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Boyaa Interactive International Limited

博雅互動國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0434)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE AND NINE MONTHS ENDED
30 SEPTEMBER 2024**

The board of directors (the “**Board**”) of Boyaa Interactive International Limited (the “**Company**” or “**we**” or “**our**” or “**us**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**our**” or “**us**”) for the three and nine months ended 30 September 2024 (the “**Reporting Period**”) (the “**Third Quarterly Results**”). The Third Quarterly Results have been reviewed by ZHONGHUI ANDA CPA Limited, the auditor of the Company, in accordance with Hong Kong Standard on Review Engagements 2410 “Review of interim financial information performed by the independent auditor of the entity” issued by Hong Kong Institute of Certified Public Accountants, and by the audit committee of the Company. This announcement is made pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

FINANCIAL HIGHLIGHTS

	For the nine months ended 30 September		Year-on-Year Change*	For the year ended
	2024	2023		31 December
	RMB'000	RMB'000	%	RMB'000
	(unaudited)	(unaudited)		(audited)
Revenue	318,193	294,320	8.1	394,582
<i>Revenue generated from online games</i>	305,456	294,320	3.8	394,582
– Web-based games	89,153	89,531	(0.4)	118,017
– Mobile games	216,303	204,789	5.6	276,565
<i>Revenue from other sources</i>	12,737	–	–	–
– Digital assets value-added gain	12,737	–	–	–
Gross profit	225,694	198,416	13.7	271,279
Other gains/(losses), net <i>(including but not limited to)</i>	97,473	(34,927)	–	(51,198)
– Fair value gain on digital assets	98,082	–	–	911
Profit attributable to owners of the Company	212,325	85,129	149.4	117,179
Non-IFRS adjusted net profit (unaudited)**	216,354	87,075	148.5	118,940
BTC Yield % (9/30/2024 compared to 12/31/2023)*****	52,600.0%	–	–	–
	For the three months ended 30 September		Year-on-Year Change*	
	2024	2023		
	RMB'000	RMB'000	%	
	(unaudited)	(unaudited)		
Revenue	104,826	100,035	4.8	
<i>Revenue generated from online games</i>	100,280	100,035	0.2	
– Web-based games	27,930	30,374	(8.0)	
– Mobile games	72,350	69,661	3.9	
Revenue from other sources	4,546	–	–	
– Digital assets value-added gain	4,546	–	–	
Gross profit	74,041	68,742	7.7	
Other losses, net <i>(including but not limited to)</i>	(143,257)	(13,831)	935.8	
– Fair value losses on digital assets	(147,568)	–	–	
(Loss)/profit attributable to owners of the Company	(72,054)	29,549	–	
Non-IFRS adjusted net (loss)/profit (unaudited)**	(71,891)	30,058	–	
BTC Yield % (quarter-to-quarter)*****	26.7%	–	–	

REVENUE BY GAMES

	For the nine months ended 30 September		Year-on-Year Change* %
	2024 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	
Texas Hold'em Series	197,915	186,354	6.2
Other Card and Board	107,541	107,966	(0.4)
Total	305,456	294,320	3.8

	For the three months ended 30 September		Year-on-Year Change* %
	2024 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	
Texas Hold'em Series	66,727	63,551	5.0
Other Card and Board	33,553	36,484	(8.0)
Total	100,280	100,035	0.2

REVENUE BY LANGUAGE VERSIONS OF GAMES

	For the nine months ended 30 September		Year-on-Year Change* %
	2024 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	
Simplified Chinese	12,843	14,064	(8.7)
Other languages	292,613	280,256	4.4
Total	305,456	294,320	3.8

	For the three months ended 30 September		Year-on-Year Change* %
	2024 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	
Simplified Chinese	4,218	4,155	1.5
Other languages	96,062	95,880	0.2
Total	100,280	100,035	0.2

OPERATIONAL HIGHLIGHTS

	For the three months ended			Year- on-Year Change*	Quarter- on-Quarter Change**
	30 September	30 June	30 September		
	2024	2024	2023		
	(unaudited)	(unaudited)	(unaudited)	%	%
Paying Players <i>(in thousands)</i>	201	207	211	(4.7)	(2.9)
– Web-based games	2	3	3	(33.3)	(33.3)
– Mobile games	199	204	208	(4.3)	(2.5)
Daily Active Users (“DAUs”) <i>(in thousands)</i> ****	1,168	1,119	1,177	(0.8)	4.4
– Web-based games	73	76	80	(8.8)	(3.9)
– Mobile games	1,095	1,043	1,097	(0.2)	5.0
Monthly Active Users (“MAUs”) <i>(in thousands)</i> ****	4,508	4,081	3,895	15.7	10.5
– Web-based games	334	312	314	6.4	7.1
– Mobile games	4,174	3,769	3,581	16.6	10.7
Average Revenue Per Paying User (“ARPPU”) of Texas Hold'em Series <i>(in RMB)</i>					
– Web-based games	4,655.0	4,864.0	5,062.3	(8.0)	(4.3)
– Mobile games	226.9	181.1	230.4	(1.5)	25.3
ARPPU for Other Card and Board <i>(in RMB)</i>					
– Web-based games	0.3	0.3	0.3	–	–
– Mobile games	79.3	82.7	76.0	4.3	(4.1)

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

** *Quarter-on-Quarter Change % represents a comparison between the quarter ended 30 September 2024 and the immediately preceding quarter.*

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

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

***** *BTC Yield is a KPI (key performance indicator) that represents the % change period-to-period of the ratio between the number of Bitcoin held to our number of issued shares.*

BUSINESS OVERVIEW AND OUTLOOK

In terms of financial performance, we recorded revenue of approximately RMB318.2 million for the nine months ended 30 September 2024, representing an increase of approximately 8.1% as compared to the same period in 2023, which was primarily due to (i) value-added gain of digital assets generated from the cryptocurrencies held by the Group; and (ii) the increase in the Group's revenue generated from online games as a result of the Group's holding of certain online operational activities and continuous optimization of its gaming products and gameplay. In the third quarter of 2024, we recorded revenue of approximately RMB104.8 million, representing a year-on-year increase of approximately 4.8% compared to the third quarter of 2023, primarily due to value-added gain of digital assets from the cryptocurrencies held by the Group. In the third quarter of 2024, the Group's revenue remained stable as compared to the second quarter of 2024.

