(深圳)有限公司), had subscribed for two RMB wealth management products issued by Industrial and Commercial Bank of China at the amount of RMB200.0 million (the “**Wealth Management Product I**”) and RMB128.5 million (the “**Wealth Management Product II**”, together with Wealth Management Product I, the “**Wealth Management Products**”), respectively. The Wealth Management Product I had matured on 24 November 2022. As at 31 December 2021, the fair value of the Wealth Management Product I were approximately RMB222.3 million, representing approximately 13.67% of the total assets of the Company as at 31 December 2021. The realised and unrealised gain from the Wealth Management Product I for the years ended 31 December 2021 and 2022 were approximately RMB7.0 million and RMB1.3 million, respectively. The Wealth Management Product II had matured on 9 December 2021. The realised gain from the Wealth Management Product II for the years ended 31 December 2021 were approximately RMB3.2 million. As at 31 December 2021, the bank accounts which held the Wealth Management Products had been frozen. As at 31 December 2022, the Wealth Management Products and the relevant interests had been withdrawn from the frozen bank accounts pursuant to a ruling made by the High People’s Court of Hebei Province in relation to a case involving former individual employees of the Company (the “**Case**”). For details of the Wealth Management Products and the

Case, please refer to the Company's announcement dated 25 October 2018 and note 18 of the Notes to the Consolidated Financial Statements in the annual results announcement of the Company for the year ended 31 December 2023 published on 1 March 2024, respectively. The investments in wealth management products under investments at fair value through profit or loss were made in line with the Company's 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. 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.

Saved as disclosed above and the disclosures in the 2021 and 2022 annual reports and 2023 annual results announcement of the Company, the Group had no other significant investment as at 31 December 2021, 2022 and 2023, and had no other material acquisition or disposal of subsidiaries and associated companies during the years ended 31 December 2021, 2022 and 2023.

Future Plans for Material Investment and Capital Assets

In the future, the Group will continue to identify new opportunities for business development. The Group has not executed any agreement in respect of material acquisitions, investments or capital asset and does not have any other future plans relating to material acquisitions, investments or capital asset as at the date of this circular. Nonetheless, if any potential investment opportunity arises in the future, the Group will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Group and the shareholders of the Company as a whole.

Exposure to Fluctuations in Exchange Rates

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are denominated in either RMB or US\$. For the years ended 31 December 2021, 2022 and 2023, the Group recorded net foreign exchange loss of approximately RMB1.41 million, net foreign exchange loss of approximately RMB6.43 million and net foreign exchange gain of approximately RMB0.81 million.

Due to the persistent efforts of the Group in managing exposure to foreign currency risks, fluctuations in currency exchange rates do not have any material adverse impact on the financial results of the Group. For the years ended 31 December 2021, 2022 and 2023, the Group did not hedge transactions undertaken in foreign currencies or use any financial instruments for hedging purposes. However, the Group will constantly monitor and manage its exposure to foreign exchange risk.

Human Resources and Relations with the Employees

As at 31 December 2021, 31 December 2022 and 31 December 2023, the Group had 294, 295 and 233 full-time employees, who are mainly based in China, Hong Kong, Thailand, etc. Staff costs of the Group amounted to approximately RMB80.4 million, RMB84.4 million and RMB88.1 million for the years ended 31 December 2021, 31 December 2022 and 31 December 2023, respectively.

The Group organise and launch various training programs on a regular basis for employees to enhance their knowledge and skills of online game development and operation, improve time management and internal communications and strengthen team bonds. The Group also provide various incentives, including share-based awards, such as share options and RSUs granted pursuant to the share incentive schemes of the Company, and performance-based bonuses to better motivate employees. As required by PRC laws and regulations, the Group have also made contributions to various mandatory social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance and maternity insurance, and to mandatory housing accumulation funds, for or on behalf of employees.

6. MATERIAL ADVERSE CHANGE

The Directors have confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

A. INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The accompanying unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of assets and liabilities of the Group (the “**Unaudited Pro Forma Financial Information**”) have been prepared to illustrate the effect of the acquisition of the cryptocurrencies (the “**Acquisition**”) might have affected the financial information of the Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group are prepared based on the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2023 as if the Acquisition had been completed on 1 January 2023.

The unaudited pro forma consolidated statement of assets and liabilities of the Group is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2023 as extracted from the annual report of the Company for the year ended 31 December 2023 as if the Acquisition had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position and results of operation of the Group that would have been attained had the Acquisition actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Group’s future financial position and results of operation.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix II of the Circular and other financial information included elsewhere in the Circular.

B. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GROUP

	Consolidated statement of profit or loss and other comprehensive income and Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 RMB'000 (Note 1)
Revenue	394,582
Cost of sales	<u>(123,303)</u>
Gross profit	271,279
Other loss, net	(51,198)
Selling and distribution expenses	(48,274)
Administrative expenses	<u>(98,859)</u>
Operating profit	72,948
Finance income	56,290
Finance costs	(687)
Share of losses of associates	<u>(1,601)</u>
Profit before income tax	126,950
Income tax expense	<u>(9,771)</u>
Profit for the year attributable to owners of the Company	<u>117,179</u>
Other comprehensive income	
<i>Items that may not be reclassified to profit or loss:</i>	
Changes in fair value of equity investments at fair value through other comprehensive income	8,783
Exchange differences on translation	2,327
<i>Items that may be reclassified to profit or loss:</i>	
Exchange difference arising on translating of foreign operations	<u>11,455</u>
Other comprehensive income for the year, net of tax	<u>22,565</u>
Total comprehensive income for the year attributable to owners of the Company	<u><u>139,744</u></u>

C. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE GROUP

	The assets and liabilities of the Group as at 31 December 2023 RMB'000 (Note 2)	Pro forma adjustment RMB'000 (Note 3)	Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2023 RMB'000
Non-current assets			
Property, plant and equipment	24,279	–	24,279
Right-of-use assets	11,817	–	11,817
Intangible assets	1,654	–	1,654
Investments in associates	3,585	–	3,585
Equity investments at fair value through other comprehensive income	10,466	–	10,466
Investments at fair value through profit or loss	76,890	–	76,890
Prepayments, deposits and other receivables	13,886	–	13,886
Deferred tax assets	544	–	544
Term deposits	231	–	231
	<u>143,352</u>	<u>–</u>	<u>143,352</u>
Current assets			
Digital assets	78,598	708,270	786,868
Trade receivables	29,369	–	29,369
Prepayments, deposits and other receivables	69,332	–	69,332
Investments at fair value through profit or loss	131,611	–	131,611
Term deposits	732,150	–	732,150
Bank and cash balances	744,260	(708,270)	35,990
	<u>1,785,320</u>	<u>–</u>	<u>1,785,320</u>

	The assets and liabilities of the Group as at 31 December 2023 RMB'000 (Note 2)	Pro forma adjustment RMB'000 (Note 3)	Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2023 RMB'000
Current liabilities			
Trade and other payables	73,582	–	73,582
Contract liabilities	10,970	–	10,970
Lease liabilities	3,569	–	3,569
Current tax liabilities	232,057	–	232,057
	<u>320,178</u>	–	<u>320,178</u>
Net current assets	<u>1,465,142</u>	–	<u>1,465,142</u>
Total assets less current liabilities	<u>1,608,494</u>	–	<u>1,608,494</u>
Non-current liabilities			
Lease liabilities	8,809	–	8,809
Deferred tax liabilities	896	–	896
	<u>9,705</u>	–	<u>9,705</u>
Net assets	<u><u>1,598,789</u></u>	–	<u><u>1,598,789</u></u>

D. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

- (1) Figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 which is part of the consolidated financial statements of the Group included in the Company's annual report dated 1 March 2024.

For the purpose of this unaudited pro forma financial information, the directors of the Company considered and assumed that there are no changes in the fair values of the cryptocurrencies between 1 January 2023 and 31 December 2023.

- (2) Figures are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2023 which is part of the consolidated financial statements of the Group included in the Company's annual report dated 1 March 2024.

- (3) The adjustments represent the proposed purchase of cryptocurrencies for the maximum aggregate amount US\$100 million (equivalent to RMB708,270,000, at the exchange rate 7.0827 for the purpose of the Unaudited Pro Forma Financial Information). The consideration for the potential cryptocurrencies acquisitions will be satisfied in cash. The cryptocurrencies are classified as digital assets. The Group applies the guidance in International Accounting Standard 2 "Inventories" for commodity broker-traders and measures the digital assets at fair value less costs to sell.

E. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountants, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



ZHONGHUI ANDA CPA Limited
Certified Public Accountants

28 March 2024

The Board of Directors
Boyaa Interactive International Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Boyaa Interactive International Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2023, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2023 and related notes as set out on pages III-1 to III-5 of the circular issued by the Company dated 28 March 2024 (the “**Circular**”). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on page III-1 to III-5 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of the cryptocurrencies on the Group’s financial position as at 31 December 2023 and on the Group’s financial performance for the year ended 31 December 2023 as if the transaction had been taken place at 31 December 2023 and 1 January 2023 respectively. As part of this process, information about the Group’s financial position and financial performance has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2023, on which an auditor’s report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 January 2023 and 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Yeung Hong Chun

Practising Certificate Number P07374

Hong Kong, 28 March 2024

1. DISCLOSURE OF INTERESTS

Directors' and chief executive's long and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Director of Listed Issuers as set out in Appendix C3 to the Listing Rules were as follows:

(a) Interests and short positions in shares and underlying shares of the Company

Long and short positions in the ordinary shares/underlying shares of the Company:

Name	Name of Company	Capacity/ Nature of Interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 4)
Mr. Dai Zhikang (Note 2)	The Company	Founder of a discretionary trust	36,500,000 (L)	5.14%
Ms. Tao Ying (Note 3)	The Company	Beneficial owner	135,000 (L)	0.02%

Notes:

- The letter "L" denotes the person's long position in such shares.
- Visioncode Holdings Limited, a company wholly-owned by a trust named the Visioncode Trust (the "**Dai Family Trust**"), directly holds the entire issued share capital of Comsenz Holdings Limited. Mr. Dai Zhikang is the director of Comsenz Holdings Limited. The Dai Family Trust is a discretionary trust established by Mr. Dai Zhikang (as the settlor) and the discretionary beneficiaries of which include Mr. Dai Zhikang and his children. Accordingly, Mr. Dai Zhikang is deemed to be interested in the 36,500,000 Shares held by Comsenz Holdings Limited under the SFO.
- Ms. Tao Ying is interested in 50,000 Shares and 85,000 underlying Shares in respect of the options granted by the Company under the Post-IPO Share Option Scheme of the Company.
- As at the Latest Practicable Date, the Company had 709,576,301 issued Shares.