For the nine months ended 30 September 2024, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB216.4 million, representing a year-on-year increase of approximately 148.5% as compared to the same period in 2023, mainly due to (i) the increase in the fair value of cryptocurrencies held by the Group over the purchase cost for the nine months ended 30 September 2024; (ii) the increase in the Group's revenue recorded for the nine months ended 30 September 2024 as compared to the same period in 2023; and (iii) the reduction in the decrease in the fair value of the Group's financial assets such as equity investment partnerships for the nine months ended 30 September 2024 as compared to the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the nine months ended 30 September 2024 represented a year-on-year increase of approximately 4.2%, which was mainly due to the increase in revenue as compared to the same period in 2023. In the third quarter of 2024, we recorded an unaudited non-IFRS adjusted net loss of approximately RMB71.9 million, and for the same period of 2023, we recorded an unaudited non-IFRS adjusted net profit of approximately RMB30.1 million. The change of position from the unaudited non-IFRS adjusted net profit for the third quarter of 2023 to the unaudited non-IFRS adjusted net loss for the same period in 2024 was mainly due to a reduction in the increase in the fair value of digital assets over the purchase cost for the three months ended 30 September 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 30 June 2024, whereas there was no effect of changes in the fair value of digital assets for the same period in 2023. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 30 September 2024 represented a year-on-year decrease of approximately 1.6%, which was mainly due to a decrease in interest income as a result of a reduction in bank deposits due to the purchase of digital assets. In the third quarter of 2024, we recorded a quarter-on-quarter increase of approximately 12.4% in the unaudited non-IFRS adjusted net loss, which was mainly due to an increase in the reduction in the fair value of digital assets for the three months ended 30 September 2024 compared to the reduction in the fair value of digital assets for the three months ended 30 June 2024. Excluding the impact of non-operating one-off factors such as the change in fair value of financial assets

such as digital assets and equity investment partnerships, the unaudited non-IFRS adjusted net profit for the three months ended 30 September 2024 would have a quarter-on-quarter increase of approximately 9.3%, mainly due to a quarter-on-quarter decrease in employee compensation and welfare expenses.

In terms of the operating data performance, we recorded a decrease in the number of paying players in the third quarter of 2024 as compared to the second quarter of 2024, a decrease of 2.9% from approximately 0.21 million in the second quarter of 2024 to approximately 0.20 million in the third quarter of 2024. However, we recorded an increase in the number of users in the third quarter of 2024 as compared to the second quarter of 2024, of which the number of DAUs increased by 4.4% from approximately 1.12 million in the second quarter of 2024 to approximately 1.17 million in the third quarter of 2024, and the number of MAUs increased by 10.5% from approximately 4.1 million in the second quarter of 2024 to approximately 4.5 million in the third quarter of 2024. The ARPPU grew in mobile versions of Texas Hold'em.

During the third quarter of 2024, we successfully held the online integrated server sessions of BPT branded competition series – BPT 2024 match. It has attracted approximately 78.6 thousand participants from various countries and regions including but not limited to Asia and Europe. This event further strengthened our brand influence and propelled us forward in establishing our international premier poker tournament brand.

The Company will further ramp up R&D efforts for Web3 gaming products, enrich contents and rules of gaming products, and enhance gaming features and infrastructure (including Web3-related infrastructure). The aim is to elevate user experience, while exploring innovative operational models for gaming products, especially Web3 gaming products. Concurrently, we will 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 Web3 business development.

Continuous expansion of BTC reserves is an important strategy of the Group. The Group is optimistic about the cryptocurrency market and the development of BTC and is of the view that BTC has long-term value. The Group will hold and continue to expand its BTC reserves in the long run. The Group will further explore increasing its holding of BTC on a continuous basis and will not exclude the possibility of raising funds in the secondary market by way of placing of shares, etc. to expand its reserves.

The Company will strictly comply with various laws and regulations in various jurisdictions that it has operations, make steady efforts in the fields of online chess and board games and Web3, and be committed to developing high-quality card and board gaming products and industry-leading Web3 gaming products, with a focus on establishing the Company as a pure and leading Web3 listed company.

MANAGEMENT DISCUSSION AND ANALYSIS

Revenue

Our revenue for the three months ended 30 September 2024 amounted to approximately RMB104.8 million, representing a year-on-year increase of approximately 4.8% from approximately RMB100.0 million recorded for the same period in 2023. The year-on-year increase was primarily due to the digital assets value-added gains recorded by the Group as a result of the cryptocurrency held by the Group. For the three months ended 30 September 2024, revenue generated from our mobile games, web-based games and value-added gain from digital assets accounted for approximately 69.0%, 26.6% and 4.4% of our total revenue, respectively, as compared with approximately 69.6%, 30.4% and nil, respectively, for the three months ended 30 September 2023.

For the three months ended 30 September 2024, our Group had generated revenue from added value from our digital assets. During the year ended 31 December 2023 and the nine months ended 30 September 2024, our Group had acquired certain cryptocurrencies pursuant to the two acquisition mandates (the “**Acquisition Mandates**”) granted by our shareholders at the extraordinary general meeting held on 22 December 2023 and the annual general meeting held on 19 April 2024, respectively, which authorised the purchase of cryptocurrencies in an aggregate amount of not exceeding US\$200 million. (For details, please refer to the circulars of the Company dated 5 December 2023 and 28 March 2024, respectively). The purchase and holding of cryptocurrencies is expected to be the pivotal basis of and move for our Group’s expansion and operation of Web3 games and pathing of its layout in the field of Web3 to achieve its continuous development. While our Group develops and operates Web3 games, the cryptocurrency are mainly stored in our Group’s accounts held at licensed platforms and the cryptocurrency wallet of our Group. Our Group would receive interests and rewards mainly by storing cryptocurrencies at the accounts of relevant licensed platforms and storing ETH at the cryptocurrency wallet of our Group as part of Ethereum network validation (a validation mechanism for the security and stability of Ethereum network). Such interests and rewards are recorded as digital assets value-added gain.

The receipt of the interests and rewards generated from cryptocurrencies as set out above do not constitute notifiable transactions or connected transactions of the Company under Chapter 14 and Chapter 14A of the Listing Rules, respectively. Our management is of the view that, it is expected that the amount of cryptocurrency acquired by our Group will continue to increase in the future, and our Group is expected to generate such revenue in digital assets added value on an on-going basis while we are developing and operating our Web3 games in the future.

Cost of revenue

Our cost of revenue for the three months ended 30 September 2024 amounted to approximately RMB30.8 million, representing a year-on-year decrease of approximately 1.6% from approximately RMB31.3 million recorded for the same period in 2023. The year-on-year decrease was primarily due to the decrease in commission charges by platforms and third party payment vendors, through optimizing payment collection channels.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit for the three months ended 30 September 2024 amounted to approximately RMB74.0 million, representing a year-on-year increase of approximately 7.7% from approximately RMB68.7 million recorded for the same period in 2023.

Our gross profit margin were approximately 70.6% and 68.7%, respectively, for the three months ended 30 September 2024 and the same period in 2023.

Selling and marketing expenses

Our selling and marketing expenses for the three months ended 30 September 2024 amounted to approximately RMB10.0 million, representing a year-on-year decrease of approximately 26.7% from approximately RMB13.6 million recorded for the same period in 2023. The year-on-year decrease was mainly attributable to the decrease in the expenses incurred for advertising and promotional activities.

Administrative expenses

Our administrative expenses for the three months ended 30 September 2024 amounted to approximately RMB21.4 million, remaining stable as compared to the same period in 2023.

Other losses, net

For the three months ended 30 September 2024, we recorded other losses, net of approximately RMB143.3 million, compared to other losses, net of approximately RMB13.8 million recorded for the same period in 2023. The increase in other losses, net for the three months ended 30 September 2024 as compared to the same period in 2023 was primarily due to the significant reduction in fair value of digital assets. The other losses, net primarily consisted of fair value changes on digital assets, fair value changes on non-quoted investments in equity investment partnerships and certain wealth management products we purchased included in investments at fair value through profit or loss, net foreign exchange gain/(loss), dividend income and government subsidies.