(b) Interests in associated corporations of the Company

Name	Name of associated corporation	Capacity/ Nature of Interest	Number of Shares held	Approximate percentage of shareholding
Mr. Dai Zhikang	Boyaa Shenzhen	Beneficial owner	200,000	2.00%

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders who have an interest and/or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name	Name of Company	Capacity/Nature of Interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 6)
Mr. Zhang Wei (Note 2)	The Company	Founder of a discretionary trust	246,237,474 (L)	34.70%
Cantrust (Far East) Limited (Note 3)	The Company	Trustee of a trust	282,737,474 (L)	39.85%
Rustem Limited (Note 3)	The Company	Nominee for another person	282,737,474 (L)	39.85%
Chunlei Investment (Note 2)	The Company	Interest in a controlled corporation	246,237,474 (L)	34.70%
Boyaa Global Limited (Note 3)	The Company	Beneficial owner	176,572,474 (L)	24.88%
Emily Technology Limited (Note 3)	The Company	Beneficial owner	69,665,000 (L)	9.82%
Visioncode Holdings Limited (Note 4)	The Company	Interest in a controlled corporation	36,500,000 (L)	5.14%
The Core Trust Company Limited (Notes 5 and 7)	The Company	Trustee of a trust	56,008,490 (L)	7.89%

Name	Name of Company	Capacity/Nature of Interest	Number of Shares held (Note 1)	Approximate percentage of shareholding (Note 6)
Core Administration RSU limited (Notes 5 and 7)	The Company	Nominee for another person	56,002,829 (L)	7.89%
TCT (BVI) Limited (Notes 5 and 7)	The Company	Other	56,008,490 (L)	7.89%

Notes:

- The letter "L" denotes the person's long position in such shares.
- Chunlei Investment Limited ("**Chunlei Investment**"), a company wholly-owned by a trust named the Chunlei Trust (the "**Zhang Family Trust**"), directly holds the entire issued share capital of each of Boyaa Global Limited and Emily Technology Limited. The Zhang Family Trust is a discretionary trust established by Mr. Zhang Wei (as the settlor) and the discretionary beneficiaries of which include Mr. Zhang Wei and his children. Accordingly, Mr. Zhang Wei is deemed to be interested in the 176,572,474 Shares and 69,665,000 Shares held by each of Boyaa Global Limited and Emily Technology Limited under the SFO, respectively.
- Cantrust (Far East) Limited, the trustee of the Zhang Family Trust, holds the entire issued share capital of Chunlei Investment through Rustem Limited (as nominee for Cantrust (Far East) Limited). Chunlei Investment in turn holds the entire issued share capital of each of Boyaa Global Limited and Emily Technology Limited. Accordingly, each of Cantrust (Far East) Limited and Rustem Limited are deemed to be interested in the shares held by each of Boyaa Global Limited and Emily Technology Limited under the SFO, respectively.
- Visioncode Holdings Limited, a company wholly-owned by the Dai Family Trust, directly holds the entire issued share capital of Comsenz Holdings Limited. Accordingly, Visioncode Holdings Limited is deemed to be interested in the 36,500,000 Shares held by Comsenz Holdings Limited under the SFO.
- After the adoption of the 2021 RSU Scheme on 19 July 2021, the RSUs under the 2021 RSU Scheme were held by Core Administration RSU Limited (indirectly held by The Core Trust Company Limited through its wholly-owned subsidiary TCT (BVI) Limited). As at the Latest Practicable Date, Core Administration RSU Limited held 56,002,829 Shares underlying the RSUs. In addition, the share options under the Pre-IPO share option scheme of the Company were held by The Core Admin Boyaa Option Limited (indirectly held by The Core Trust Company Limited through its wholly-owned subsidiary TCT (BVI) Limited). As at the Latest Practicable Date, The Core Admin Boyaa Option Limited held 5,661 Shares underlying the share options. Pursuant to Rules 17.12(2) and 17.05A of the Listing Rules, the Core Trust Company Limited, being the trustee of the RSU scheme of the Company holding unvested Shares, will abstain from voting in respect of 51,209,079 Shares it holds on the ordinary resolutions to be considered and, if thought fit, passed at the AGM in accordance with the requirement of Listing Rules.

6. As at the Latest Practicable Date, the Company had 709,576,301 issued Shares.
7. Pursuant to Section 336 of the SFO, the shareholders are required to file a disclosure of interests form when certain criteria are fulfilled. When a shareholding in the Company changes, it is not necessary for the shareholder to notify the Company and the Stock Exchange unless several criteria have been fulfilled, therefore a shareholder's latest shareholding in the Company may be different from the shareholding filed with the Stock Exchange.

Save as disclosed above, as at the Latest Practicable Date, none of the other person (other than the Directors and chief executives of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

2. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which would not expire or would not be determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

3. DIRECTORS' INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

None of the Directors was materially interested in any contract or arrangement which was entered into by any member of the Group and subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

None of the Directors has or had any interest, direct or indirect, in any asset which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Group were made up.

4. MATERIAL CONTRACTS

There were no contracts (not being contracts entered into in the ordinary course of business), which are, or may be, material to the Group, which had been entered into by any member of the Group within two years immediately preceding the issue of this circular and up to the Latest Practicable Date.

5. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

Mr. Dai Zhikang, the executive Director, holds approximately 4.3% equity interest in and is also one of the four directors of Blingstorm Entertainment Ltd. (晶合思動(北京)科技有限公司) (a company in which Boyaa Shenzhen holds approximately 9.4% equity interest), which is mainly engaged in provision of mobile games (other than online card and board games) in the PRC.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and their respective close associates had any interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder) or have or may have any other conflict of interest with the Group pursuant to the Listing Rules.

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group.

7. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of an expert who has given opinions, letter or advice which are contained in this circular:

Name	Qualification
ZHONGHUI ANDA CPA Limited	Certified public accountants

As at the Latest Practicable Date, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters/reports or its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the expert had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in the promotion of, or in any assets which since 31 December 2023, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. GENERAL

- (i) The registered office of the Company is situated at the offices of Maples Corporate Services Limited, P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands;
- (ii) The principal place of business in Hong Kong of the Company is situated at 19/F, Golden Centre, 188 Des Voeux Road Central, Hong Kong;
- (iii) The branch share registrar and the transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong;
- (iv) The joint company secretaries of the Company are Ms. Tao Ying and Mr. Poon Ping Yeung. Mr. Poon Ping Yeung is an associate member (holder of practitioner's endorsement) of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom and The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries); and
- (v) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.boyya.com.hk/>) for a period of not less than 14 days from the date of this circular:

- (i) the report on unaudited pro forma financial information of the Group from ZHONGHUI ANDA CPA Limited as set out in appendix III to this circular;
- (ii) the consent letter referred to in the section headed "7. QUALIFICATION AND CONSENT OF EXPERT" in this appendix;
- (iii) the letter on the sufficiency of working capital from ZHONGHUI ANDA CPA Limited pursuant to Rule 14.66(12) of the Listing Rules referred to in the section headed "APPENDIX II – FINANCIAL INFORMATION OF THE GROUP – 3. Working Capital"; and
- (iv) the annual reports of the Company for each of the years ended 31 December 2021 and 2022, respectively, and the annual results announcement of the Company for the year ended 31 December 2023.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved at the AGM.

1. PURPOSE

The purpose of this Scheme is to incentivize and reward the Eligible Persons for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company. This Scheme may, at the discretion of the Board, be used in conjunction with any cash based compensation, incentive compensation or bonus plan. Unless the Directors otherwise determined and stated in the terms of offer for the grant of the Options, no performance target is required to be achieved before any Option can be granted to the Eligible Person or exercised by the Option-holder.

2. ELIGIBLE PERSONS

Eligible Person(s) include (i) Employee Participant(s); and (ii) Related Entity Participant(s):

- (i) Employee Participant(s), being any Director(s) or employee(s) (whether full-time or part-time) of the Group; and
- (ii) Related Entity Participant(s), being any director(s) or employee(s) of the holding companies, fellow subsidiaries or associated companies of the Company.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The total number of Shares which may be issued in respect of all Options to be granted under this Scheme, together with all options and awards granted under any other schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of this Scheme. Options lapsed in accordance with the terms of this Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

Scheme Mandate Limit: 70,957,630 Shares, initially set at 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme.

The Company may seek approval by Shareholders in general meeting for refreshing the Scheme Mandate Limit after three (3) years from the date of Shareholders' approval of the adoption of this Scheme or the last refreshment (where applicable). Any refreshment within any three (3) years period must be approved by the Shareholders subject to the following:

- (i) any controlling Shareholders and their associates (or if there is no controlling shareholder, Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40 to 13.42 of the Listing Rules.

The above requirements on refreshment of Scheme Mandate Limit do not apply if the refreshment is made immediately after an issue of the Shares by the Company to the Shareholders on a pro rata basis as set out in rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of the Shares, rounded to the nearest whole Share.

The Board may grant Options to any Eligible Persons specifically identified by them which would cause the limit to be exceeded, but only with the approval of the Shareholders in general meeting. The Company must also send a circular to the Shareholders containing the information required under Rule 17.03C(3) of the Listing Rules and the relevant approval must be obtained in the manner prescribed by the Listing Rules.

Where any grant of Options to an Eligible Person would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Person pursuant to this Scheme or any other schemes of the Company (excluding any options and awards lapsed in accordance with the terms of this Scheme or any other schemes of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the ordinary share capital of the Company in issue, such grant must be separately approved by Shareholders in general meeting with such Eligible Person and his/her close associates (or associates if the Eligible Person is a connected person) abstaining from voting. The Company must send a circular to the Shareholders containing the information required under Rule 17.03D of the Listing Rules.

4. EXERCISE PERIOD

Subject to the vesting period as set out below, an Option may be exercised in accordance with the terms of the New Share Option Scheme during the Option Period, namely to be exercised at any time from the next Business Day after the offer of Options has been accepted by an Option-holder, unless the Board determines otherwise. However, in any event the Options must be exercised within ten (10) years from the date of grant.