Finance income, net

Our net finance income for the three months ended 30 September 2024 was approximately RMB1.5 million, compared to approximately RMB15.4 million recorded for the same period in 2023. The change was primarily due to the decrease in deposits as a result of the purchase of digital assets, which led to the decrease in interest income as compared to the same period in 2023.

Share of result of associates

We held investments in five associates, namely Shenzhen Fanhou Technology Co., Ltd.* (深圳市飯後科技有限公司), Shenzhen HuifuWorld Network Technology Co., Ltd.* (深圳市匯富天下網絡科技有限公司), Shenzhen Easething Technology Co., Ltd.* (深圳市易新科技有限公司), Shenzhen Jisiwei Intelligent Technology Co., Ltd.* (深圳市極思維智能科技有限公司) and Shanghai Allin Network Technology Co., Ltd.* (上海傲英網絡科技有限公司) and its subsidiaries as at 30 September 2024 (31 December 2023: five associates), all of which were online game or internet technology companies. We recorded a share of gain of associates of approximately RMB0.2 million for the three months ended 30 September 2024, compared to a share of loss of associates of approximately RMB0.5 million recorded for the same period in 2023.

Income tax expenses

Our income tax credit for the three months ended 30 September 2024 was approximately RMB26.9 million, whereas we recorded income tax expenses of approximately RMB5.2 million for the same period in 2023. The change from income tax expenses to income tax credit was mainly due to the significant decrease in the fair value of digital assets, which led to the clawback of the income tax expenses.

* For identification purpose only

(Loss)/Profit attributable to owners of the Company

As a result of the foregoing, our loss attributable to owners of the Company for the three months ended 30 September 2024 amounted to approximately RMB72.1 million, whereas our profit attributable to owners of the Company amounted to approximately RMB29.6 million for the same period in 2023. The change of position from profit attributable to owners of the Company for the three months ended 30 September 2023 to loss attributable to owners of the Company for the three months ended 30 September 2024 was mainly due to a reduction in the increase in the fair value of digital assets over the purchase cost for the three months ended 30 September 2024 compared to the increase in the fair value of digital assets over the purchase cost for the three months ended 30 June 2024, whereas there was no effect of changes in fair value of digital assets for the same period in 2023.

Non-IFRS Measure – Adjusted net (loss)/profit

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

Our unaudited non-IFRS adjusted net loss for the three months ended 30 September 2024 was approximately RMB71.9 million, which was derived from our unaudited loss for the same period excluding share-based compensation expenses of approximately RMB0.2 million included in administrative expenses, as compared to our unaudited non-IFRS adjusted net profit for the three months ended 30 September 2023 of approximately RMB30.1 million, which was derived from our unaudited profit for the same period excluding share-based compensation expenses of approximately RMB0.5 million included in administrative expenses.

Excluding the impact of non-operating one-off factors such as changes in the fair value of digital assets and financial assets including equity investment partnerships, our unaudited non-IFRS adjusted net profit for the three months ended 30 September 2024 decreased by approximately 1.6% as compared to the same period in 2023, which was mainly due to the decrease in deposits as a result of the purchase of digital assets, which led to the decrease in interest income as compared to the same period in 2023.

BTC Yield

To supplement the performance of the Bitcoin acquired by our Group, we are following the industry best practice pioneered by MicroStrategy Inc. (a company listed on NASDAQ, stock code: MSTR), and adopt “BTC Yield” as a Key Performance Indicator (KPI). BTC Yield is a KPI that represents the percentage change period-to-period of the ratio between the number of Bitcoin held by our Group and our total number of issued shares.

The Company uses BTC Yield as a KPI to help assess the performance of its strategy of acquiring Bitcoin in a manner the Company believes is accretive to its shareholders. When the Company uses this KPI, management also takes into account the various limitations of this metric, including that it does not take into account debt and other liabilities, etc.

Additionally, this KPI is not, and should not be understood as, an operating performance measure or a financial or liquidity measure. In particular, BTC Yield is not equivalent to “yield” in the traditional financial context. It is not a measure of the return on investment the Company’s shareholders may have achieved historically or can achieve in the future by purchasing shares of the Company, or a measure of income generated by the Company’s operations or its Bitcoin holdings, or any other similar financial measure of the performance of its business or assets.

For the three months ended 30 September 2024, the Company’s BTC Yield was 26.7%. For the nine months ended 30 September 2024, the Company’s BTC Yield was 52,600.0%.

BTC Yield and total number of issued shares:

	12/31/2023	3/31/2024	6/30/2024	9/30/2024
Total Bitcoin held	5	1,194	2,079	2,635
Total number of issued shares	709,576,301	709,576,301	709,576,301	709,576,301*
Bitcoin per 10,000 shares	0.0001	0.0168	0.0293	0.0371
BTC Yield % (quarter-to-quarter)	–	23,780.0%	74.1%	26.7%
BTC Yield % (9/30/2024 compared to 12/31/2023)	–	–	–	52,600.0%

* Including the 3,445,000 ordinary shares being repurchased but not yet cancelled.

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 continuous expansion of BTC reserves is an important strategy of the Group.

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, among which, the Company shall use approximately US\$45 million to acquire each of Bitcoin (BTC) and Ether (ETH) and the remainder of not more than US\$10 million will be used to purchase Tether USD (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.

On 19 April 2024, the Board was granted another acquisition mandate from the shareholders of the Company under the annual general meeting held to further conduct acquisitions of cryptocurrencies in an aggregate amount not exceeding US\$100 million in open market transaction, and the cryptocurrencies purchased will consist of BTC and ETH. For details, please refer to the announcement of the Company dated 8 March 2024, the circular of the Company dated 28 March 2024 and the poll results announcement of the Company dated 19 April 2024.

As at 30 September 2024, the fair value of digital assets amounted to approximately RMB1,569.0 million (31 December 2023: approximately RMB78.6 million), which mainly consisted of BTC, ETH and USDT. The fair value measurement of digital assets were determined based on their quoted prices in open market. For the nine months ended 30 September 2024, we recorded fair value gains on digital assets of approximately RMB98.1 million (fair value gains for the nine months ended 30 September 2023: nil).

As at 30 September 2024, the Group held approximately 2,635 units of BTC with an average cost of approximately US\$54,022 per unit and approximately 15,388 units of ETH with an average cost of approximately US\$2,756 per unit.

As at the date of this announcement, the Group held approximately 2,688 units of BTC with an average cost of approximately US\$54,385 per unit and approximately 14,447 units of ETH with an average cost of approximately US\$2,755 per unit.

Cash and cash equivalents

As at 30 September 2024, we had cash and cash equivalents of approximately RMB66.9 million (31 December 2023: approximately RMB744.3 million), which primarily consisted of cash at banks and in hand and short-term bank deposits, which were mainly denominated in RMB (as to approximately 14.4%), USD (as to approximately 58.6%) and other currencies (as to approximately 27.0%). We currently do not hedge transactions undertaken in foreign currencies or use any financial instruments for hedging purposes. Due to our persistent efforts in managing exposure to foreign currency risks, fluctuations in currency exchange rates do not have any material adverse impact on our financial results.

Equity investment at fair value through other comprehensive income

We accounted for equity investments at fair values through other comprehensive income at their respective fair values. As at 30 September 2024, we had only one unlisted investment, the fair value of which amounted to approximately nil, while as at 31 December 2023, the fair value of equity investments at fair values through other comprehensive income amounted to approximately RMB10.5 million. These equity investments at fair value through other comprehensive income mainly consisted of both listed and unlisted equity securities.

During the nine months ended 30 September 2024, we have disposed of all of the shares in Xiaomi Corporation, a listed company on the Hong Kong Stock Exchange (stock code: 1810), on the open market. The proceeds of the disposed shares will be utilized for the Group's business operations.

We consider that, none of the other listed and unlisted investments classified as equity investments at fair value through other comprehensive income in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 30 September 2024.

Investments at fair value through profit or loss

As at 30 September 2024, we also recorded investments at fair value through profit or loss of approximately RMB79.4 million (31 December 2023: approximately RMB208.5 million), which consisted of non-quoted investments in asset management plans, equity investment partnerships and fund. As at 30 September 2024, the fair values of the investments in asset management plans were determined by discount cash flows model; the fair values of the investments in equity investment partnerships were determined by market approach and discount cash flows model; the fair values of the funds were determined by market approach and discount cash flows model. For the nine months ended 30 September 2024, we recorded fair value losses on investments at fair value through profit or loss of approximately RMB13.1 million (fair value losses for the nine months ended 30 September 2023: approximately RMB39.4 million).

The investments at fair value through profit or loss were made in line with our treasury and investment policies, after taking into account, among others, the level of risk, return on investment, liquidity and the term to maturity. The Company has dedicated investment department and investment project management team to conduct, oversee and manage its investment activities. The Company has 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 Company had also ensured that there remains sufficient working capital for the Company's business needs even after the investments. During the nine months ended 30 September 2024, save the acquisition mandates of cryptocurrencies disclosed in the paragraph headed "Digital assets" above, each of the investments made by the Company does not constitute a notifiable transaction or a connected transaction of the Company under the Listing Rules.

On 28 December 2016, the Group, through Shenzhen Dong Fang Bo Ya Technology Co., Limited (深圳市東方博雅科技有限公司), established a limited partnership namely Jiaxing Boyaa ChunLei Equity Investments Limited Partnership Enterprise ("**Jiaxing Boyaa**") with Shanghai Tailai Tianji Asset Management Co., Limited (上海泰來天濟資產管理有限公司). During the nine months ended 30 September 2024, the Group's accumulated contribution of RMB300.0 million represented 99.0% of the total capital contribution of Jiaxing Boyaa. The fair value of the investment in Jiaxing Boyaa as at 30 September 2024 was approximately RMB3.0 million and accounted for less than 5.0% of our total assets. Jiaxing Boyaa is established for carrying out equity investments, venture capital investments and investments in securities, subject to certain investment restrictions. We will continue to closely monitor the performance of Jiaxing Boyaa on an on-going basis and will take necessary actions at the appropriate time to protect the interests of the Company and its shareholders.

We consider that, save as disclosed above, no other single investment that was designated as investments at fair value through profit or loss in our investment portfolio is a significant investment as none of such investments has a carrying amount that accounts for more than 5.0% of our total assets as at 30 September 2024.

Borrowings

For the nine months ended 30 September 2024, we did not have any short-term or long-term bank borrowings and we had no outstanding, utilised or unutilised banking facilities.

Capital expenditure

For the nine months ended 30 September 2024, our capital expenditure amounted to approximately RMB3.6 million (for the nine months ended 30 September 2023: approximately RMB10.1 million). The capital expenditure mainly included purchasing equipment and leasehold improvements, which was funded by using our cash flows generated from our operations.

Commitment

As at 30 September 2024, the Group did not have significant outstanding commitments.

Contingent liabilities and guarantees

As at 30 September 2024, the Group did not have any significant unrecorded contingent liabilities, guarantees or any litigation against us.

Pledge/charge of the Group's assets

As at 30 September 2024, none of the Group's assets was pledged or charged.

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

FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2024

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	5	104,826	100,035	318,193	294,320
Cost of revenue		<u>(30,785)</u>	<u>(31,293)</u>	<u>(92,499)</u>	<u>(95,904)</u>
Gross profit		74,041	68,742	225,694	198,416
Other (losses)/gains, net	6	(143,257)	(13,831)	97,473	(34,927)
Selling and marketing expenses		(9,964)	(13,591)	(28,028)	(37,146)
Administrative expenses		<u>(21,438)</u>	<u>(21,372)</u>	<u>(75,441)</u>	<u>(68,134)</u>
Operating (loss)/profit		(100,618)	19,948	219,698	58,209
Finance income	7	1,818	15,671	14,271	41,303
Finance costs	8	(355)	(318)	(896)	(663)
Share of gains/(losses) of associates		<u>178</u>	<u>(528)</u>	<u>245</u>	<u>(1,072)</u>
(Loss)/profit before income tax		(98,977)	34,773	233,318	97,777
Income tax credit/(expense)	9	<u>26,923</u>	<u>(5,224)</u>	<u>(20,993)</u>	<u>(12,648)</u>
(Loss)/profit for the period attributable to owners of the Company	10	<u>(72,054)</u>	<u>29,549</u>	<u>212,325</u>	<u>85,129</u>

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

FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2024

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
Note	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Other comprehensive income/(expenses):				
<i>Items that will not be reclassified to profit or loss:</i>				
Changes in fair value of equity investments at fair value through other comprehensive (expenses)/income	(5)	2,616	948	4,530
Exchange differences on translation	(25)	(3,742)	149	11,179
<i>Item that may be reclassified to profit or loss:</i>				
Exchange differences on translating foreign operations	<u>54,641</u>	<u>(1,307)</u>	<u>47,144</u>	<u>15,695</u>
Other comprehensive income/(expenses) for the period, net of tax	<u>54,611</u>	<u>(2,433)</u>	<u>48,241</u>	<u>31,404</u>
Total comprehensive (loss)/income for the period attributable to owners of the Company	<u>(17,443)</u>	<u>27,116</u>	<u>260,566</u>	<u>116,533</u>
(Loss)/earnings per share (RMB cents)				
– Basic	<u>(10.85)</u>	<u>4.47</u>	<u>32.01</u>	<u>12.90</u>
– Diluted	<u>(10.85)</u>	<u>4.40</u>	<u>31.63</u>	<u>12.69</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2024

		30 September 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i> (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	13	25,089	24,279
Right-of-use assets	13	12,789	11,817
Intangible assets		460	1,654
Investments in associates		3,830	3,585
Equity investments at fair value through other comprehensive income	14	–	10,466
Investments at fair value through profit or loss	15	79,425	76,890
Prepayments, deposits and other receivables		16,952	13,886
Prepayment for a property	16	56,272	–
Prepayment for an investment	17	46,153	–
Deferred tax assets		532	544
Term deposits		212,034	231
		453,536	143,352
Current assets			
Digital assets	18	1,568,981	78,598
Trade receivables	19	25,406	29,369
Prepayments, deposits and other receivables		33,461	69,332
Investments at fair value through profit or loss	15	–	131,611
Term deposits		20,180	732,150
Bank and cash balances		66,905	744,260
		1,714,933	1,785,320
Total assets		2,168,469	1,928,672