5. RESTRICTIONS ON GRANT

Each grant of Options to an Eligible Person who is a Director (including an independent non-executive Director), chief executive or Substantial Shareholder of the Company, or any of their respective associates, under the Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options).

Where a grant of Option is to a substantial Shareholder of the Company or the independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options and awards granted pursuant to the Scheme or any other schemes of the Company (excluding any options and awards lapsed in accordance with the terms of this Scheme or any other schemes of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue at the date of such grant, such further grant of Options must be approved by the Shareholders in general meeting by means of sending a circular to the Shareholders, and the grantee, his associates and all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting.

No grant of Options shall be made to any Eligible Person:

- (i) after inside information has come to the knowledge of the Eligible Person until (and including) such inside information has been announced as required under the Listing Rules;
- (ii) on any day on which financial results of the Company are published and during the period commencing from one (1) month immediately before the earlier of:
 - (1) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (2) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of the results announcement.

6. VESTING PERIOD

The vesting period of the Options shall not be less than twelve (12) months from the date of grant. A shorter vesting period may be granted to the Employee Participants at the discretion of the Board or the remuneration committee of the Company or any other authorized agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employers; or
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event; or
- (iii) grants of Option the timing of which is determined by administrative or compliance requirements not connected with the performance of the Employee Participant, in which case the vesting date may be adjusted to take account of the time from which the Option would have been granted if not for such administrative or compliance requirements; or
- (iv) grants of Options with a mixed or accelerated vesting schedule such as where the Option may vest evenly over a period of twelve (12) months.

Each of which are considered appropriate to provide flexibility to grant Options (1) as part of competitive terms and conditions to induce valuable talent to join the Group (sub-paragraphs (i) and (iv)); (2) to reward past contribution which may otherwise be neglected due to administrative or technical reasons (sub-paragraphs (ii) and (iii)); (3) to reward exceptional performers with accelerated vesting (sub-paragraph (iv)); (4) to motivate exceptional performers based on performance metrics rather than time (sub-paragraph (v)); and (5) in exceptional circumstances where justified (sub-paragraph (i) to (v)), which is consistent with the purpose of this Scheme.

7. PERFORMANCE TARGETS

The Board may at its discretion specify any conditions which may be satisfied before an Option may be granted, including achievement of operation targets, etc..

8. ACCEPTANCE OF OFFERS OF OPTIONS

- (i) Offers of Options shall be open for acceptance in writing or by electronic communication received by the chairman of the Board (or a person designated by him with the approval of the Board) for such period (not exceeding twenty-eight (28) days inclusive of, and from, the date of granting the offer) as the Board may determine and notify to the Eligible Persons concerned provided that no such offer shall be open for acceptance after the expiry of the duration of this Scheme. Offers of Options not accepted within this period shall lapse.
- (ii) The Company shall issue option certificates to any Eligible Person who has accepted an offer under the common seal of the Company (or the securities seal of the Company) within seven (7) days after the end of the period for acceptance of the offer.
- (iii) The amount payable for the acceptance of the grant of an Option shall be the sum of HK\$1.00 which shall be paid upon such acceptance. This consideration shall not be refundable to the Option-holder and shall not be deemed to be a part payment of the Exercise Price.

9. EXERCISE PRICE

The price per Share at which a Grantee may subscribe for Shares on the exercise of an Option must be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a trading day; and (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the date of grant. "Grantee" means any Eligible Person who accepts the offer of the grant of any Option in accordance with the terms of this Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the Eligible Person who accepted the offer.

10. RANKING OF SHARES

Shares allotted and issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other Shares in issue, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

11. DURATION AND ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

Scheme shall be valid and effective for a period of ten (10) years commencing on the Effective Date, after which period no further Options will be granted but the provisions of this Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto which are at that time or become thereafter capable of exercise under the rules of the Scheme, or otherwise to the extent as may be required in accordance with the provisions of this Scheme.

This Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided) shall, subject to compliance with the Listing Rules, be final and binding on all parties. The Board shall, subject to the provisions contained herein, have the right to (i) interpret and construe the provisions of this Scheme; (ii) determine the persons (other than Directors, chief executive, Substantial Shareholders of the Company) to whom Options will be granted under this Scheme; (iii) determine the number and the Exercise Price of Options to be granted; (iv) determine the date on which any Option to be granted; (v) determine the minimum period (if any) for which an Option must be held before it may be exercised; (vi) make such other decisions or determinations as it shall deem appropriate in the administration of this Scheme; and (vii) delegate any or all of its powers to a committee of the Board to be established by the Board from time to time.

12. LAPSE AND CANCELLATION OF OPTIONS**(1) Lapse on Expiry of Option Period**

An Option will lapse automatically (to the extent not already exercised) on the earlier of:

- (i) the expiry of the Option Period; or
- (ii) the expiry of the time provided for in the applicable rule where any of the circumstances provided below apply.

(2) Lapse on Cessation of Employment**(i) Resignation**

If an Option-holder ceases to be an Eligible Person by reason of his voluntary resignation (other than in circumstances where he/she is constructively dismissed), any outstanding offer of Options and all Options, vested or unvested, shall lapse on the date of cessation of employment of such Eligible Person.