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

AT 30 SEPTEMBER 2024

		30 September 2024	31 December 2023
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(unaudited)	(audited)
EQUITY AND LIABILITIES			
Equity			
Share capital	21	232	232
Reserves		<u>1,834,040</u>	<u>1,598,557</u>
Total equity		<u>1,834,272</u>	<u>1,598,789</u>
Liabilities			
Non-current liabilities			
Lease liabilities		10,365	8,809
Deferred tax liabilities		<u>16,854</u>	<u>896</u>
		<u>27,219</u>	<u>9,705</u>
Current liabilities			
Trade payables	20	866	724
Accruals and other payables		61,990	72,858
Contract liabilities		10,419	10,970
Lease liabilities		2,787	3,569
Current tax liabilities		<u>230,916</u>	<u>232,057</u>
		<u>306,978</u>	<u>320,178</u>
Total liabilities		<u>334,197</u>	<u>329,883</u>
Total equity and liabilities		<u>2,168,469</u>	<u>1,928,672</u>
Net current assets		<u>1,407,955</u>	<u>1,465,142</u>
Total assets less current liabilities		<u>1,861,491</u>	<u>1,608,494</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

(Unaudited)

	Attributable to owners of the Company										
	Shares capital RMB'000	Share premium RMB'000	Repurchased shares RMB'000	Share held for RSU scheme RMB'000	Capital reserve RMB'000	Foreign currency translation reserve RMB'000	Statutory reserve RMB'000	Share- based payments reserve RMB'000	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2023	232	373,143	(112)	(14)	2,000	50,072	33,990	82,836	(272,833)	1,187,970	1,457,284
Total comprehensive income for the period	-	-	-	-	-	26,874	-	-	4,530	85,129	116,533
Cancellation of ordinary shares	-	(112)	112	-	-	-	-	-	-	-	-
Share-based payments											
– value of employee services	-	-	-	-	-	-	-	1,946	-	-	1,946
Changes in equity for the period	-	(112)	112	-	-	26,874	-	1,946	4,530	85,129	118,479
At 30 September 2023	232	373,031	-	(14)	2,000	76,946	33,990	84,782	(268,303)	1,273,099	1,575,763
At 1 January 2024	232	373,031	-	(14)	2,000	63,854	33,990	84,597	(264,050)	1,305,149	1,598,789
Total comprehensive income for the period	-	-	-	-	-	47,293	-	-	948	212,325	260,566
Repurchase of ordinary shares	-	-	(5,110)	-	-	-	-	-	-	-	(5,110)
Share-based payments											
– exercise and lapse of share options and RSUs	-	11,525	-	-	-	-	-	(11,525)	-	-	-
– value of employee services	-	-	-	-	-	-	-	4,029	-	-	4,029
Dividends	-	(24,002)	-	-	-	-	-	-	-	-	(24,002)
Changes in equity for the period	-	(12,477)	(5,110)	-	-	47,293	-	(7,496)	948	212,325	235,483
At 30 September 2024	232	360,554	(5,110)	(14)	2,000	111,147	33,990	77,101	(263,102)	1,517,474	1,834,272

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

	Nine months ended	
	30 September	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Cash flows from operating activities		
Cash generated from operating activities	215,992	94,073
Income tax paid	(8,304)	(7,143)
Lease interests paid	(896)	(663)
	<hr/>	<hr/>
Net cash generated from operating activities	206,792	86,267
	<hr/>	<hr/>
Cash flows from investing activities		
Placement of term deposits with original maturities over three months	(430,715)	(1,067,815)
Proceeds from maturity of term deposits with original maturities over three months	932,365	1,003,681
Interest received	16,640	41,303
Dividends from investments at fair value through profit or loss	19,264	1,757
Purchases of investments at fair value through profit or loss	(20,679)	(130,000)
Proceeds from settlements of investments at fair value through profit or loss	133,184	51,433
Proceeds from disposal of equity investment through other comprehensive income	11,414	–
Purchases of intangible assets	–	(1,873)
Purchases of digital assets	(1,451,191)	–
Prepayment for investment properties	(56,272)	–
Purchases of property, plant and equipment	(1,196)	(10,260)
Proceeds from disposals of property, plant and equipment	1,464	157
	<hr/>	<hr/>
Net cash used in investing activities	(845,722)	(111,617)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of lease liabilities	(4,223)	(4,223)
Dividends	(24,002)	–
Repurchase of ordinary shares	(5,110)	–
	<hr/>	<hr/>
Net cash used in financing activities	(33,335)	(4,223)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(672,265)	(29,573)
Effect of foreign exchange rate changes	(5,090)	(10,963)
Cash and cash equivalents at beginning of the period	744,260	293,956
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	66,905	253,420
	<hr/>	<hr/>
Analysis of cash and cash equivalents		
Bank and cash balances	66,905	253,420
	<hr/>	<hr/>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

1. GENERAL INFORMATION

Boyaa Interactive International Limited (the “**Company**”) was incorporated in the Cayman Islands. The address of its registered office is P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business in Hong Kong is 19/F., Golden Centre, 188 Des Voeux Road Central, Hong Kong. The address of its headquarters was changed to 9/F, Units B and C, Building D3, International E Town, TCL Industry Park, 1001 Zhong Shan Yuan Road, Nanshan District, Shenzhen, the People’s Republic of China (“**PRC**”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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

The Company acts as an investment holding company. The principal activities of the Group are the development and operation of online games, and the Group will be committed to promoting and developing Web3 gaming related business. The Group will generate revenue from operation of online games and the value-added gain from digital assets that we hold during our operation.

2. BASIS OF PREPARATION

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

These condensed consolidated financial statements should be read in conjunction with the 2023 annual financial statements. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2023.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current period, the Company and its subsidiaries (collectively referred as the “**Group**”) has adopted all the new and revised International Financial Reporting Standards (“**IFRSs**”) issued by the IASB that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRSs comprise International Financial Reporting Standards; International Accounting Standards; and Interpretations. The adoption of these new and revised IFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current period and prior years.

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

4. SEGMENT INFORMATION

For the purpose of resources allocation and performance assessment, the chief operating decision-maker (i.e. the chief executive of the Group) reviews the overall results and financial position of the Group, which are prepared based on the same accounting policies.

The Group has two reportable segments as follows:

Mobile gaming related business – engaged in mobile and computer games development, operations and the related advisory services

Web3 related business – engaged in crypto-currencies related investments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Information about reportable segment profits or losses, assets and liabilities:

	Mobile gaming related business RMB'000 (unaudited)	Web3 related business RMB'000 (unaudited)	Total RMB'000 (unaudited)
<i>For the period ended 30 September 2024</i>			
Segment revenue			
Revenue from external customers	305,456	12,737	318,193
Segment gain	136,540	110,819	247,359
Reconciliation:			
Unallocated losses			(13,145)
Finance cost			(896)
Profit before income tax			<u>233,318</u>

	Mobile gaming related business <i>RMB'000</i> (unaudited)	Web3 related business <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
<i>For the period ended 30 September 2023</i>			
Segment revenue			
Revenue from external customers	294,320	–	294,320
Segment gain	137,863	–	137,863
Reconciliation:			
Unallocated losses			(39,423)
Finance cost			(663)
Profit before income tax			<u>97,777</u>

	Mobile gaming related business <i>RMB'000</i> (unaudited)	Web3 related business <i>RMB'000</i> (unaudited)	Total <i>RMB'000</i> (unaudited)
<i>At 30 September 2024</i>			
Segment assets	534,812	1,633,657	2,168,469
Segment liabilities	334,197	–	334,197

	Mobile gaming related business <i>RMB'000</i> (audited)	Web3 related business <i>RMB'000</i> (audited)	Total <i>RMB'000</i> (audited)
<i>At 31 December 2023</i>			
Segment assets	1,850,074	78,598	1,928,672
Segment liabilities	329,883	–	329,883

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

	30 September 2024 <i>RMB'000</i> (unaudited)	31 December 2023 <i>RMB'000</i> (audited)
Mainland China	77,499	35,024
Other locations	37,893	20,197
	<u>115,392</u>	<u>55,221</u>

5. REVENUE

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue from contracts with customers				
Web-based games	27,930	30,374	89,153	89,531
Mobile games	72,350	69,661	216,303	204,789
	<u>100,280</u>	<u>100,035</u>	<u>305,456</u>	<u>294,320</u>
Revenue from other sources:				
Digital assets value-added gain	4,546	–	12,737	–
	<u>104,826</u>	<u>100,035</u>	<u>318,193</u>	<u>294,320</u>

Disaggregation of revenue from contracts with customers:

Timing of revenue recognition

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
At a point of time	<u>100,280</u>	<u>100,035</u>	<u>305,456</u>	<u>294,320</u>

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

	Three months ended 30 September		Nine months ended 30 September	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Simplified Chinese	4,218	4,155	12,843	14,064
Other languages	96,062	95,880	292,613	280,256
	<u>100,280</u>	<u>100,035</u>	<u>305,456</u>	<u>294,320</u>

No revenue is derived from any individual game player which amounted for over 10% of the Group's total revenue (for the three and nine months ended 30 September 2023: nil).

6. OTHER (LOSSES)/GAINS, NET

	Three months ended 30 September		Nine months ended 30 September	
	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)	2024 RMB'000 (unaudited)	2023 RMB'000 (unaudited)
Dividends from investments at fair value through profit or loss	4,064	1,006	19,264	1,757
Loss on disposals of property, plant and equipment	(59)	(1)	(59)	(25)
Loss on disposals of intangible assets	715	–	715	–
Government subsidies and tax rebates (Note a)	–	365	758	577
Net foreign exchange (losses)/gains	(3,220)	303	(9,013)	2,619
Fair value changes on digital assets	(147,568)	(55)	98,082	(55)
Fair value changes on investments at fair value through profit or loss	1,890	(15,434)	(13,145)	(39,423)
Gain on early termination of the lease agreement	972	–	972	–
Others	(51)	(15)	(101)	(377)
	<u>(143,257)</u>	<u>(13,831)</u>	<u>97,473</u>	<u>(34,927)</u>

Note:

- (a) Government subsidies represented various industry-specific subsidies granted by the government authorities to subsidise the research and development costs incurred by the Group during the course of its business.

7. FINANCE INCOME

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest revenue	1,710	15,639	13,528	40,828
Interest revenue on non-current loans to employees	108	32	743	475
	<u>1,818</u>	<u>15,671</u>	<u>14,271</u>	<u>41,303</u>

8. FINANCE COSTS

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Lease interests	<u>355</u>	<u>318</u>	<u>896</u>	<u>663</u>

9. INCOME TAX (CREDIT)/EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax				
– PRC Enterprise Income Tax (“EIT”) and other jurisdictions	(462)	5,258	2,988	12,433
Deferred tax	<u>(26,461)</u>	<u>(34)</u>	<u>18,005</u>	<u>215</u>
	<u>(26,923)</u>	<u>5,224</u>	<u>20,993</u>	<u>12,648</u>

(a) **EIT**

The income tax provision of the Group in respect of operations in the PRC has been calculated at the tax rate of 25% on the estimated assessable profits for the nine months ended 30 September 2024 and 2023, based on the existing legislation, interpretations and practices in respect thereof.

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

Shenzhen Intelligent Innovation Technology Co., Limited has successfully obtained income tax incentives of the integrated circuit and software sectors under EIT Law and as a result, Shenzhen Intelligent Innovation Technology Co., Limited enjoy a tax free period from 1 January 2023 to 31 December 2024. Therefore, the applicable tax rate for Shenzhen Intelligent Innovation Technology Co., Limited was 0% for the nine months ended 30 September 2024 (for the nine months ended 30 September 2023: 0%).

According to policies promulgated by the State Tax Bureau of the PRC and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 200% (for the nine months ended 30 September 2023: 200%) of the research and development expenses so incurred in a year as tax deductible expenses in determining its tax assessable profits for that year (“**Super Deduction**”). Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Intelligent Innovation Technology Co., Limited (for the nine months ended 30 September 2023: Shenzhen Dong Fang Bo Ya Technology Co., Limited, Boyaa On-line Game Development (Shenzhen) Co., Limited and Shenzhen Erlulu Technology Company Limited) had claimed such Super Deduction in ascertaining its tax assessable profits for the nine months ended 30 September 2024.

(b) **PRC withholding tax (“WHT”)**

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

As at 30 September 2024, the retained earnings of the Group’s PRC subsidiaries not yet remitted to holding companies incorporated outside of the PRC, for which no deferred income tax liability had been provided, were RMB360,209,968 (31 December 2023: RMB243,841,000). Such earnings are expected to be retained by the PRC subsidiaries for reinvestment purposes and would not be remitted to their foreign investor in the foreseeable future based on the management’s estimation of overseas funding requirements.

(c) **Hong Kong Profits Tax**

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to Hong Kong dollars (“HK\$”) 2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the nine months ended 30 September 2024 and 2023.

(d) **Singapore Profits Tax**

Singapore Profits Tax has been provided at the rate of 17% on assessable profits for the nine months ended 30 September 2024 and 2023.

10. (LOSS)/PROFIT FOR THE PERIOD

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

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	RMB’000	RMB’000	RMB’000	RMB’000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Amortisation of intangible assets				
– included in administrative expenses	<u>42</u>	<u>55</u>	<u>479</u>	<u>55</u>
	<u>42</u>	<u>55</u>	<u>479</u>	<u>55</u>
Depreciation	1,747	2,780	6,316	8,959
Research and development expenditure				
– included in staff costs	11,259	13,358	43,151	44,904
– included in depreciation	120	91	344	244
– included in other administrative expenses	<u>1,358</u>	<u>197</u>	<u>2,853</u>	<u>927</u>
	<u>12,737</u>	<u>13,646</u>	<u>46,348</u>	<u>46,075</u>
Reversal of loss allowance for trade receivables	(13)	(349)	(56)	(12)
Staff costs including directors’ emoluments				
– Wages, salaries and bonuses	9,723	18,058	45,394	58,579
– Retirement benefit scheme contributions	6,673	1,548	16,314	5,848
– Share-based payments expenses	<u>163</u>	<u>509</u>	<u>4,029</u>	<u>1,946</u>
	<u>16,559</u>	<u>20,115</u>	<u>65,737</u>	<u>66,373</u>

11. DIVIDENDS

The board did not declare interim dividend for the nine months ended 30 September 2024.