(ii) Termination by Employer

If an Option-holder ceases to be an Eligible Person by reason of his/her:

- (a) Employer terminating his Contract in accordance with its terms or any right conferred on his Employer by law; or
- (b) Contract, being a Contract for a fixed term, expiring and not being renewed; or
- (c) Employer terminating his Contract for misconduct; or
- (d) Conduct for act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an Employer would be entitled to terminate his Contract at common law or pursuant to any applicable laws,

then any outstanding offer of an Option and all Options, vested or unvested, will lapse on the date the Option-holder ceases to be an Eligible Person.

(iii) Death, Disability, Retirement and Transfer

If an Option-holder ceases to be an Eligible Person by reason of:

- (a) his death; or
- (b) his serious illness or injury which in the opinion of the Board renders the Option-holder concerned unfit to perform the duties of his employment and which in the normal course would render the Option-holder unfit to continue performing the duties under his Contract for the following 12 months provided such illness or injury is not self-inflicted; or
- (c) his retirement in accordance with the terms of an Option-holder's Contract; or
- (d) his early retirement by agreement with the Option-holder's Employer; or

- (e) if the Board determines in its absolute discretion that circumstances exist which mean that it is appropriate and consistent with the purpose of this Scheme to treat an Option-holder whose Options would otherwise lapse so that such Options do not lapse but continue to subsist,

then any outstanding offer of an Option which has not been accepted and any unvested Option will lapse and the Option-holder or his personal representatives (if appropriate) may exercise all his Options (to the extent vested but not already exercised) within a period of three (3) months of the date of cessation of employment. Any Option not exercised prior to the expiry of this period shall lapse.

(iv) Lapse After Leaving Employment

If the Board determines that an Option-holder who ceases to be an Eligible Person in circumstances such that his Options continue to subsist in accordance with the above rule 11(2)(iii):

- (a) is guilty of any misconduct which would have justified the termination of his Contract for cause but which does not become known to the Company until after he has ceased employment with any member of the Group; or
- (b) is in breach of any material term of Contract (or other contract or agreement related to his Contract), without limitation, any confidentiality agreement or agreement containing non-competition or non-solicitation restrictions between him and any member of the Group;

then it may, at its absolute discretion, determine that any unexercised Options, vested or not vested, held by the Option-holder shall immediately lapse upon the Board resolving to make such determination (whether or not the Option-holder has been notified of the determination).

(v) *Lapse in Other Circumstances*

If the Board determines that an Option-holder who:

- (a) has disclosed trade secrets or confidential information of any member of the Group; or
- (b) has entered into competition with a Member of the Group or breached any non-solicitation provisions in his Contract; or
- (c) is in breach of the regulations or labor disciplines of the Company; or
- (d) is guilty of serious dereliction of duty and dishonesty, causing loss to the Company; or
- (e) is employed with other companies other than a member of the Group or holding any part-time position in other companies other than a member of the Group; or
- (f) is not qualified to perform his duty under the Contract, and after training is given or the position is changed, still being unqualified for his job; or
- (g) unable to reach an agreement with the Company in respect to the change of the content of the Contract where there is a significant change to the objective circumstances on which the conclusion of the Contract is based, leading to the non-performance of the Contract; or
- (h) is on the list of employees subject to the economic layoffs conducted by the Company in accordance with applicable laws and regulations; or
- (i) is guilty of appropriating the Group's funds, assets, equipment or facilities for other use without obtaining prior consent in due course;
- (j) has caused serious damage to the Company's reputation or economic loss to the Company as a result of his improper behavior or speech; or
- (k) is guilty of negligence or improper behavior at work, causing certain economic loss to the Company or other adverse impact on the Company;

- (l) is held criminally liable for any breach of applicable laws and regulations or is subject to any administrative penalties for such breach; or
- (m) is in breach of the Contract or the terms of grant of Option,

then it may, at its absolute discretion, determine that any unexercised Options, vested or not vested, held by the Option-holder shall immediately lapse upon the Board resolving to make such determination (whether or not the Option-holder has been notified of the determination).

The grant of Options is not subject to any clawback mechanism to recover or withhold the remuneration (which may include any options or awards granted) to any Eligible Person(s) in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

(vi) Lapse on Cessation to be a Director

In the event that any Director ceases to be a Director, the Company shall, as soon as practicable thereafter, give notice to the relevant Option-holder who as a result ceases to be an Eligible Person. Any outstanding offer of an Option which has not been accepted and any unvested Option will lapse on the date the Option-holder ceases to be an Eligible Person. The Option-holder (or his personal representative) may exercise all his Options (to the extent vested but not already exercised) within a period of three (3) months of the date of the notification by the Board. Any Option not exercised prior to the expiry of this period shall lapse.

(vii) Lapse on a General Offer

- (a) If as a result of any general offer made to the holders of Shares, the Board becomes aware that the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror and any person associated with or acting in concert with the offeror (a "**Change of Control**"), the Board will notify every Option-holder of this within fourteen (14) days of becoming so aware or as soon as practicable after any legal or regulatory restriction on such disclosure no longer applies.

- (b) Each Option-holder will be entitled at any time during the Change of Control Period to exercise his Options (to the extent vested but not already exercised). All Options, vested or unvested, not exercised before the end of the Change of Control Period will lapse at the end of the Change of Control Period.
- (c) "Change of Control Period" means the period of one (1) month starting on the date of the Board's notification.