A final dividend in respect of the year ended 31 December 2023 of HK\$0.0372 per share (equivalent to RMB0.0335 per share) was proposed pursuant to a resolution passed by the Board on 1 March 2024 and approved by the shareholders at the annual general meeting held on 19 April 2024. Such dividend, amounted to approximately HK\$26,396,000 (equivalent to approximately RMB24,002,000), was paid in 31 May 2024.

12. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share is based on the following:

	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
(Loss)/earnings				
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	<u>(72,054)</u>	<u>29,549</u>	<u>212,325</u>	<u>85,129</u>
Number of shares ('000)				
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	664,057	661,771	663,338	660,072
Effect of dilutive potential ordinary shares arising from restricted share units ("RSUs")	–	9,471	7,911	10,830
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u>664,057</u>	<u>671,242</u>	<u>671,249</u>	<u>670,902</u>

No adjustment has been made to the basic earnings per share amounts presented for the three months ended 30 September 2024 in respect of a dilution as the impact of the RSUs had an anti-dilutive effect.

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

During the nine months ended 30 September 2024, the Group acquired property, plant and equipment of RMB1,196,000 (for the nine months ended 30 September 2023: RMB10,083,000).

Property, plant and equipment with a carrying amount of approximately RMB1,523,000 (for the nine months ended 30 September 2023: approximately RMB182,000) were disposed by the Group during the nine months ended 30 September 2024.

During the nine months ended 30 September 2024, the additions to right-of-use assets of the Group were approximately RMB13,169,000 (for the nine months ended 30 September 2023: nil).

14. EQUITY INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	30 September 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Equity securities, at fair value		
– Listed in Hong Kong - Xiaomi Corporation	–	10,461
– Unlisted equity securities	–	5
	<u>–</u>	<u>10,466</u>
Total equity investments at fair value through other comprehensive income, analysed as non-current assets	<u>–</u>	<u>10,466</u>

15. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Included in non-current assets		
Non-quoted investments in:		
– asset management plans	4,175	16,700
– equity investment partnerships	75,250	60,190
	<u>79,425</u>	<u>76,890</u>
Included in current assets		
Non-quoted investments in:		
– wealth management products (<i>Note</i>)	–	131,611
	<u>–</u>	<u>131,611</u>
	<u>79,425</u>	<u>208,501</u>

Note:

Investments in wealth management products are investments in wealth management plans provided by financial institutions in the PRC. They have initial terms ranging from 30 days to 364 days.

16. PREPAYMENT FOR A PROPERTY

On the 4 September 2024, an indirect wholly-owned subsidiary of the Group had won and completed the bid for the acquisition of a property, including, amongst others, an office building known as Svotek Technology R&D Center* (索泰克技術研發中心), its ancillary factory building and certain ancillary facilities, through judicial auction process at a total consideration of RMB56,271,992. The transfer procedures of the property had not been completed as at 30 September 2024. For details, please refer to the announcement of the Company dated 4 September 2024.

17. PREPAYMENT FOR AN INVESTMENT

On 17 September 2024, the Company had entered into a subscription agreement with MTT ESports Limited (“**MTT ESports**”) pursuant to which, the Company will invest in MTT ESports at a consideration of 100 units of Bitcoin (BTC). The transfer of BTC to MTT ESports represented a prepayment of RMB46,153,000, which is calculated based on the market price of BTC on the day of the transfer. The transaction has not yet been completed as at 30 September 2024. For details, please refer to the announcement of the Company dated 17 September 2024.

18. DIGITAL ASSETS

	30 September 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Crypto-currencies and stable coins	<u>1,568,981</u>	<u>78,598</u>

19. TRADE RECEIVABLES

	30 September 2024	31 December 2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
Trade receivables	25,559	29,578
Provision for loss allowance	<u>(153)</u>	<u>(209)</u>
Carrying amount	<u>25,406</u>	<u>29,369</u>

* For identification purpose only

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

	30 September	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
0 to 30 days	24,734	25,677
31 to 60 days	234	2,975
61 to 90 days	142	448
91 to 180 days	135	142
181 to 365 days	160	126
Over 365 days	1	1
	<u>25,406</u>	<u>29,369</u>

20. TRADE PAYABLES

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

	30 September	31 December
	2024	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(audited)
0 to 30 days	837	659
31 to 90 days	–	1
91 to 180 days	–	64
181 to 365 days	29	–
	<u>866</u>	<u>724</u>

21. SHARE CAPITAL

The total authorised share capital of the Company comprises 2,000,000,000 (31 December 2023: 2,000,000,000) ordinary shares with par value of United States dollar (“USD”) 0.00005 (31 December 2023: USD0.00005) per share.

	Number of ordinary shares	Nominal value of ordinary shares USD’000	Equivalent nominal value of ordinary shares RMB’000
Issued and fully paid:			
At 1 January 2023 (audited),	709,876,301	36	232
Cancellation of ordinary shares (<i>Note</i>)	<u>(300,000)</u>	<u>—</u>	<u>—</u>
At 31 December 2023 (audited), 1 January 2024 (audited) and 30 September 2024 (unaudited)	<u>709,576,301</u>	<u>36</u>	<u>232</u>

Note:

The Group repurchased 3,445,000 shares (for the year ended 31 December 2023: nil) of its own shares from the market during the nine months ended 30 September 2024. The total amount paid to acquire the shares was RMB5,110,000 (for the year ended 31 December 2023: nil) and has been deducted from the shareholders’ equity. The related weighted average price at the time of buy-back was HK\$1.63 (for the year ended 31 December 2023: nil) per share. 3,445,000 repurchased shares have not been cancelled yet up to the date of this announcement. The 300,000 repurchased shares repurchased during the year ended 31 December 2022 had been cancelled during the year ended 31 December 2023.

22. SHARE-BASED PAYMENTS

(a) Share options

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

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

As at 30 September 2024, both the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were expired. After the expiration of such share option schemes, no further options will be granted but the provisions of such share option schemes 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 such share option schemes, or otherwise to the extent as may be required in accordance with the provisions of such share option schemes.

On 19 April 2024, the shareholders of the Company approved and adopted a new share option scheme (the “**2024 Share Option Scheme**”) at the annual general meeting with the objective 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 contractual life of all options under the 2024 Share Option Scheme is ten years from the grant date.

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

	<u>Number of share options</u>	
	For the nine months ended	
	30 September	
	2024	2023
	(unaudited)	(unaudited)
Outstanding at the beginning of the period	4,872,429	5,222,429
Lapsed during the period	–	(200,000)
Outstanding at the end of the period	<u>4,872,429</u>	<u>5,022,429</u>
Exercisable at the end of the period	<u>4,872,429</u>	<u>5,222,429</u>

No options were exercised during the nine months ended 30 September 2024 and 2023.