(viii) Lapse on Company Reconstructions

In the event of a compromise or arrangement, the Company shall give notice to all Option-holders on the same date as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement and each Option-holder (or his personal representative) may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his Options (to the extent vested but not already exercised), and subject to the Company receiving the exercise notice and the Exercise Price, the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the Option-holder such number of fully paid Shares which fall to be issued on exercise of such Options. Any Options, vested or unvested, not so exercised will lapse.

(ix) Lapse on Winding-Up

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it dispatches such notice to the Shareholders give notice thereof to all Option-holders and each Option-holder (or his personal representative) shall be entitled to exercise all or any of his Options (to the extent vested but not already exercised) at any time no later than seven days prior to the proposed general meeting of the Company, and subject to the Company receiving the exercise notice and the Exercise Price, the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting, allot, issue and register under the name of the Option-holder such number of fully paid Shares which fall to be issued on exercise of such Options. Any Options, vested or unvested, not so exercised will lapse.

(x) *Cancellation of Options*

Any cancellation of Options granted but not exercised must be approved by the Board. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under this Scheme with available unissued Options (excluding the cancelled Options) within the limit as mentioned in Clause 7. The Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

13. REORGANIZATION OF CAPITAL STRUCTURE

(i) **Adjustments**

the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalization of profits or reserves, further rights issues of Shares, consolidation or subdivision of shares, or reduction of the share capital of the Company in accordance with applicable laws and regulatory requirements (other than an issue of any share capital as consideration in respect of a transaction), such corresponding adjustments (if any) shall be made to:

- (a) the number of Shares, the subject matter of the Option (insofar as it is unexercised); and/or
- (b) the Exercise Price,

in such manner as the Directors (having received a confirmation in writing from the Auditors or an independent financial adviser to the Company (as the case may be), acting as experts and not as arbitrators, that in their opinion the adjustments proposed are fair and reasonable and satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto), except in the case of a capitalisation issue where no such confirmation from the Auditors or an independent financial adviser to the Company (as the case may be) shall be required unless otherwise expressly required by the Directors) may deem appropriate provided always that:

- (a) no increase shall be made in the aggregate subscription price relating to any Option;
- (b) the proportion of the issued share capital of the Company to which an Option-holder is entitled after any adjustment (rounded to the nearest whole Share) shall remain the same as that to which he was previously entitled prior to such adjustment;

- (c) no adjustments shall be made which will enable a Share to be issued at less than its nominal value;
- (d) any adjustment so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange;
- (e) no adjustments shall be made in the event of an issue of Shares as consideration in respect of a transaction to which the Company is a party; and
- (f) no adjustments to the exercise price or number of shares shall be made to the advantage of the Eligible Person without specific prior Shareholders' approval.

The Company will notify an Option-holder of any adjustments.

14. TERMINATION OF NEW SHARE OPTION SCHEME

This Scheme will expire automatically on the day immediately preceding the 10th anniversary of the Effective Date.

The Board may terminate this Scheme at any time without Shareholders' approval by resolving that no further Options shall be granted under this Scheme. If the Board decides to terminate this Scheme, then no new offers to grant Options under this Scheme will be made and any Options which have been granted but not yet exercised shall either:

- (i) continue to subject to the rules of this scheme; or
- (ii) be cancelled.

Details of the Options granted, including Options exercised or outstanding, under the Scheme shall be disclosed in the circular to shareholders of the Company seeking approval of any new scheme established or refreshment of the Scheme Mandate Limit under this Scheme after the termination of this Scheme.

15. NON-TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Option-holder and shall not be assignable nor transferable (unless a waiver has been obtained from the Stock Exchange in accordance with the Listing Rules), and no Option-holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any party over or in relation to any Option or attempt to do so). Any breach of the foregoing shall entitle the Company to cancel any outstanding Option, or any part thereof, granted to such Option-holder.

16. AMENDMENT TO THE SCHEME

Subject to the provisions of this rule 16, the Board may amend any of the provisions of this Scheme at any time.

The Shareholders in general meeting must approve in advance by ordinary resolution any proposed amendment which is to the advantage of present or future Option-holders, and which relates to alterations to the terms and conditions of this Scheme which are of a material nature or any alterations to the provisions relating to the matters contained in Rule 17.03 of the Listing Rules. The Board need not obtain the approval of the Shareholders in general meeting for any minor amendments:

- (i) to benefit the administration of this Scheme;
- (ii) to comply with or take account of the provisions of any proposed or existing legislation;
- (iii) to take account of any changes to any legislative or regulatory requirements;
or
- (iv) to obtain or maintain favorable tax, exchange control or regulatory treatment of any member of the Group or any present or future Option-holder.

The amended terms of this Scheme must still comply with Chapter 17 of the Listing Rules.

Any change to the terms of Options granted to an Eligible Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), unless the alterations take effect automatically under the existing terms of this Scheme.

Any change to the authority of the Directors or administrators of the Scheme to alter the terms of the Scheme shall be approved by the Shareholders in the general meeting.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM” or “Meeting”) of Boyaa Interactive International Limited (the “Company”) will be held physically on Friday, 19 April 2024 at 3:00 p.m. at Plaza 4, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended 31 December 2023.
2. To declare a final dividend of HK\$0.0372 per ordinary share for the year ended 31 December 2023.
3. (a) To re-elect, as a separate resolution, the following person as a director of the Company (together with all other directors of the Company, the “Directors”):

Mr. Dai Zhikang as an executive Director;
- (b) To authorize the board of Directors (the “Board”) to fix the remuneration of the Directors.
4. To re-appoint ZHONGHUI ANDA CPA Limited as the auditor of the Company and to authorize the Board to fix its remuneration.

NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase the issued ordinary shares of USD0.00005 each in the share capital of the Company (the “**Shares**”) be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange on which securities of the Company may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited pursuant to the approval in paragraph (a) above shall not exceed or represent more than 10% of the total number of issued Shares at the date of passing this resolution, and the said approval shall be limited accordingly;

for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law(s) to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** a general mandate be and is hereby unconditionally given to the Directors to exercise full powers of the Company to allot, issue and deal with additional Shares, to grant rights to subscribe for, or convert any securities into, Shares (including the issue of any securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares) and to make or grant offers, agreements and options which might require the exercise of such powers, whether during the continuance of such mandate or thereafter, provided that, otherwise than pursuant to (i) a rights issue where Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Shares; (ii) an issue of Shares pursuant to the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities which carry rights to subscribe for or are convertible into Shares; (iii) the exercise of options granted under any share option scheme adopted by the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend in accordance with the articles of association of the Company, the total number of the Shares allotted shall not exceed the aggregate of:

- (a) 20% of the total number of issued Shares as at the date of the passing of this resolution, plus
- (b) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the total number of Shares repurchased by the Company subsequent to the passing of this resolution (not exceeding 10% of the total number of issued Shares as at the date of the passing of ordinary resolution no. 7).

Such mandate shall expire at the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law(s) to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider and, if thought fit, pass the following resolution as ordinary resolution:

“**THAT** subject to ordinary resolutions nos. 5 and 6 being duly passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares pursuant to ordinary resolution no. 6 be and is hereby extended by adding the number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution no. 5, provided that such extended amount shall not exceed 10% of the total number of issued Shares as at the date of the passing of this resolution.”

8. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

“**THAT:**

- (a) an acquisition mandate (the “**Acquisition Mandate**”) to authorize and empower the Directors in advance 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 this ordinary resolution is duly passed by the shareholders of the Company, as more particularly described in the Company’s circular dated 28 March 2024, be and is hereby approved and confirmed; and
- (b) any one or more of the Directors be and are hereby authorized for and on behalf of the Company and in its name to execute each other documents, instruments, instructions and agreements and to do all such acts or things which he/she/they may consider necessary, expedient or desirable to give effect to the Acquisition Mandate and any one of the Potential Cryptocurrency Acquisitions contemplated thereunder.”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass the following resolutions as ordinary resolution:

“**THAT:**

- (a) Subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in any Shares to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”) (a copy of which is produced to this meeting marked “**A**” and initialled by the chairman of the Meeting for the purpose of identification), the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorized to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation to grant option and to allot, issue and deal with Shares pursuant to the exercise of any option granted thereunder.”
- (b) the total number of Shares to be allotted and issued pursuant to (a) above, together with any issue of Shares upon the exercise of any options and awards granted under any other share schemes of the Company as may from time to time be adopted by the Company, shall not exceed such number of Shares as equals to 10% of the Shares in issue as at the date of passing of this resolution.”

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

Hong Kong, 28 March 2024

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

The offices of Maples Corporate
Services Limited
P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal place of business in Hong Kong:

19/F, Golden Centre
188 Des Voeux Road Central
Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the above Meeting (i.e. not later than 3:00 p.m. on Wednesday, 17 April 2024) or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder from attending and voting in person if he/she is subsequently able to be present.
3. A form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either executed under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
4. In the case of joint holders of any Shares, any one of such joint holders may vote at the above Meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the register of members of the Company and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).
5. On a poll, every member present in person or by proxy shall be entitled to one vote for each Share registered in his name. The result of such poll shall be deemed to be the resolution of the Meeting at which the poll was so taken.
6. Concerning resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. The explanatory statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in the appendix I to the circular of the Company dated 28 March 2024.
7. For determining the entitlement to attend and vote at the above Meeting, the register of members of the Company will be closed from Tuesday, 16 April 2024 to Friday, 19 April 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the above Meeting, unregistered shareholders shall ensure that all transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 15 April 2024.
8. For determining the entitlement to the proposed final dividend upon passing of the resolution no. 2 as set out in this notice, the register of members of the Company will be closed from Thursday, 25 April 2024 to Monday, 29 April 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible for the proposed final dividend upon passing of the resolution no. 2 as set out in this notice, unregistered shareholders shall ensure that all transfer documents accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 24 April 2024.

NOTICE OF ANNUAL GENERAL MEETING

9. In case the above AGM is anticipated to be affected by black rainstorms or tropical cyclone with warning signal no. 8 or above, or “extreme conditions” caused by super typhoons, please refer to the Company’s website at www.boyaa.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk for announcement on bad weather arrangement for the AGM.

If any shareholder chooses not to attend the AGM in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong. If any shareholder has any question relating to the AGM, please contact Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office at:

Computershare Hong Kong Investor Services Limited

17M Floor
Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong

Website: www.computershare.com/hk/contact

Tel: +852 2862 8555

Fax: +852 2865 0990

As at the date of this notice, 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.