Details of the exercise prices and the respective numbers of share options which remained outstanding as at 30 September 2024 and 2023 are as follows:

Expiry date	<u>Exercise price</u>		<u>Number of share options</u>	
	Original currency	Equivalent to HK\$	At 30 September	
			2024	2023
			(unaudited)	(unaudited)
6 September 2025	HK\$3.108	3.108	<u>4,872,429</u>	<u>5,022,429</u>

(b) Restricted Share Unit (“RSU”)

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

On 19 July 2021 (the “**Adoption Date**”), the Company adopted an RSU scheme (the “**2021 RSU Scheme**”), to incentivise the contributions by, and to attract, motivate and retain, Eligible Persons, for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The 2021 RSU Scheme shall be valid and effective for a period of eight years commencing on the Adoption Date. On 28 March 2024, the Company terminated the 2021 RSU Scheme and adopted a new RSU scheme (the “**2024 RSU Scheme**”) to motivate and contain the contributing staff, senior management, directors (not including INED) and senior staff within the Group. The 2024 RSU Scheme shall be valid and effective for a period of eight years commencing on 28 March 2024. After the termination of the RSU Scheme and 2021 RSU Scheme, the rights and obligations of the grantees and the Company with respect to the RSUs that have been granted or earmarked pursuant to the RSU Scheme and the 2021 RSU Scheme on or before the termination dates as provided (or will be provided) in the relevant grant letters shall survive termination and remain in full force and effect except otherwise provided for in such grant letters.

On 27 August 2021, the Group granted 5,650,000 RSUs under the 2021 RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HKD0.445 per share. The expiry date of the above newly granted RSUs is 26 August 2029.

On 15 April 2022, the Group granted 15,000,000 RSUs under the 2021 RSU Scheme to its employees. The vesting period of the RSUs granted is 4 years and the vesting schedule is 25% after 12 calendar months from the grant date, 25% after 24 calendar months from the grant date, 12.5% after 30 calendar months from the grant date, 12.5% after 36 calendar months from the grant date, and 2.083% from each month of 37 to 48 calendar months from the grant date. The fair value of each of the above newly granted RSU equals to the closing price of the Company’s ordinary shares on the grant date, which was HKD0.465 per share. The expiry date of the above newly granted RSUs is 14 April 2030.

On 19 June 2024, the Group granted 1,900,000 RSUs under the 2024 RSU Scheme to its employees. The vesting period of the RSUs granted is 0 year. The fair value of each of the above newly granted RSU equals to the closing price of the Company's ordinary shares on the grant date, which was HKD1.89 per share. The expiry date of the above newly granted RSUs is 18 June 2032.

Movements in the number of RSUs outstanding:

	Number of RSUs	
	2024 (unaudited)	2023 (unaudited)
At 1 January	19,588,089	23,488,089
Granted	1,900,000	–
Lapsed	(404,166)	–
Vested and transferred	(10,848,923)	–
At 30 September	<u>10,235,000</u>	<u>23,488,089</u>
Vested but not transferred at 30 September	<u>3,886,041</u>	<u>10,088,089</u>

The related weighted-average share price at the time when the RSUs were vested and transferred was HKD1.17 (for the nine months ended 30 September 2023: nil) per share.

(c) Shares held for RSU schemes

The shares held for RSU schemes were regarded as treasury shares and had been presented as a deduction against shareholders' equity. During the period, 10,848,923 (for the nine months ended 30 September 2023: nil) of RSUs were vested and transferred (note (b) above), and as a result, 46,261,906 ordinary shares (31 December 2023: 57,110,829 ordinary shares) of the Company underlying the RSUs were held by Core Administration RSU Limited as at 30 September 2024.

23. RELATED PARTY TRANSACTIONS

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

	30 September 2024 RMB'000 (unaudited)	31 December 2023 RMB'000 (audited)
Amount due from a director included in other receivables	817	840
Amount due from a related party included in other receivables	<u>2,003</u>	<u>2,003</u>

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

24. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on 21 November 2024.

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

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2024

	For the nine months ended		Year-on-Year Change* %
	30 September 2024 <i>RMB'000</i> (unaudited)	2023 <i>RMB'000</i> (unaudited)	
Revenue	318,193	294,320	8.1
Cost of revenue	<u>(92,499)</u>	<u>(95,904)</u>	(3.6)
Gross profit	225,694	198,416	13.7
Other gains/(losses), net	97,473	(34,927)	–
Selling and marketing expenses	(28,028)	(37,146)	(24.5)
Administrative expenses	<u>(75,441)</u>	<u>(68,134)</u>	10.7
Operating profit	219,698	58,209	277.4
Finance income, net	13,375	40,640	(67.1)
Share of gains/(losses) of associates	<u>245</u>	<u>(1,072)</u>	–
Profit before income tax	233,318	97,777	138.6
Income tax expense	<u>(20,993)</u>	<u>(12,648)</u>	66.0
Profit for the period	<u>212,325</u>	<u>85,129</u>	149.4
Non-IFRS adjustment (unaudited)			
Share-based compensation expenses included in cost of revenue	–	–	–
Share-based compensation expenses included in selling and marketing expenses	–	–	–
Share-based compensation expenses included in administrative expenses	<u>4,029</u>	<u>1,946</u>	107.0
Non-IFRS adjusted net profit (unaudited)	<u>216,354</u>	<u>87,075</u>	148.5

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

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

FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2024

	For the three months ended			Year-on- Year Change*	Quarter-on- Quarter Change**
	30 September 2024 RMB'000 (unaudited)	30 June 2024 RMB'000 (unaudited)	30 September 2023 RMB'000 (unaudited)		
Revenue	104,826	104,845	100,035	4.8	–
Cost of revenue	<u>(30,785)</u>	<u>(30,304)</u>	<u>(31,293)</u>	(1.6)	1.6
Gross profit	74,041	74,541	68,742	7.7	(0.7)
Other losses, net	(143,257)	(121,819)	(13,831)	935.8	17.6
Selling and marketing expenses	(9,964)	(10,741)	(13,591)	(26.7)	(7.2)
Administrative expenses	(21,438)	(27,034)	(21,372)	0.3	(20.7)
Operating (loss)/profit	(100,618)	(85,053)	19,948	–	18.3
Finance income, net	1,463	3,171	15,353	(90.5)	(53.9)
Share of gains/(losses) of associates	178	187	(528)	–	–
(Loss)/profit before income tax	(98,977)	(81,695)	34,773	–	21.2
Income tax credit/(expenses)	26,923	14,283	(5,224)	–	88.5
(Loss)/profit for the period	<u>(72,054)</u>	<u>(67,412)</u>	<u>29,549</u>	–	6.9
Non-IFRS adjustment (unaudited)					
Share-based compensation expense included in cost of revenue	–	–	–	–	–
Share-based compensation expense included in selling and marketing expenses	–	–	–	–	–
Share-based compensation expense included in administrative expenses	163	3,430	509	(68.0)	(95.2)
Non-IFRS adjusted net (loss)/profit (unaudited)	<u>(71,891)</u>	<u>(63,982)</u>	<u>30,058</u>	–	12.4

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

** *Quarter-on-Quarter Change % represents a comparison between the quarter ended 30 September 2024 and the immediately preceding quarter.*

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

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

Hong Kong, 21 November 2024

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